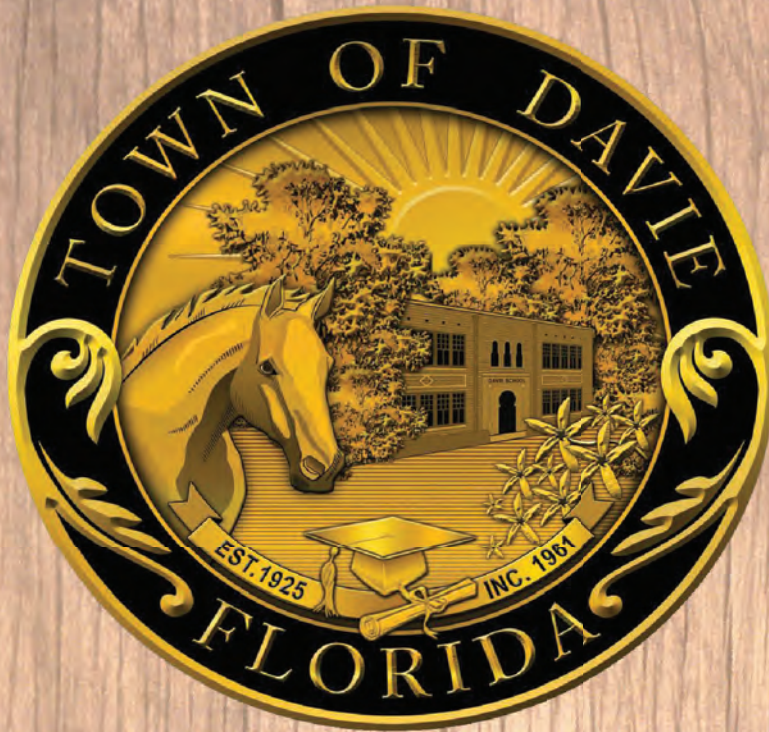


The Annual Comprehensive Financial Report



*Fiscal Year Ended
September 30, 2021*

THE TOWN OF DAVIE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
September 30, 2021

Prepared by
Budget and Finance Department

Town of Davie, Florida

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INTRODUCTORY SECTION



BUDGET AND FINANCE DEPARTMENT

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PHONE: 954.797.1050 • FAX: 954.797.1049 • WWW.DAVIE-FL.GOV

March 30, 2022

In accordance with Section 11.45, Florida Statutes and within Section 6(f), Part I of the Code of Ordinances in the Town of Davie's (the "Town") Charter, submitted herewith is the Town's Annual Comprehensive Financial Report (the "Annual Report") for the fiscal year ended September 30, 2021.

The financial statements included in this report conform to the generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The Town is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The financial statements have been audited by Keefe McCullough. The independent auditors have issued an unmodified opinion that this report fairly presents the financial position of the Town and complies with all reporting standards noted above.

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

THE REPORTING ENTITY AND ITS SERVICES

The Town was first incorporated in 1925 and was subsequently dissolved as a municipal corporation by the State of Florida when local residents failed to adopt necessary taxing powers. The Town was reincorporated in 1961. The Town exists as a Council-Administrator form of municipal government. Under Florida law, Davie is considered a Municipal Corporation. The Mayor is elected by all registered voters of the Town, while the four Council members are each elected only by the registered voters of the specific District they are elected to represent. The Mayor serves as chairperson of public meetings and executes certain documents authorized by charter, ordinance, or resolution. The Council appoints the Town Administrator (who is the Chief Administrative Officer) and the Town Attorney. The Town Administrator is responsible for implementing policies adopted by the Council and appoints Department Directors or Division Managers. The Department Directors and Division Managers have the primary responsibility to hire and fire employees, however, the final decision ultimately rests with the Town Administrator. The Town is organized into various Departments and Divisions that are significantly reflected in the attached Illustration 1 (page vii). The Budget and Finance Department, which has the responsibility for preparation of this report, is shown in Illustration 2 (page viii).

The activities included in our report are those over which the Town has ultimate financial accountability. Any activity for which the Town, as a "primary" government, is ultimately financially accountable is presented within this report. No activity has been excluded which would cause our financial statements to be misleading or incomplete.

The Town has a Community Redevelopment Agency (“CRA”), in which the main function is to assist with redevelopment in designated areas of the Town. It is financed by property tax revenues that are levied by the Town and certain other taxing authorities (i.e. Broward County, South Broward Hospital District, North Broward Hospital District and the Central Broward Water Control District) on the increased taxable values in those targeted areas that exceed a base year amount. This is called the tax increment. The CRA is a blended component unit of the Town and is therefore included within this report. Its resources are tracked from year to year and its surpluses, if any, are available for purposes approved by the CRA Board, which is comprised of the Town Council members.

The Town provides its residents and businesses with a full range of municipal services contemplated by state law or local charter. Services include police and fire, culture, recreation, community services, licensing and permitting, general administration, water and sewer utilities, public works and maintenance, development and redevelopment services, and code enforcement. Through franchise agreements, the Town also provides garbage disposal, electricity, and towing services.

ECONOMIC CONDITIONS AND OUTLOOK

While part of the larger Fort Lauderdale metropolitan area, the Town has maintained much of its pioneering heritage, rustic, and rural lifestyle. Agriculture, though still present and important to the Town, is giving way to higher education facilities and research and development centers. The Town has grown to over 35.5 square miles and a population of 105,691 residents. The Town's Open Space and Recreational programs were the first of their kind in Florida and they are a source of great civic pride. With modern port facilities and a world-class airport only moments away and linked by several interstate and toll highways, the Town has proven to be a great location for individuals and businesses wishing to be part of the growing South Florida community. Only twenty minutes from downtown Miami and less than half that to Fort Lauderdale, Davie has capitalized on this central and important location.

Fiscal Year 2021

Since the inception of the global pandemic, The Town had to reassess and adapt to a new business model to effectively provide services. The fiscal year 2021 financial statements demonstrate the Town’s ability to begin recovering from the coronavirus COVID-19 pandemic, when compared to the fiscal year 2020 financial statements. Although personnel and operating expenses remain negatively impacted, as well as some of the General Fund’s revenue sources, the impact was not as severe as fiscal year 2020. The Town will continue to monitor the impacts of COVID-19 and will continue to seek financial aid when viable.

The Town’s taxable value is approximately \$ 10.6 billion. After four consecutive years of declining property values due to the economic recession, the Town’s taxable value increased this year, for the ninth consecutive year, by approximately \$ 279 million or 2.71% and overall property values also showed a modest increase. During the year, we continued to see positive signs that the local economy continued to improve as the activity within our building and engineering division increased. The Town’s population continues to grow and is approaching 106,000 residents.

MAJOR INITIATIVES

In the continued effort of making maintenance of its infrastructure a priority, the Town’s major capital improvements included the following expenditures during fiscal year 2021:

General Government:

- Town Hall - \$ 2.9 million
- Road Improvements - \$ 1.6 million
- Fire Engine and Equipment - \$ 964K
- Park Improvements/Upgrades - \$ 916K
- Nova Drive - \$ 742K
- College Ave. Improvement - \$ 533K
- Fire Station Renovation - \$ 419K
- Drainage Upgrades/Stormwater - \$ 354K
- Police Department Improvements - \$ 272K

Water and Sewer:

- Collection System Rehabilitation - \$ 1.1 million
- Meters, Equipment and Equipment Replacement - \$ 500K
- Water Main Replacement - \$ 279K
- Life Station Pumps and Motors - \$ 133K
- Lift Station Rehabilitation - \$ 125K

Additionally, the fiscal year 2021 budget included budgetary initiatives that had a significant impact on the Town's financial statements. For example, when comparing the original budget for fiscal year 2020 to the amended fiscal year 2021 budget, the Town increased the total number of budgeted positions from 824 to 833. The overall budgeted payroll costs increased \$ 1.4 million, or 1%. Additionally, when comparing the original budget of fiscal year 2020 to the original 2021 budget, the Town's capital expenditures in the annual budget increased 6%, increasing from \$ 36.3 million to \$ 38.3 million.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

An annual budget is adopted for all governmental funds, as well as a Capital Improvements Program ("CIP"). Although the CIP related funds are not inclusive in the annual budget, the Town Council approves, annually, the CIP. In accordance with Town Ordinance, appropriations are legally controlled at the Department or Division level. With the exception of projects approved within the CIP, all appropriations lapse at the end of the fiscal period. Encumbrances for projects within the Town's CIP do roll forward, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records and are utilized throughout the fiscal year.

Overview of Financial Activity

The accompanying financial statements reflect that the Town has continued to expand its services to meet the demands of its residential and business communities. A summary of the major financial activities is included in the Management Discussion and Analysis Section of this report.

Financial Policies

The Town's Financial Policies set forth the basic framework for the overall fiscal management of the Town. These policies represent a foundation, provide guidelines for evaluating both current activities and proposals for future programs, and assist the Town Council and the Town Administrator in making decisions. Some examples of these type of policies relate to the Town's budget, revenue, expenditures and fund balances (which is discussed in more detail in the next paragraph).

Fund Balances

Previously, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for its governmental activities. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments and those internally imposed. Fund balances classified as restricted are those with externally enforceable limitations on use. Fund balances classified as committed can only be used for specific purposes determined by formal action of the Town Council through a resolution or ordinance (which are both equally binding and the highest level of decision making authority). Commitments can only be changed or lifted only by the Town Council through formal action. Assigned fund balances are amounts that the Town intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds is delegated to the Budget and Finance Director in agreement with the Town Administrator, or designee. Unassigned fund balance can be viewed as the net resources available at the end of the year.

Retirement Programs

The Town contributed to three (3) defined benefit pension plans in accordance with the plan documents within each pension plan and one (1) defined contribution pension plan based on employee classifications created in accordance with Internal Revenue Code Section 401(a). The plans currently cover all full-time employees, except some contractual employees, of the Town. Under the defined benefit pension plans, the Town and the employees make contributions. Under the defined contribution plan, the Town contributes 11.4% while the employees do not make contributions. Employer contributions for the defined benefit plans for fiscal year ended September 30, 2021 were approximately as follows: Firefighters' Pension \$ 5.0 million, Police Employees' Pension \$ 6.2 million and Management and General Employees' Pension \$ 3.8 million.

A defined benefit pension plan provides a pension benefit that pays the employee a specific amount of money, typically per month, once the employee becomes eligible for receiving the retirement benefits. Some of the factors that are used to determine the retirement benefit include number of years of service, years of vesting, salary and the multiplier. Under a defined benefit pension plan, the benefits that are paid to the participant will be the sole responsibility of the employer.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participant's benefits that may be reallocated to such participant's account.

In order to encourage employees to supplement their retirement income, a deferred compensation program is also available to all employees. Under this program, employees may voluntarily elect to defer a portion of their salary to future years. Both programs are administered by Voya under a trust agreement. The plan assets are separate and the Town does not exercise any control or fiduciary responsibility over the assets. Therefore, the assets, liabilities and transactions are not included in the Town's financial statements. Please see Notes 13 and 14 in the Notes to the Financial Statements for a detailed discussion of the retirement program.

Financing Programs and Debt Administration

The Town currently has 10 outstanding long-term debt issues. At September 30, 2021, the principal balance outstanding totaled approximately \$ 153 million.

General Obligation Bonds:

The Town previously issued \$ 12.4 million General Obligation Refunding Note, Series 2015. The purpose of this Refunding Note was to refund and defease the then outstanding General Obligation Bonds, Series 2006. The Note has a 16-year amortization, due August 2031, with a fixed rate of 2.59%. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue.

The Town previously issued \$ 16.3 million Limited General Obligation Refunding Note, Series 2015. The purpose of this Refunding Note was to refund and defease the then outstanding Limited General Obligation Bonds, Series 2006. The Note has a 11-year amortization, due August 2026, with a fixed rate of 2.18%. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue up to a tax limit of 0.38 mills per annum.

Community Redevelopment Agency Bonds:

Previously, the Town issued \$ 10.0 million and \$ 7.4 million Community Redevelopment Agency Bonds, Series 2013A and 2013B, respectively. The purpose of these Refunding Bonds was to refund and defease the then outstanding \$ 20.0 million Community Redevelopment Agency Bonds, Series 2010. The Series 2013 Bonds have a 12-year amortization, due December 2025, with a fixed rate of 3.002% on Series A and 2.953% on Series B. The bonds are secured by a gross pledge and lien of tax increment revenues of Davie's CRA.

Water and Sewer Bonds:

In June 2020, the Town issued \$ 47.7 million Water and Sewer Revenue Refunding Bonds, Series 2020. The purpose of these Bonds was to refund and defease a significant portion of the then outstanding Water and Sewer Revenue Bonds, Series 2011. The Refunding Bonds have a 22-year amortization, due October 2041, bearing interest between 1.004% and 3.111%. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

In August 2019, the Town issued \$ 49.9 million Water and Sewer Revenue Refunding Bonds, Series 2019. The purpose of these Bonds was to refund and defease the then outstanding Water and Sewer Revenue Bonds, Series 2010. The Refunding Bonds have a 22-year amortization, due October 2040, with a fixed rate of 2.76%. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

In October 2011, the Town issued Water and Sewer Revenue Bonds, Series 2011, in the amount of \$ 49.9 million, due October 2041, bearing interest between 2.00% and 5.00%. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

In November 2012, the Town issued Water and Sewer Revenue Bonds, Series 2012, in the amount of \$ 28.2 million, due October 2042, bearing interest between 2.00% and 4.00%. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

In September 2013, the Town issued \$ 14.4 million Water and Sewer Revenue Refunding Bonds, Series 2013, for the purpose of providing funds, together with other legally available funds of the Town, to refund and defease the then outstanding amount of the Town's \$ 26.3 million Water and Sewer Refunding Bonds, Series 2003. The Series 2013 Bonds have an 8-year amortization, due October 2021, with a fixed rate of 2.08% per annum. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

State Revolving Loan:

In April 2012, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection Clean Water State Revolving Loan program to provide financing for the Town's Infiltration and Inflow Program and the Master Lift Station No. 8 and Force Main project. The loan is collateralized by a pledge on the revenues from the Town's Water and Sewer System, after payment of operation and maintenance expenditures and satisfaction of all senior revenue obligations. This facility is in junior position to the Water and Sewer Revenue Bonds of the Town. The Town borrowed \$ 4.6 million, including capitalized interest and service fee charges of \$ 17,594 and \$ 89,782, respectively. Semiannual payments are due on each September 15th and March 15th. As of September 30, 2016, the project was deemed completed; therefore the amortization schedule was finalized, requiring semiannual installments of \$ 135,959, including interest at a fixed rate of 2.30%.

OTHER INFORMATION

Independent Audit

In accordance with Section 11.45(3)(a) (4), Florida Statutes, and within Section 6(f), Part I of the Code of Ordinances in the Town's Charter, the Town engaged the firm of Keefe McCullough, to perform the independent audit of the Town's accounts and records. The independent auditor's report is included in the Financial section.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Davie for its annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

In addition, the Town also received the GFOA Award for Distinguished Budget Presentation for the Town's budget for the fiscal year ended September 30, 2021. It was the tenth consecutive year the Town received the award for the document, which serves as the Town's primary fiscal policy document.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Budget and Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We would like to express our thanks for the cooperation received from our independent auditors, Keefe McCullough, as they worked diligently with the Town. Of course, we greatly appreciate and thank the Town's Council and Town Administration for their interest and support in planning and conducting the financial operations of the Town.

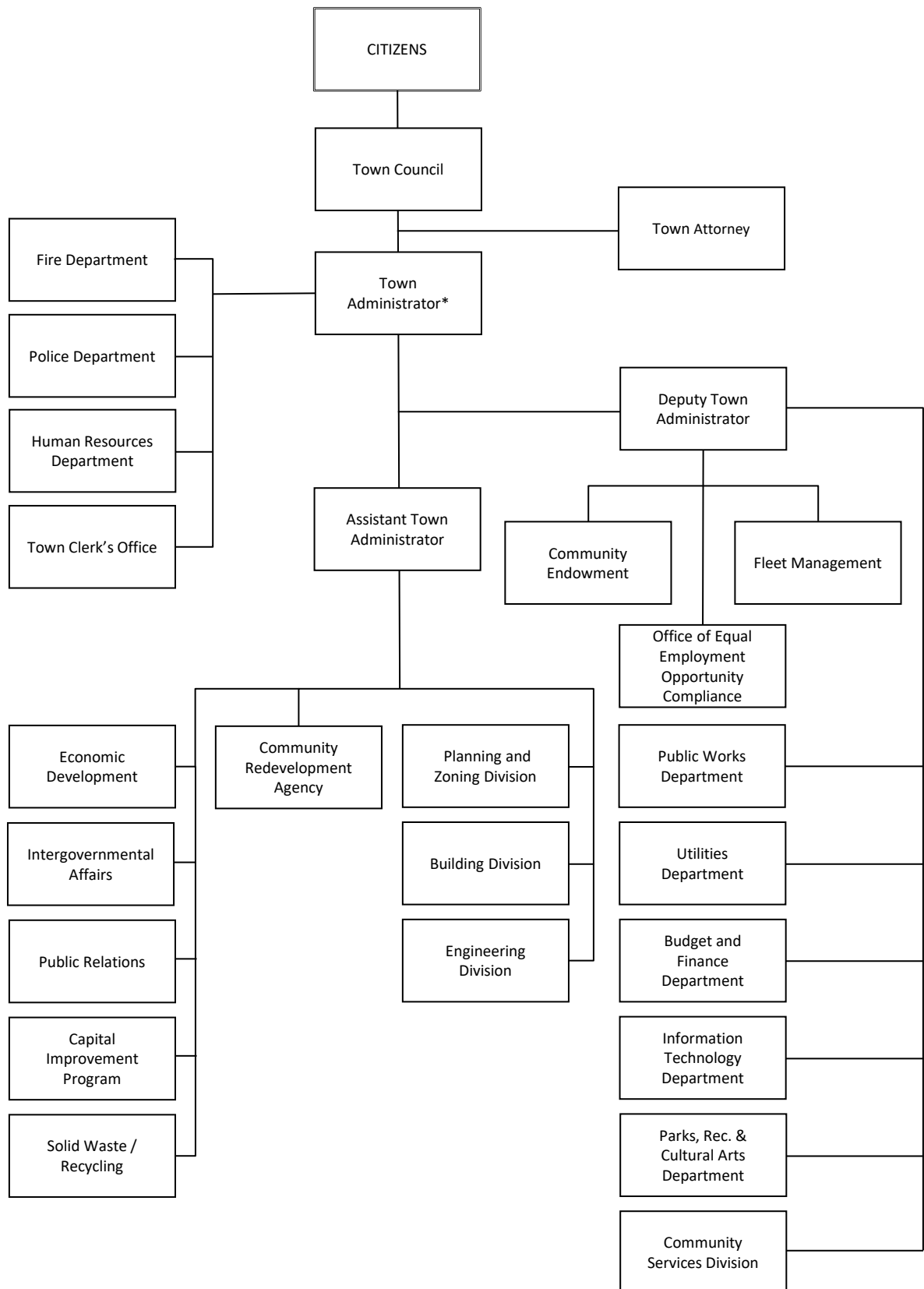
Respectfully submitted,


Richard J. Lemack, Town Administrator


William W. Ackerman, Budget and Finance Director

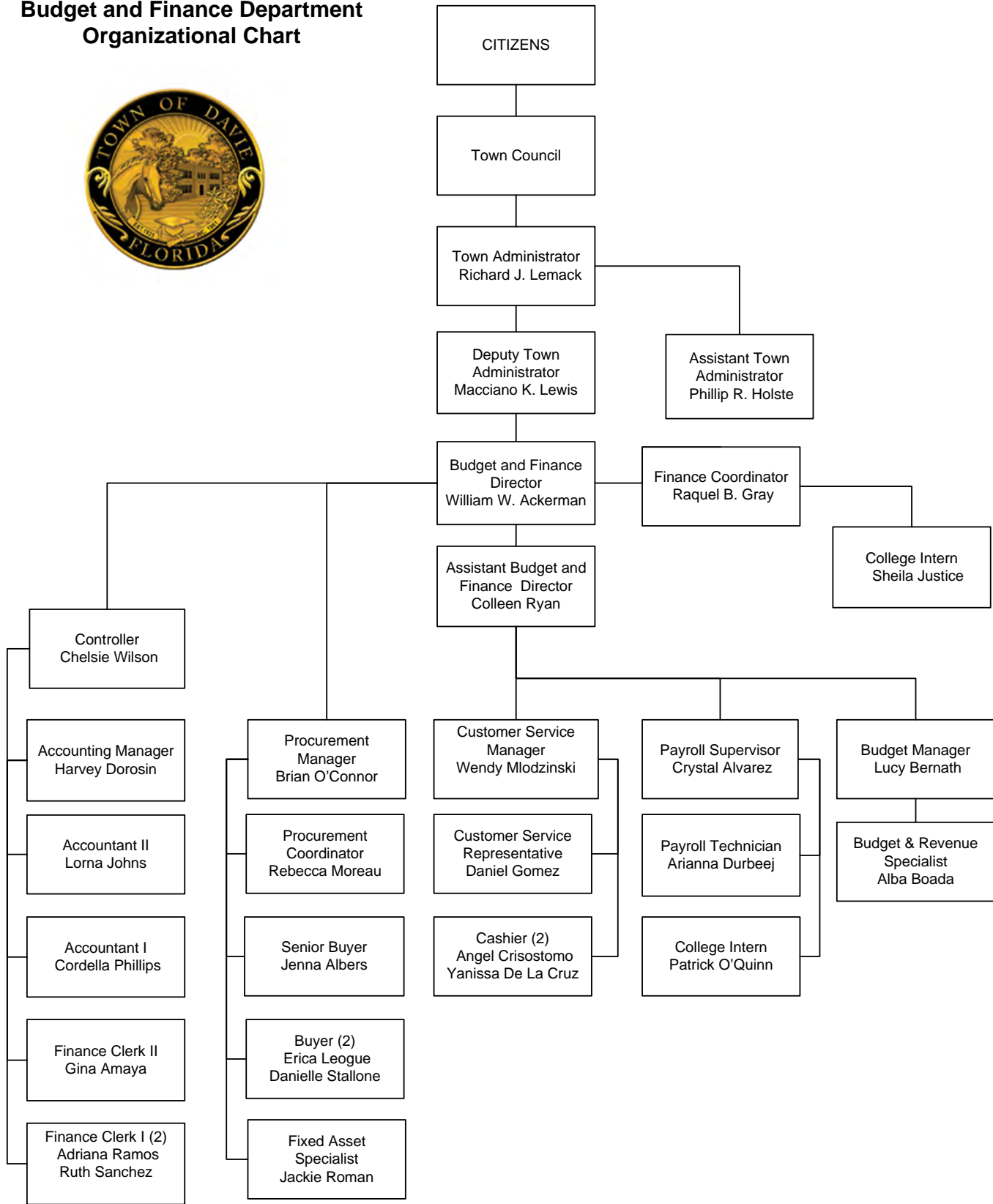
Town of Davie

Table of Organization FY 2021



* The Town Administrator also functions as the Executive Director of the Community Redevelopment Agency.

Town of Davie, Florida
Budget and Finance Department
Organizational Chart



Town of Davie, Florida

List of Principal Officials

2020-2021 Town Council

| | |
|------------------|---------------|
| Judy Paul | Mayor |
| Michelle Whitman | Vice Mayor |
| Caryl Hattan | Councilmember |
| Susan Starkey | Councilmember |
| Marlon Luis | Councilmember |

Administrative Officials

| | |
|------------------------|--|
| Richard J. Lemack | Town Administrator |
| Macciano K. Lewis | Deputy Town Administrator |
| Phillip R. Holste | Assistant Town Administrator/CRA Director |
| William W. Ackerman | Budget and Finance Director |
| Julie Downey | Fire Chief |
| Grace Garagozzo | Human Resources Director |
| Nelson Martinez, Jr. | Information Systems Director |
| Jeffrey Pohlman | Parks, Recreation and Cultural Arts Director |
| Stephen Kinsey | Police Chief |
| Osdel Fernandez-Larrea | Public Works/Capital Projects Director |
| Allan Weinthal | Town Attorney |
| Evelyn Roig | Town Clerk |
| Renuka Mohammed | Utilities Director |
| Keefe McCullough | Town Auditors |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Davie
Florida**

For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Town Council
Town of Davie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davie, Florida, (the "Town"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town'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 did not audit the financial statements of the Town of Davie Firefighters' Pension Plan or the Town of Davie Police Employees' Pension Plan, which together represent 72%, 72%, and 61%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Davie Firefighters' Pension Plan and the Town of Davie Police Employees' Pension Plan is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Town of Davie Police Employees' Pension Plan were not audited in accordance with *Government Auditing Standards*. 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davie, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 14 and 92 through 103, respectively, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Town of Davie, Florida

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 30, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS



Overview of the Financial Statements

The Town of Davie's (the "Town") Management Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the Town's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview on short-term and long-term analysis of the Town's activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement Number 34 — *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (Statement 34). As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and the Required Supplementary Information (RSI), provided in addition to this MD&A.

Understanding the Basic Financial Statements

GASB Statement 34 represented a monumental change from the way in which government financial statements are recorded and presented. It provided for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, providing the user of the financial statements a combined overview of the Town's financial position and result of operations, eliminating interfund activities and "other people's money" such as pension funds, which can mislead users when incorporated in a combined manner. The Government-Wide Financial Statements also differentiate between Governmental and Business-Type Activities, further assisting the reader in their evaluation.

The reporting model requires the use of accrual accounting (which focuses on economic resources) at the top most level, while maintaining modified accrual accounting (which focuses on current financial resources—budgeted resources) at the individual fund level. This was an important change in governmental accounting. The impact of long-term financial decisions is accurately matched to the period in which the expense or revenue is attributed. In short, an accurate presentation of information is achieved and the impacts of long-term decisions are promptly recorded as the transactions occurred, as opposed to the traditional method of recording them when the bill is paid. A good example of this is the recording of compensated absences such as vacation time. Previously, this time was "expensed" as paid, not when earned. As a result, employees could accrue hundreds of hours in the past without that expense being attributed to the taxpayers who benefited from those employees' services. Once the employees separate from the Town it is future taxpayers who will bear the financial liability, but would not benefit from those employees' services. This is but one of many examples of "expenses" that have traditionally not been matched to the period of benefit.

Users interested in "budgetary performance" will find that information available in the required supplementary information and other financial information following the notes to the financial statements. An overview discussion of the different sections of this reporting model follows.

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the Town as a whole, separating its operations between governmental and business-type activities. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenues are earned and the expenses attributed. The Town's Community Redevelopment Agency is shown as a blended component unit. Fiduciary funds, such as pension trust funds, are precluded from these Government-Wide Financial Statements because they represent money and funds legally set aside for use by the employee groups they benefit. Previously, the Town implemented the provisions of GASB No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement established standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expense/expenditures. Although Florida law requires municipalities to fund pension plans on an actuarially sound basis, it is important for the user to study the Government-Wide and Fund Financial Statements (as explained in the following section) as well as the footnotes, required supplementary information, and statistical sections of this report. Previously, the Town implemented the provisions of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits offered to retirees other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB. Also, combined into the Government-Wide Financial Statements, are the Internal Service Funds of the Town.

The focus of the Statement of Net Position is designed to be similar to a bottom line for the Town and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type and component unit), which are supported by the government's general tax and program revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and the local taxing efforts necessary to sustain each of those activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The Governmental Funds presentation 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. The Fund Financial Statements also allow the government to address its Fiduciary (or Trust) Funds summarized by type (pension, investment, private purpose trusts and agency funds). While these Funds represent fiduciary responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements. While the Total column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements, after adjusting for internal service funds, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds and interfund transfers as other financial sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (debt and others), among other items, into the Governmental Activities column (in the Government-Wide statements).

Analysis of the Overall Financial Position and Results of Operations

In evaluating the financial position and short-term financial performance of the Town, two tools are particularly valuable: The Statement of Net Position and the Statement of Activities.

It is useful for the user to compare the current year with the prior year. This aids in spotting trends and other areas of concern or interest. For ease of relative comparisons, we include the percent change from one year to another (Tables 1 and 2).

The General Fund fiscal year 2021 financial statements was impacted by the COVID-19 pandemic. However, the General Fund did demonstrate improvement associated with costs and revenue loss from the coronavirus COVID-19 pandemic, when compared to the fiscal year 2020 financial statements. The Town will continue to monitor the impacts of COVID-19 and will continue to seek financial aid when viable.

Statement of Net Position

Net position of the Town represents the difference between (assets, deferred outflows) and (liabilities, deferred inflows) of the Town using the economic resources measurement focus and accrual basis of accounting.

In general terms, the governmental activities of the Town's total current and other assets increased 9%. The overall increase in governmental activities is primarily due to the increase in cash, cash equivalents and investments. The increase in cash, cash equivalents and investments in governmental activities is primarily due to the Town spending less than anticipated, particularly within personnel service and operating in the General Fund, and receiving disaster grant reimbursements for expenditures incurred in prior year.

The governmental activities of the Town's capital assets increased 4%, while the current liabilities of those activities increased 47%. The increase in capital assets in governmental activities is primarily due to some of the large projects that the Town has completed or are still in progress. Town-wide significant projects include the Community Redevelopment Agency purchasing two properties, a new Town Hall (and temporary Town Hall), Fire Engine and Equipment, Park Improvements / Upgrades, Nova Drive, College Avenue Improvements, Fire Station Renovation and and other Town-wide projects. The increase in current liabilities is primarily due to the receipt of approximately \$ 9.0 million of American Rescue Plan funds that are not yet recognized as revenue. Total liabilities in governmental activities decreased 8%, as this total includes an overall 19% decrease in the long-term liabilities due in more than one-year from the prior year and an overall 7% decrease in the long-term liabilities due within one-year. The significant decrease in liabilities is due to decreases in the Town's Net Pension Liability and Bonds Payable. Net Investment in capital assets increased by 7% and unrestricted net position now stand at \$ 135 million, an approximate \$ 14 million increase from the previous year.

The business-type activities of the Town's capital assets decreased 4%, while the current liabilities of those activities increased 7%. The changes under long term liabilities due in more than one-year are a direct result from liabilities related to current outstanding bonds.

Business-type activities, the Town's Water and Sewer system, had a decrease in total assets of approximately 1%, a 2% decrease in total liabilities, and a 1% increase in net position. The decrease in total assets is primarily due to the 4% decrease in net capital assets, which is due to accumulated depreciation (reduction of capital assets). In January 2008, the Town Council approved a water and sewer rate study which included predetermined rate increases to the Town's water and sewer rates through September 2012, all of which were implemented as recommended and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. This approved study allowed the Town to adequately fund operations now and in the future, as well as support the capital improvement necessary for system growth. The increased rates charged to customers have positively impacted the system. As noted above, we had a reduction in total assets. Typically, some of this reduction in total assets would be offset due to a slight increase in water and sewer rates. However, for fiscal year 2021, the Consumer Price Index was negative so there was no increase in rates for fiscal year 2021.

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On a total government basis, with both current assets and current liabilities both increasing, the Town is able to meet its short-term obligations (the Town has over 9 times the current assets than current liabilities). Total net position increased by 6% for the year and the reason for the increase will be explained below under Statement of Activities.

The table below presents a summary of net position as of September 30, 2021 and 2020, derived from the Government-Wide Statement of Net Position:

Table 1
Summary of Net Position (in thousands)

| | Governmental Activities | | | Business-Type Activities | | | Total | | |
|--|-------------------------|-------------------|-------------|--------------------------|------------------|-------------|-------------------|-------------------|-------------|
| | 2021 | 2020 | Change | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Assets: | | | | | | | | | |
| Current and other | \$ 203,506 | \$ 185,962 | 9% | \$ 77,696 | \$ 73,924 | 5% | \$ 281,202 | \$ 259,886 | 8% |
| Capital assets, net | 198,345 | 189,954 | 4% | 116,499 | 121,677 | -4% | 314,844 | 311,631 | 1% |
| Total assets | 401,851 | 375,916 | 7% | 194,195 | 195,601 | -1% | 596,046 | 571,517 | 4% |
| Total deferred outflows of resources: | 37,341 | 48,814 | -24% | 6,299 | 7,261 | -13% | 43,640 | 56,075 | -22% |
| Liabilities: | | | | | | | | | |
| Current | 26,108 | 17,776 | 47% | 4,072 | 3,813 | 7% | 30,180 | 21,589 | 40% |
| Long-term: | | | | | | | | | |
| Due within 1 year | 8,230 | 8,825 | -7% | 4,883 | 3,247 | 50% | 13,113 | 12,072 | 9% |
| Due in more than 1 year | 74,454 | 92,176 | -19% | 125,734 | 130,545 | -4% | 200,188 | 222,721 | -10% |
| Total liabilities | 108,792 | 118,777 | -8% | 134,689 | 137,605 | -2% | 243,481 | 256,382 | -5% |
| Total deferred inflows of resources: | 7,187 | 5,194 | 38% | 700 | 797 | -12% | 7,887 | 5,991 | 32% |
| Net Position: | | | | | | | | | |
| Net investment in capital assets: | 174,093 | 162,895 | 7% | (9,111) | (5,633) | 62% | 164,982 | 157,262 | 5% |
| Restricted for: | | | | | | | | | |
| Renewal and replacement, and capital replacement | - | - | - | 26,927 | 26,620 | 1% | 26,927 | 26,620 | 1% |
| Building services | 4,329 | 4,090 | 6% | - | - | - | 4,329 | 4,090 | 6% |
| Debt service | 172 | 299 | -42% | 4,786 | 4,786 | 0% | 4,958 | 5,085 | -2% |
| Community redevelopment | 5,091 | 7,377 | -31% | - | - | - | 5,091 | 7,377 | -31% |
| Community development projects and services | 296 | 37 | 700% | - | - | - | 296 | 37 | 700% |
| State housing initiatives | 31 | - | 100% | - | - | - | 31 | - | 100% |
| Parks and recreation - parks and open space | 988 | 1,107 | -11% | - | - | - | 988 | 1,107 | -11% |
| Public safety - fire | 1,081 | 1,176 | -8% | - | - | - | 1,081 | 1,176 | -8% |
| Public safety - police | 760 | 1,282 | -41% | - | - | - | 760 | 1,282 | -41% |
| General government activities | 918 | 992 | -7% | - | - | - | 918 | 992 | -7% |
| Affordable housing | 516 | 353 | 46% | - | - | - | 516 | 353 | 46% |
| Unrestricted | 134,938 | 121,151 | 11% | 42,503 | 38,687 | 10% | 177,441 | 159,838 | 11% |
| Total net position | \$ 323,213 | \$ 300,759 | 7% | \$ 65,105 | \$ 64,460 | 1% | \$ 388,318 | \$ 365,219 | 6% |

Statement of Activities

Activities of the Town (Table 2) reflected a 3% decrease in overall revenues when compared to the prior year and total Town expenses remain unchanged. The Statement of Activities illustrates some particular areas that need to be further discussed.

The governmental activities represent the most significant activity within the Town. Program revenues decreased 17% in governmental activities mainly due to the decreases in both operating and capital grants and contributions. The 3% increase in general revenues in governmental activities is primarily due to an increase in Ad Valorem (operating) revenues, franchise fees and intergovernmental which were offset by reductions in Ad Valorem (debt service), other general taxes, investment income and miscellaneous. Increase in Ad Valorem (operating) revenue is due to higher taxable values and new construction. Increases in franchise fees and intergovernmental revenue are due to improvements from the pandemic. The reduction in Ad Valorem (debt service) is due to a reduction in outstanding General Obligation bonds while the reduction in investment income is due to lower interest rates.

The business-type activities, which represent the water and sewer operations activities of the Town, included a 5% increase in program revenues. The increase in the Town's program revenues is attributed mainly to an increase in charges for services due to a growing customer base and a full fiscal year of revenue associated with new meters that have been replaced. During fiscal year 2021, the Town received capital contributions of approximately \$ 124K, which was a reduction from the previous fiscal year. The 75% decrease in general revenues in business-type activities is primarily due to a significant decrease in investment income from the previous year.

Total program expenses in governmental activities increased by 1% from the previous year with a significant increase occurring in general government and parks, recreation and cultural arts offset by significant decreases in interest and public works. The increase in general government expenses was primarily due to the Community Redevelopment Agency purchasing two locations totaling over \$ 5 million in fiscal year 2021. The decrease in interest expenses is due to two bonds being completely paid off during fiscal year 2020, which still had some interest expenses during fiscal year 2020: General Obligation Refunding, Series 2008B and Public Improvement Revenue, Series 2004. The increase in the parks, recreation and cultural arts department is offset by the decrease in public works department expenses due to transferring seven employees (along with two vehicles and their operating expenses) that handle park maintenance in January 2021 from the public works department to the parks, recreation and cultural arts department.

Program expenses of business-type activities decreased by 7%. This was primarily due to decreases in personnel services and maintenance. There was some offsetting increases in administration expenses.

Overall, net position increased 6% for the year, with a 7% increase noted for governmental activities and a 1% increase noted for business-type activities.

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The table below presents a summary of changes in net position for the years ended September 30, 2021 and 2020, as derived from the Government-Wide Statement of Activities:

Table 2
Summary of Changes in Net Position (in thousands)

| | Governmental Activities | | | Business-Type Activities | | | Total | | |
|---|--------------------------------|-------------|---------------|---------------------------------|-------------|---------------|--------------|-------------|---------------|
| | 2021 | 2020 | Change | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Revenues: | | | | | | | | | |
| Program revenues: | | | | | | | | | |
| Charges for services | \$ 37,509 | \$ 39,404 | -5% | \$ 26,380 | \$ 25,055 | 5% | \$ 63,889 | \$ 64,459 | -1% |
| Operating grants and contributions | 6,456 | 12,717 | -49% | - | - | - | 6,456 | 12,717 | -49% |
| Capital grants and contributions | 436 | 1,260 | -65% | 124 | 208 | -40% | 560 | 1,468 | -62% |
| Total program revenues | 44,401 | 53,381 | -17% | 26,504 | 25,263 | 5% | 70,905 | 78,644 | -10% |
| General revenues: | | | | | | | | | |
| Ad Valorem, operating | 58,500 | 55,345 | 6% | - | - | - | 58,500 | 55,345 | 6% |
| Ad Valorem, debt service | 2,663 | 2,807 | -5% | - | - | - | 2,663 | 2,807 | -5% |
| Utility service taxes | 9,374 | 9,265 | 1% | - | - | - | 9,374 | 9,265 | 1% |
| Other general taxes | 3,996 | 4,116 | -3% | - | - | - | 3,996 | 4,116 | -3% |
| Franchise fees | 11,027 | 10,279 | 7% | - | - | - | 11,027 | 10,279 | 7% |
| Intergovernmental, not restricted for specific purposes | 16,350 | 14,104 | 16% | 71 | - | 100% | 16,421 | 14,104 | 16% |
| Investment income | 236 | 2,941 | -92% | 69 | 1,365 | -95% | 305 | 4,306 | -93% |
| Miscellaneous | 3,810 | 4,012 | -5% | 257 | 216 | 19% | 4,067 | 4,228 | -4% |
| Total general revenues | 105,956 | 102,869 | 3% | 397 | 1,581 | -75% | 106,353 | 104,450 | 2% |
| Total revenues | 150,357 | 156,250 | -4% | 26,901 | 26,844 | 0% | 177,258 | 183,094 | -3% |
| Program expenses: | | | | | | | | | |
| General government | 12,644 | 9,513 | 33% | - | - | - | 12,644 | 9,513 | 33% |
| Building and engineering | 6,675 | 6,780 | -2% | - | - | - | 6,675 | 6,780 | -2% |
| Public safety - police | 52,872 | 53,663 | -1% | - | - | - | 52,872 | 53,663 | -1% |
| Public safety - fire | 34,597 | 34,845 | -1% | - | - | - | 34,597 | 34,845 | -1% |
| Public works | 13,280 | 14,208 | -7% | - | - | - | 13,280 | 14,208 | -7% |
| Parts, recreation and cultural arts | 7,168 | 6,980 | 3% | - | - | - | 7,168 | 6,980 | 3% |
| Interest | 667 | 734 | -9% | - | - | - | 667 | 734 | -9% |
| Water and sewer | - | - | - | 26,256 | 28,141 | -7% | 26,256 | 28,141 | -7% |
| Total expenses | 127,903 | 126,723 | 1% | 26,256 | 28,141 | -7% | 154,159 | 154,864 | 0% |
| Reassignment of capital assets | - | 4,818 | -100% | - | (4,818) | -100% | - | - | - |
| Transfers in (out) | - | 754 | -100% | - | (754) | -100% | - | - | - |
| Change in net position | 22,454 | 35,099 | -36% | 645 | (6,869) | -109% | 23,099 | 28,230 | -18% |
| Net position, beginning of year | 300,759 | 265,660 | 13% | 64,460 | 71,329 | -10% | 365,219 | 336,989 | 8% |
| Net position, end of year | \$ 323,213 | \$ 300,759 | 7% | \$ 65,105 | \$ 64,460 | 1% | \$ 388,318 | \$ 365,219 | 6% |

Individual Fund Performance

Governmental Funds Types

In the General Fund, the Town's revenues exceeded its expenditures by nearly \$ 21.6 million while the overall fund balance decreased by about \$ 1 million due to the Town transferring out approximately \$ 19 million for capital projects. The Community Endowment Fund did have an increase in fund balance of about \$ 4K. The amount available in this fund for Community Obligations is approximately \$ 189K.

The Community Redevelopment Agency had a decrease in their fund balance of approximately \$ 2.3 million. The amount available in the Community Redevelopment Agency now stands at approximately \$ 5.1 million, which is primarily due to a carryover from operating reserves. The Community Redevelopment Agency no longer has any remaining proceeds from a \$ 20 million issuance of Community Redevelopment Bonds in FY 2011, which were refunded during the year ended September 30, 2013.

For the other Special Revenue Funds, the approximate amounts available are as follows: Community Development Block Grant, \$ 296K; State Housing Initiative Partnership (SHIP), \$ 31K; Parks and Open Space Impact Fees, \$ 988K; Fire Impact Fees, \$ 1.1 million; Police Impact Fees, \$ 201K; Forfeitures, \$ 560K; General Government Impact Fees, \$ 918K; and Affordable Housing, \$ 516K.

The Capital Projects Fund provided projects of approximately \$ 9.4 million to the community this year, compared with approximately \$ 12.8 million in the previous year. Nearly \$ 2.9 million was spent on Town Hall (and temporary Town Hall), \$ 964K on Fire Engine and Equipment, \$ 916K on Park Improvement and Upgrades, \$ 742K on Nova Drive and \$ 533K on College Avenue Improvements.

Proprietary Fund Types

Enterprise Funds: The Town's Water and Sewer System experienced an operating income of \$ 4.1 million, compared to an operating income of \$ 1.3 million in FY 2020. The operations resulted in a pledged revenue coverage of 1.78x, which is an increase from FY 2020 which was 1.46x. The minimum pledged revenue coverage requirement is 1.15x. In January 2008, the Town's Council approved a water and sewer rate study which included recommended increases to the Town's water and sewer rates through September 2012, all of which were implemented as recommended and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. This Council adopted rate increase helped contribute to the Town's ability to maintain the coverage ratio over the last several years. As part of monitoring the coverage requirement, the Town is finalizing a Master Plan Study for our Water and Sewer System. The Master Plan Study will give the Town guidance as to the necessary steps to ensure proper revenue coverage compliance. Additionally, the Town recently replaced all of our water and sewer meters which has generated additional revenue.

Internal Service Funds: The Vehicle Maintenance Fund net position increased by approximately \$ 376K resulting in a net position of approximately \$ 13.7 million, of which approximately \$ 4.1 million is unrestricted. The increase is due to not spending everything that was budgeted for operations. Vehicle charge rates to departments are reviewed periodically and adjusted accordingly. When the Town built a new garage facility several years ago, it was completed utilizing funding from the unrestricted net position of the fund which was sufficient to cover all anticipated outlays without affecting working capital needs.

The Self-Insurance Fund net position increased by approximately \$ 1.8 million resulting in a net position of approximately \$ 16.9 million, of which the full amount is unrestricted. The increase in the net position is due primarily to less than anticipated claims and less than anticipated administrative costs.

The Information Technology Fund net position increased by approximately \$ 1.3 million resulting in a net position of approximately \$ 7.9 million, of which approximately \$ 6.7 million is unrestricted. This fund is accumulating enough resources to sustain its operations. This Fund continues to focus on ensuring that the net position is sufficient to accommodate for the Town's planned improvements to information technology.

The use of these funds has served to insulate recurring capital replacement needs from the volatile budgetary process. As a result, the Town's needs for vehicles and information systems component replacement and maintenance have been adequately addressed.

Fiduciary Funds Types

The Town's pension funds posted increases of approximately \$ 89.4 million to the net position of the plans. The combined fair market value of the plans' holdings is \$ 496.7 million as of September 30, 2021. The net position held for pension and other post-employment benefits of the various trusts, total approximately \$ 502.5 million.

Financial Analysis of the Governmental Funds

Budget variance reporting is only included for the General Fund. Summarized below are the significant final variances accompanied by an explanation:

General Fund

- General Government, Favorable \$ 2.2 million. The personnel services favorable variance is primarily attributed as a result of unplanned vacancies during the year, in which some of those savings was used towards overtime. The operating favorable variance is due to not spending the budgeted amounts on legal expenses, special projects, contingency, insurance premiums, contractual services and training and education expenses.

- Public Safety, Favorable \$ 6.1 million. The personnel services favorable variance is primarily attributed as a result of unplanned vacancies during the year, in which some of those savings was used towards overtime. The operating favorable variance is due to not spending the full budgeted amounts on contractual services, electric, uniforms, fuel, communications, and training and education expenses. The capital outlay favorable variance is due to not spending budgeted grant related expenses.
- Public Works, Favorable \$ 1.4 million. The favorable variance in personnel services is primarily the result of unplanned vacancies during the year, in which some of those savings was used towards overtime. Additionally, savings was recognized based on the lower than anticipated actual expenses for contractual maintenance and electric.
- Parks, recreation and cultural arts, Favorable \$ 990K. The favorable variance is primarily the result of unplanned vacancies during the year, in which some of those savings was used towards overtime. Additionally, savings was recognized based on the lower than anticipated actual expenses for special projects, contractual services, electric, parks maintenance and training and education expenses.

Significant Capital Assets and Long-Term Debt Activity

Debt has been issued as part of a long-term financing mechanism for some of the capital projects or significant capital outlay items. Additionally, the Town has utilized one-time revenue sources (for example General Fund Unrestricted Reserves) to also fund some capital projects.

The Town currently has ten (10) outstanding long-term debt issues as follows: two (2) General/Limited Obligation Bonds, two (2) Community Redevelopment Bonds, five (5) Water and Sewer Revenue Bonds, and a loan (1) with the State of Florida Department of Environmental Protection, Clean Water State Revolving Loan Program. Additional information related to long-term debt activity can be found under Note 9 to the financial statements.

The Town spent approximately \$ 15.4 million in governmental funds on capital assets. Of this amount, the Town spent over \$ 5 million from the CRA on the purchase of two properties (4223 SW 64th Avenue and 6511 SW 45th Ave), \$ 2.9 million on Town Hall (and temporary Town Hall), \$ 964K on Fire Engine and Equipment, \$ 916K on Park Improvement and Upgrades, \$ 742K on Nova Drive and \$ 533K on College Avenue Improvements.

Approximately \$ 2.9 million in new capital assets was provided for in business-type activities, in which significant portions were related to the collection system rehabilitation, meters, equipment and equipment replacement, water main replacement, lift station pumps and motors and lift station rehabilitation.

Capital contributions from developers in the Water and Sewer system amounted to approximately \$ 123K, representing mostly contributions-in-aid of construction.

Additional information related to capital assets can be found under Note 6 to the financial statements.

Economic Factors and Next Year's Budget

In the conduct of municipal government, various lawsuits, commitments, and contingencies will arise. Disclosure of these items appear in the accompanying notes to this report.

Florida has many limiting measures on residential property taxes, and all affect the Town. The first \$ 25,000 of assessed value is exempt from taxation on homestead property. A second \$ 25,000 exemption is available but only applies to the portion of the assessed value between \$ 50,000 and \$ 75,000 (excluding taxes paid to the School Board). Florida's Constitution further limits taxable values on homestead property through the Save-Our-Homes amendment. Although an increase in property values is anticipated in the future, Homestead property is limited to a maximum 3% increase in assessed value per year, or less if inflation is less, while commercial property is limited to a maximum 10% increase in assessed value per year. The Town's taxable value decreased over a four-year period, fiscal year 2009 through 2012. The taxable value has increased annually starting in fiscal year 2013 and the Town has fully recovered. FY 2021 represents the highest taxable value in the Town's history. There is no direct correlation with respect to the Town's tax base and the Town's budget as the former will likely not grow as quickly as the latter.

Additionally, the Town has a Community Redevelopment Agency that is making improvements on the east-side of the Town. This Agency encompasses an area which has most of the industrial lands within the Town. The growth in this area's tax base will benefit the component unit and not the governmental activities of the Town, restricting the Town's revenue growth potential even further until the Community Redevelopment Agency expires.

The Town's bargaining groups will continue to request for improve pay, benefits, and working conditions. Given the increasing cost of personnel, coupled with moderately increasing revenues, the Town continues to face a structural budget issue whereas the pace of expenses continues to exceed revenues. The Town has recognized this structural issue and will continue to address it and find solutions.

The Town is located within Broward County in South Florida. Davie is a desirable location for both residences and businesses. Fortunately, the "leading indicators" of growth, such as platting of parcels of lands, site plans of lands, requested land use and zoning changes, continue to increase, indicating the outlook for growth is somewhat positive. The Town is very heavily weighted towards residential properties and the mix of land use could be a problem in the future. The Town currently levies slightly more than half its legally available millage rate.

Impacting fiscal year 2008, the State Legislature required property tax revenues to be rolled back to fiscal year 2007 levels, and then required to be reduced by another 9%. This resulted in a net reduction in property tax revenues of 6% for fiscal year 2008. The Town's fiscal year 2010 and 2011 budget reflected similar operating millage rates, an increase from fiscal year 2009 to help offset the reduction in the assessed property tax values and does not recapture the loss in property tax revenue suffered from the implementation of the State Legislature requirements. The Town slightly lowered the operating millage for fiscal year 2012 and then maintained it for FY 2013. In order to offset increasing operating expenditures and address the structural budget issues, the Town increased the operating millage for FY 2014, which was kept the same for fiscal year 2015. In a symbolic gesture, the Town slightly reduced the operating millage for FY 2016 and had a slight reduction for FY 2017. During the FY 2018 Budget process, it was noted that future ad valorem revenue could decrease if the voters throughout the State of Florida voted for an increase in the homestead exemption. In preparation for this possibility, the Town increased the millage rate for FY 2018. The revenue that was generated from the increased millage rate was budgeted to be used towards necessary capital projects and would be used in the future to offset the loss of revenue if the homestead exemption was approved. Although the voters did not approve the additional homestead exemption initiative, the Town maintained the operating millage rate for FY 2019, FY 2020 and FY 2021 and continued to set aside some funding towards necessary capital projects.

The Town's adopted FY 2022 budget is \$ 262.0 million, which is approximately a \$ 26.7 million (or 11%) increase from the original adopted FY 2021 budget of \$ 235.3 million. The primary reason for the increase in the Town's budget relates to a \$ 12.3 million increase in the General Fund and an \$ 11.6 million increase in the Water & Sewer Fund. The increase in the General Fund is anticipated due to the following two reasons: first, the Town is significantly increasing the amount of funding that is being transferred to the Capital Projects Fund to fund future (and current) capital projects. Second, the General Fund includes step (merit) increases and cost of living adjustments (cola) for most members of each bargaining unit and non-represented employees of the Town. Since personnel expenses are 71% of the General Fund budget, these merit and cola adjustments had a significant impact on the FY 2022 General Fund Budget.

The increase in the Water and Sewer Fund is due to the following two reasons: first, when the Town recently refunded a Water & Sewer bond, the Town recognized some long-term savings as well as a one-time reduction that reduced our FY 2021 debt service budget. The one-time reduction that helped our FY 2021 budget no longer applied to our FY 2022 budget so our budget increased for FY 2022. Secondly, the Town significantly increased capital outlay based on the approved Capital Improvement Plan.

It is worth noting the continued unknown overall economic impact that the coronavirus COVID-19 pandemic will continue to have on the Town. As of the date of these financial statements, it is unknown how long the economic impacts will affect the Town, the State of Florida and/or the entire country. The Town will continue to use its resources to proactively protect the life, health and safety of the Town residents, business owners, employees and visitors.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Town of Davie, Budget and Finance Department at 6591 Orange Drive, Davie, Florida, 33314-3399, or call (954) 797-1050.



BASIC FINANCIAL STATEMENTS



Town of Davie, Florida
Statement of Net Position
September 30, 2021

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets: | | | |
| Cash, cash equivalents and investments | \$ 189,370,103 | \$ 42,090,727 | \$ 231,460,830 |
| Restricted cash, cash equivalents and investments | - | 32,486,759 | 32,486,759 |
| Receivables, net | 3,997,237 | 2,136,691 | 6,133,928 |
| Due from other governments | 3,252,297 | - | 3,252,297 |
| Prepaid items | 5,747,204 | 6,857 | 5,754,061 |
| Inventories | 45,729 | 738,784 | 784,513 |
| Other assets | - | 148,688 | 148,688 |
| Capital assets not being depreciated | 75,626,508 | 10,364,198 | 85,990,706 |
| Capital assets, net of accumulated depreciation | 122,718,948 | 106,134,828 | 228,853,776 |
| Net other post employment benefits (OPEB) asset | 1,093,195 | 87,289 | 1,180,484 |
| Total assets | 401,851,221 | 194,194,821 | 596,046,042 |
| Deferred Outflows of Resources: | | | |
| Deferred outflows relating to pensions | 37,228,268 | 1,672,165 | 38,900,433 |
| Deferred outflows relating to other post employment benefits (OPEB) | 113,407 | 9,690 | 123,097 |
| Deferred charge on refunding | - | 4,617,574 | 4,617,574 |
| Total deferred outflows of resources | 37,341,675 | 6,299,429 | 43,641,104 |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | 11,711,357 | 1,529,215 | 13,240,572 |
| Insurance claims payable | 2,375,565 | - | 2,375,565 |
| Other liabilities | 855,502 | - | 855,502 |
| Unearned revenues | 11,037,558 | - | 11,037,558 |
| Customer deposits - payable from restricted assets | - | 774,321 | 774,321 |
| Accrued interest payable | 127,817 | 1,768,823 | 1,896,640 |
| Due within one year: | | | |
| Compensated absences payable | 4,457,447 | 269,632 | 4,727,079 |
| Bonds and notes payable | 3,772,593 | 4,612,847 | 8,385,440 |
| Due in more than one year: | | | |
| Net pension liability | 48,406,859 | 577,553 | 48,984,412 |
| Compensated absences payable | 6,440,194 | 218,574 | 6,658,768 |
| Bonds and notes payable | 19,606,704 | 124,938,064 | 144,544,768 |
| Total liabilities | 108,791,596 | 134,689,029 | 243,480,625 |
| Deferred Inflows of Resources: | | | |
| Deferred inflows relating to pensions | 7,010,658 | 685,779 | 7,696,437 |
| Deferred inflows relating to other post employment benefits (OPEB) | 176,829 | 14,902 | 191,731 |
| Total deferred inflows of resources | 7,187,487 | 700,681 | 7,888,168 |
| Net Position: | | | |
| Net investment in capital assets | 174,093,393 | (9,111,298) | 164,982,095 |
| Restricted for: | | | |
| Renewal and replacement, and capital replacement | - | 26,926,816 | 26,926,816 |
| Building services | 4,329,448 | - | 4,329,448 |
| Debt service | 172,000 | 4,785,622 | 4,957,622 |
| Community redevelopment | 5,090,752 | - | 5,090,752 |
| Community development projects and services | 295,546 | - | 295,546 |
| State housing initiatives | 30,888 | - | 30,888 |
| Parks and recreation - parks and open space | 987,885 | - | 987,885 |
| Public safety - fire | 1,081,300 | - | 1,081,300 |
| Public safety - police | 760,260 | - | 760,260 |
| General government activities | 918,147 | - | 918,147 |
| Affordable housing | 515,737 | - | 515,737 |
| Unrestricted | 134,938,457 | 42,503,400 | 177,441,857 |
| Total net position | \$ 323,213,813 | \$ 65,104,540 | \$ 388,318,353 |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Activities
For the Year Ended September 30, 2021

| | Program Revenues | | | Net Revenue (Expense) and Change in Net Position | | |
|---|------------------|----------------------|------------------------------------|--|-------------------------|--------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities |
| Functions/Programs: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 12,643,662 | \$ 1,883,276 | \$ 6,322,336 | \$ 286,718 | \$ (4,151,332) | \$ - |
| Building and engineering | 6,674,954 | 6,913,561 | - | - | 238,607 | - |
| Public safety - police | 52,871,670 | 7,208,156 | - | 138,269 | (45,525,245) | - |
| Public safety - fire | 34,597,375 | 20,467,428 | 13,968 | 10,728 | (14,105,251) | - |
| Public works | 13,279,847 | 326,848 | 118,540 | - | (12,834,459) | - |
| Parks, recreation and cultural arts | 7,167,759 | 709,726 | 1,500 | - | (6,456,533) | - |
| Interest on long-term debt | 667,153 | - | - | - | (667,153) | - |
| Total governmental activities | 127,902,420 | 37,508,995 | 6,456,344 | 435,715 | (83,501,366) | - |
| Business-type activities: | | | | | | |
| Water and sewer | 26,255,756 | 26,379,996 | - | 123,477 | - | 247,717 |
| Total business-type activities | 26,255,756 | 26,379,996 | - | 123,477 | - | 247,717 |
| Total | \$ 154,158,176 | \$ 63,888,991 | \$ 6,456,344 | \$ 559,192 | (83,501,366) | (83,253,649) |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Ad valorem taxes, levied for general purposes | | | | | 58,500,437 | - |
| Ad valorem taxes, levied for debt service | | | | | 2,662,520 | - |
| Utility service taxes | | | | | 9,374,155 | - |
| Other general taxes | | | | | 3,995,604 | - |
| Franchise fees on gross receipts | | | | | 11,027,274 | - |
| Intergovernmental, not restricted for specific purposes | | | | | 16,349,765 | 71,246 |
| Investment income | | | | | 236,407 | 69,072 |
| Miscellaneous | | | | | 3,809,915 | 256,709 |
| Total general revenues | | | | | 105,956,077 | 397,027 |
| Change in net position | | | | | 22,454,711 | 644,744 |
| Net position, beginning of year | | | | | 300,759,102 | 64,459,796 |
| Net position, end of year | | | | | \$ 323,213,813 | \$ 65,104,540 |
| | | | | | \$ 388,318,353 | \$ 388,318,353 |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Balance Sheet - Governmental Funds
September 30, 2021

| | General | Community Endowment | Community Redevelopment Agency | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-----------------------|------------------------|--------------------------------------|----------------------|-----------------------------------|--------------------------------|
| Assets: | | | | | | |
| Cash, cash equivalents and investments | \$ 124,367,848 | \$ 189,448 | \$ 5,155,497 | \$ 27,643,924 | \$ 5,046,384 | \$ 162,403,101 |
| Receivables: | | | | | | |
| Property taxes, net | 88,384 | - | - | - | - | 88,384 |
| Utility taxes and franchise fees, net | 2,485,271 | - | - | - | - | 2,485,271 |
| Other | 1,219,686 | - | - | - | - | 1,219,686 |
| Due from other governments | 2,107,035 | - | - | - | 1,145,262 | 3,252,297 |
| Due from other funds | - | - | - | 14,975,901 | - | 14,975,901 |
| Prepaid items | 309,135 | - | - | 48,965 | - | 358,100 |
| Total assets | <u>\$ 130,577,359</u> | <u>\$ 189,448</u> | <u>\$ 5,155,497</u> | <u>\$ 42,668,790</u> | <u>\$ 6,191,646</u> | <u>\$ 184,782,740</u> |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 9,357,669 | \$ - | \$ 64,745 | \$ 993,677 | \$ 544,166 | \$ 10,960,257 |
| Other liabilities | 845,002 | 500 | - | 10,000 | - | 855,502 |
| Due to other funds | 14,310,500 | - | - | - | 665,401 | 14,975,901 |
| Unearned revenues | 9,708,367 | - | - | 936,875 | 392,316 | 11,037,558 |
| Total liabilities | <u>34,221,538</u> | <u>500</u> | <u>64,745</u> | <u>1,940,552</u> | <u>1,601,883</u> | <u>37,829,218</u> |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable revenue - intergovernmental and charges for services | 582,469 | - | - | - | - | 582,469 |
| Total deferred inflows of resources | <u>582,469</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>582,469</u> |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid expenditures | 309,135 | - | - | 48,965 | - | 358,100 |
| Restricted for: | | | | | | |
| Building services | 4,329,448 | - | - | - | - | 4,329,448 |
| Debt service | 172,000 | - | - | - | - | 172,000 |
| Community redevelopment | - | - | 5,090,752 | - | - | 5,090,752 |
| Community development projects and services | - | - | - | - | 295,546 | 295,546 |
| State housing initiatives | - | - | - | - | 30,888 | 30,888 |
| Parks and recreation - parks and open space | - | - | - | - | 987,885 | 987,885 |
| Public safety - fire | - | - | - | - | 1,081,300 | 1,081,300 |
| Public safety - police | - | - | - | - | 760,260 | 760,260 |
| General government activities | - | - | - | - | 918,147 | 918,147 |
| Affordable housing | - | - | - | - | 515,737 | 515,737 |
| Committed to: | | | | | | |
| Hurricane/emergency and disaster recovery operating reserves | 37,625,842 | - | - | - | - | 37,625,842 |
| Community obligations | - | 188,948 | - | - | - | 188,948 |
| Capital projects | - | - | - | 39,679,273 | - | 39,679,273 |
| Wetland mitigation | 608,822 | - | - | 1,000,000 | - | 1,608,822 |
| Tree preservation | 1,023,896 | - | - | - | - | 1,023,896 |
| Assigned to: | | | | | | |
| Subsequent year's expenditures | 8,827,267 | - | - | - | - | 8,827,267 |
| Engineering services | 2,080,334 | - | - | - | - | 2,080,334 |
| Unassigned | <u>40,796,608</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>40,796,608</u> |
| Total fund balances | <u>95,773,352</u> | <u>188,948</u> | <u>5,090,752</u> | <u>40,728,238</u> | <u>4,589,763</u> | <u>146,371,053</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 130,577,359</u> | <u>\$ 189,448</u> | <u>\$ 5,155,497</u> | <u>\$ 42,668,790</u> | <u>\$ 6,191,646</u> | <u>\$ 184,782,740</u> |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2021

| | | |
|--|----------------------|-----------------------|
| Fund balances - total governmental funds | | \$ 146,371,053 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds: | | |
| Cost of capital assets is | \$ 432,654,695 | |
| Less accumulated depreciation | <u>(234,309,239)</u> | 198,345,456 |
| Accrued interest payable not reported in the governmental funds. | | (127,817) |
| Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. | | 582,469 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: | | |
| Net pension liability | (48,406,859) | |
| Bonds and notes payable | (23,379,297) | |
| Compensated absences | <u>(10,897,641)</u> | (82,683,797) |
| Other post employment benefits (OPEB) asset, is not an available resource and, therefore, is not reported in the government funds. | | 1,093,195 |
| Certain funds related to pension and other post employment benefits (OPEB) assets and liabilities; are not reported in the governmental funds: | | |
| Prepaid pension contributions | 4,180,795 | |
| Deferred outflows relating to pensions | 37,228,268 | |
| Deferred outflows relating to other post employment benefits (OPEB) | 113,407 | |
| Deferred inflows relating to pensions | (7,010,658) | |
| Deferred inflows relating to other post employment benefits (OPEB) | <u>(176,829)</u> | 34,334,983 |
| Internal services funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities, other than capital assets and long-term liabilities already included above. | | <u>25,298,271</u> |
| Net position of governmental activities | | <u>\$ 323,213,813</u> |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2021

| | <u>General</u> | <u>Community Endowment</u> | <u>Community Redevelopment Agency</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|------------------------------------|--------------------|--------------------------------|---|-----------------------------|--|---|
| Revenues: | | | | | | |
| Ad valorem taxes | \$ 61,162,957 | \$ - | \$ - | \$ - | \$ - | \$ 61,162,957 |
| Utility service taxes | 9,374,155 | - | - | - | - | 9,374,155 |
| Franchise fees | 10,942,939 | 84,335 | - | - | - | 11,027,274 |
| Intergovernmental | 17,109,108 | - | 3,284,727 | 650,409 | 2,922,589 | 23,966,833 |
| Other general taxes | 3,995,604 | - | - | - | - | 3,995,604 |
| Permits and fees | 6,660,873 | - | - | - | 162,558 | 6,823,431 |
| Charges for services | 15,884,095 | - | 5,973 | - | 326,765 | 16,216,833 |
| Fire assessments | 13,503,267 | - | - | - | - | 13,503,267 |
| Fines and forfeitures | 983,933 | - | - | - | 138,269 | 1,122,202 |
| Investment income | 184,372 | 30,956 | 19,311 | 232 | 1,536 | 236,407 |
| Miscellaneous | 3,727,191 | 740 | - | 83,484 | - | 3,811,415 |
| | <u>143,528,494</u> | <u>116,031</u> | <u>3,310,011</u> | <u>734,125</u> | <u>3,551,717</u> | <u>151,240,378</u> |
| Total revenues | | | | | | |
| Expenditures: | | | | | | |
| General government: | | | | | | |
| General services department: | | | | | | |
| Personnel services | 6,680,559 | - | 298,051 | - | 251,069 | 7,229,679 |
| Operating | 3,914,856 | 112,059 | 1,039,682 | - | 2,127,262 | 7,193,859 |
| Capital outlay | 105,868 | - | 5,435,988 | - | 366,661 | 5,908,517 |
| | <u>10,701,283</u> | <u>112,059</u> | <u>6,773,721</u> | <u>-</u> | <u>2,744,992</u> | <u>20,332,055</u> |
| Building and engineering division: | | | | | | |
| Personnel services | 4,780,128 | - | - | - | - | 4,780,128 |
| Operating | 1,550,831 | - | - | - | - | 1,550,831 |
| Capital outlay | 45,509 | - | - | - | - | 45,509 |
| | <u>6,376,468</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,376,468</u> |
| Total general government | <u>17,077,751</u> | <u>112,059</u> | <u>6,773,721</u> | <u>-</u> | <u>2,744,992</u> | <u>26,708,523</u> |
| Public safety: | | | | | | |
| Police department: | | | | | | |
| Personnel services | 41,676,678 | - | - | - | - | 41,676,678 |
| Operating | 8,093,372 | - | - | - | 417,067 | 8,510,439 |
| Capital outlay | 543,613 | - | - | - | 314,406 | 858,019 |
| | <u>50,313,663</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>731,473</u> | <u>51,045,136</u> |
| Fire department: | | | | | | |
| Personnel services | 31,512,605 | - | - | - | - | 31,512,605 |
| Operating | 4,586,636 | - | - | - | 157,937 | 4,744,573 |
| Capital outlay | 201,039 | - | - | - | - | 201,039 |
| | <u>36,300,280</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>157,937</u> | <u>36,458,217</u> |
| Total public safety | <u>86,613,943</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>889,410</u> | <u>87,503,353</u> |

Town of Davie, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2021
(continued)

| | General Fund | Community Endowment | Community Redevelopment Agency | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|--------------------------------|---|-----------------------------|--|---|
| Expenditures (continued): | | | | | | |
| Public works: | | | | | | |
| Personnel services | 4,545,894 | - | - | - | - | 4,545,894 |
| Operating | 4,959,140 | - | - | - | - | 4,959,140 |
| Capital outlay | 75,187 | - | - | - | - | 75,187 |
| Total public works | 9,580,221 | - | - | - | - | 9,580,221 |
| Parks, recreation and cultural arts: | | | | | | |
| Personnel services | 3,364,709 | - | - | - | - | 3,364,709 |
| Operating | 1,702,932 | - | - | - | 6,337 | 1,709,269 |
| Capital outlay | 183,116 | - | - | - | 244,282 | 427,398 |
| Total parks, recreation and cultural arts | 5,250,757 | - | - | - | 250,619 | 5,501,376 |
| Non-departmental: | | | | | | |
| Operating | 760,540 | - | - | - | - | 760,540 |
| Total non-departmental | 760,540 | - | - | - | - | 760,540 |
| Debt service: | | | | | | |
| Principal | 2,200,000 | - | 1,480,541 | - | - | 3,680,541 |
| Interest and other fiscal charges | 439,411 | - | 249,320 | - | - | 688,731 |
| Total debt service | 2,639,411 | - | 1,729,861 | - | - | 4,369,272 |
| Capital outlay | - | - | - | 9,433,359 | - | 9,433,359 |
| Total expenditures | 121,922,623 | 112,059 | 8,503,582 | 9,433,359 | 3,885,021 | 143,856,644 |
| Excess (deficiency) of revenues over expenditures | 21,605,871 | 3,972 | (5,193,571) | (8,699,234) | (333,304) | 7,383,734 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 351,313 | - | 2,907,349 | 20,007,125 | - | 23,265,787 |
| Transfers out | (22,949,099) | - | - | (351,313) | (32,603) | (23,333,015) |
| Total other financing sources (uses) | (22,597,786) | - | 2,907,349 | 19,655,812 | (32,603) | (67,228) |
| Net change in fund balances | (991,915) | 3,972 | (2,286,222) | 10,956,578 | (365,907) | 7,316,506 |
| Fund Balances, beginning of year | 96,765,267 | 184,976 | 7,376,974 | 29,771,660 | 4,955,670 | 139,054,547 |
| Fund Balances, end of year | <u>\$ 95,773,352</u> | <u>\$ 188,948</u> | <u>\$ 5,090,752</u> | <u>\$ 40,728,238</u> | <u>\$ 4,589,763</u> | <u>\$ 146,371,053</u> |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds \$ 7,316,506

Amounts reported for governmental activities in the statement of activities are different because:

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

| | | |
|--------------------------------------|--------------------|-----------|
| Expenditures for capital assets, net | \$ 15,390,713 | |
| Less: current year depreciation | <u>(7,713,862)</u> | 7,676,851 |

Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently recognized in the governmental fund financial statements as they become available. The net difference is recorded as a reconciling item. (883,247)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 3,680,541

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | | |
|---|------------------|------------|
| Change in other post employment benefits (OPEB) asset | 51,375 | |
| Change in net pension liability | 14,932,188 | |
| Change in prepaid pension contributions | 181,504 | |
| Change in accrued interest payable | 21,578 | |
| Change in compensated absences | <u>(295,209)</u> | 14,891,436 |

Certain changes related to pension and other post employment benefits (OPEB) assets and liabilities; are not reported in the net change in the governmental funds:

| | | |
|---|---------------|--------------|
| Change in deferred outflows relating to pensions | (11,453,651) | |
| Change in deferred outflows relating to other post employment benefits (OPEB) | (19,269) | |
| Change in deferred inflows relating to pensions | (2,050,581) | |
| Change in deferred inflows relating to other post employment benefits (OPEB) | <u>57,096</u> | (13,466,405) |

Internal service funds are used by management to charge the cost of certain activities to individual funds. The allocated change in net position of the internal service funds is reported with governmental activities.

3,239,029

Change in net position of governmental activities \$ 22,454,711

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

| | <u>Water and Sewer (Major Fund)</u> | <u>Internal Service Funds</u> |
|--|--|--|
| Assets: | | |
| Current assets: | | |
| Cash, cash equivalents and investments | \$ 39,691,564 | \$ 29,366,165 |
| Restricted cash, cash equivalents and investments | 32,486,759 | - |
| Receivables, net of allowance for uncollectibles | 2,136,691 | 203,896 |
| Prepaid items | 6,857 | 1,208,309 |
| Inventories | <u>738,784</u> | <u>45,729</u> |
| Total current assets | <u>75,060,655</u> | <u>30,824,099</u> |
| Noncurrent assets: | | |
| Other assets | <u>148,688</u> | <u>-</u> |
| Net other post employment benefits (OPEB) asset | <u>87,289</u> | <u>-</u> |
| Capital assets: | | |
| Land | 7,331,847 | - |
| Construction in progress | 3,032,351 | 648,831 |
| Buildings and improvements | 125,548,607 | 2,662,720 |
| Infrastructure | 25,868,599 | - |
| Machinery, equipment and vehicles | 46,088,327 | 26,018,365 |
| Less accumulated depreciation | <u>(91,370,705)</u> | <u>(18,526,147)</u> |
| Net capital assets | <u>116,499,026</u> | <u>10,803,769</u> |
| Total noncurrent assets | <u>116,735,003</u> | <u>10,803,769</u> |
| Total assets | <u>191,795,658</u> | <u>41,627,868</u> |
| Deferred Outflows of Resources: | | |
| Deferred outflows relating to pensions | 1,672,165 | - |
| Deferred outflows relating to other post employment benefits (OPEB) | 9,690 | - |
| Deferred charge on refunding | <u>4,617,574</u> | <u>-</u> |
| Total deferred outflows of resources | <u>6,299,429</u> | <u>-</u> |

Statement of Net Position
Proprietary Funds
September 30, 2021
(continued)

| | <u>Water and Sewer (Major Fund)</u> | <u>Internal Service Funds</u> |
|--|--|--|
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 1,529,215 | 751,100 |
| Compensated absences payable | 269,632 | - |
| Insurance claims payable | - | 2,375,565 |
| Accrued interest payable | 1,768,823 | - |
| Bonds and notes payable, current | 4,612,847 | - |
| Total current liabilities | <u>8,180,517</u> | <u>3,126,665</u> |
| Noncurrent liabilities: | | |
| Customer deposits - payable from restricted assets | 774,321 | - |
| Net pension liability | 577,553 | - |
| Compensated absences payable | 218,574 | - |
| Bonds and notes payable | 124,938,064 | - |
| Total noncurrent liabilities | <u>126,508,512</u> | <u>-</u> |
| Total liabilities | <u>134,689,029</u> | <u>3,126,665</u> |
| Deferred Inflows of Resources: | | |
| Deferred inflows relating to pensions | 685,779 | - |
| Deferred inflows relating to other post employment benefits (OPEB) | 14,902 | - |
| Total deferred inflows of resources | <u>700,681</u> | <u>-</u> |
| Net Position: | | |
| Net investment in capital assets | (9,111,298) | 10,803,769 |
| Restricted for renewal and replacement, and capital replacement | 26,926,816 | - |
| Restricted for debt service | 4,785,622 | - |
| Unrestricted | 40,104,237 | 27,697,434 |
| Total net position | <u>\$ 62,705,377</u> | <u>\$ 38,501,203</u> |
| Explanation of difference between proprietary funds statement of net position and the government-wide statement of net position: | | |
| Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance, insurance and information technology, to individual funds. The portion attributable to business-type activities is reflected here and the residual assets and liabilities of the internal service funds are included in governmental activities in the government- wide statement of net position. | <u>2,399,163</u> | |
| Total net position - government-wide statement of net position | <u>\$ 65,104,540</u> | |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

| | Water and Sewer (Major Fund) | Internal Service Funds |
|--|---|---------------------------------------|
| Operating revenues: | | |
| Charges for services | \$ 26,379,996 | \$ 29,526,579 |
| Operating expenses: | | |
| Personnel services | 5,986,801 | 2,829,053 |
| Professional fees | 630,740 | - |
| Utilities | 1,594,714 | - |
| Supplies and materials | 921,682 | - |
| Maintenance | 1,492,075 | 4,433,471 |
| Insurance | 245,644 | 3,790,167 |
| Claims and other fees | - | 11,437,525 |
| Administration | 2,601,200 | 2,206,754 |
| Other | 734,386 | - |
| Depreciation and amortization | 8,109,537 | 2,434,047 |
| Total operating expenses | 22,316,779 | 27,131,017 |
| Operating income (loss) | 4,063,217 | 2,395,562 |
| Nonoperating revenues (expenses): | | |
| Intergovernmental | 71,246 | - |
| Other income, net | 256,709 | 996,841 |
| Investment income | 69,072 | - |
| Interest and other fiscal charges | (4,159,579) | - |
| Total nonoperating revenues (expenses) | (3,762,552) | 996,841 |
| Income (loss) before contributions and transfers | 300,665 | 3,392,403 |
| Contributions and transfers: | | |
| Capital contributions | 123,477 | - |
| Transfers from (to) other funds | - | 67,228 |
| Total contributions and transfers | 123,477 | 67,228 |
| Change in net position | 424,142 | 3,459,631 |
| Net position, beginning of year | 62,281,235 | 35,041,572 |
| Net position, end of year | \$ 62,705,377 | \$ 38,501,203 |
| Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities: | | |
| Change in net position - proprietary funds financial statements | \$ 424,142 | |
| Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance, insurance and information technology, to individual funds. The portion attributable to business-type activities is reflected here. | 220,602 | |
| Change in net position - government-wide statement of activities | \$ 644,744 | |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

| | <u>Water and Sewer (Major Fund)</u> | <u>Internal Service Funds</u> |
|---|--|--|
| Cash Flows from Operating Activities: | | |
| Receipts from customers | \$ 26,227,017 | \$ - |
| Receipts from interfund charges | - | 29,570,057 |
| Payments to suppliers and service providers | (8,629,871) | (22,655,773) |
| Payments to employees | (5,898,291) | (2,777,332) |
| Other receipts | <u>327,955</u> | <u>918,426</u> |
| Net cash provided by (used in) operating activities | <u>12,026,810</u> | <u>5,055,378</u> |
| Cash Flows from Non Capital Financing Activities: | | |
| Transfers from (to) other funds | <u>-</u> | <u>67,228</u> |
| Net cash provided by (used in) non capital financing activities | <u>-</u> | <u>67,228</u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition and construction of capital assets, net | (2,331,125) | (3,262,261) |
| Principal retirements on debt | (2,933,149) | - |
| Interest and other fiscal charges paid on capital debt | (3,367,555) | - |
| Proceeds from disposition of capital assets | - | 192,511 |
| Capital contributions | <u>123,477</u> | <u>-</u> |
| Net cash provided by (used in) capital and related financing activities | <u>(8,508,352)</u> | <u>(3,069,750)</u> |
| Cash Flows from Investing Activities: | | |
| Investment income | <u>69,072</u> | <u>-</u> |
| Net cash provided by (used in) investing activities | <u>69,072</u> | <u>-</u> |
| Net increase (decrease) in cash, cash equivalents and investments | <u>3,587,530</u> | <u>2,052,856</u> |

Town of Davie, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021
(continued)

| | Water and Sewer (Major Fund) | Internal Service Funds |
|--|---|---------------------------------------|
| Cash, cash equivalents and investments, beginning of year | <u>68,590,793</u> | <u>27,313,309</u> |
| Cash, cash equivalents and investments, end of year | \$ <u><u>72,178,323</u></u> | \$ <u><u>29,366,165</u></u> |
| Cash, cash equivalents and investments per Statement of Net Position: | | |
| Unrestricted | \$ 39,691,564 | \$ 29,366,165 |
| Restricted | <u>32,486,759</u> | <u>-</u> |
| | \$ <u><u>72,178,323</u></u> | \$ <u><u>29,366,165</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ <u>4,063,217</u> | \$ <u>2,395,562</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | |
| Other operating revenues, net | 327,955 | 918,426 |
| Depreciation and amortization | 8,109,537 | 2,434,047 |
| (Increase) decrease in assets: | | |
| Receivables, net | 104,675 | 43,478 |
| Prepaid items | 10,345 | (199,533) |
| Inventories | (82,542) | 6,803 |
| Net other post employment benefits (OPEB) asset | (3,877) | - |
| Deferred outflows relating to pensions | 420,746 | - |
| Deferred outflows relating to other post employment benefits (OPEB) | 1,454 | - |
| Increase (decrease) in liabilities: | | |
| Accounts payable, accrued liabilities and compensated absences | (349,156) | (935,761) |
| Insurance claims payable | - | 392,356 |
| Customer deposits | (257,654) | - |
| Net pension liability | (221,520) | - |
| Deferred inflows relating to pensions | (92,061) | - |
| Deferred inflows relating to other post employment benefits (OPEB) | <u>(4,309)</u> | <u>-</u> |
| Total adjustments | <u>7,963,593</u> | <u>2,659,816</u> |
| Net cash provided by (used in) operating activities | \$ <u><u>12,026,810</u></u> | \$ <u><u>5,055,378</u></u> |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Net Position
Fiduciary Funds
September 30, 2021

Assets:

| | | | |
|---|----|------------------|--------------------|
| Cash and cash equivalents | | \$ | 9,000,626 |
| Investments, at fair value: | | | |
| Domestic equity funds | \$ | 127,204,669 | |
| Equity securities, including mutual funds | | 150,829,415 | |
| Real estate investment funds | | 59,612,405 | |
| International equity funds | | 53,456,418 | |
| Fixed income funds | | 48,186,742 | |
| Absolute return funds | | 10,906,158 | |
| United States agency securities | | 13,652,360 | |
| Corporate notes/debt securities | | 10,220,089 | |
| United States treasuries | | 15,823,750 | |
| Pooled separate accounts - self directed DROP | | <u>6,791,193</u> | 496,683,199 |
| Receivables: | | | |
| Interest and dividends | | | 251,218 |
| Contributions | | | 201,126 |
| Securities sold | | | 1,093 |
| Other | | | 3,028 |
| Prepaid expenses | | | <u>1,089,207</u> |
| Total assets | | | <u>507,229,497</u> |

Liabilities:

| | | |
|----------------------------------|--|------------------|
| Accounts payable | | 233,259 |
| Payable for securities purchased | | 270,043 |
| Prepaid contributions | | <u>4,180,795</u> |
| Total liabilities | | <u>4,684,097</u> |

Net Position:

| | | |
|--|----|---------------------------|
| Net position restricted for pensions | | 499,398,329 |
| Net position restricted for other post-employment benefits | | <u>3,147,071</u> |
| Total net position | \$ | <u><u>502,545,400</u></u> |

The accompanying notes to financial statements are an integral part of these statements.

Town of Davie, Florida
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2021

Additions:

Contributions:

| | |
|------------------|------------------|
| Employer | \$ 14,981,934 |
| Plan members | 3,547,141 |
| Buy back | 271,029 |
| DROP account | 594,364 |
| State of Florida | <u>2,046,593</u> |

| | |
|---------------------|-------------------|
| Total contributions | <u>21,441,061</u> |
|---------------------|-------------------|

Investment income:

| | |
|--|------------------|
| Net appreciation (depreciation) in fair value of investments | 84,209,012 |
| Interest and dividends, net | <u>5,457,852</u> |

| | |
|-------------------------|------------|
| Total investment income | 89,666,864 |
|-------------------------|------------|

Less:

| | |
|---------------------|------------------|
| Investment expenses | <u>1,171,209</u> |
|---------------------|------------------|

| | |
|-----------------------|-------------------|
| Net investment income | <u>88,495,655</u> |
|-----------------------|-------------------|

| | |
|-----------------|--------------------|
| Total additions | <u>109,936,716</u> |
|-----------------|--------------------|

Deductions:

| | |
|--------------------------|----------------|
| Benefits paid | 19,797,581 |
| Refunds of contributions | 306,536 |
| Administrative expenses | <u>416,775</u> |

| | |
|------------------|-------------------|
| Total deductions | <u>20,520,892</u> |
|------------------|-------------------|

| | |
|------------------------|------------|
| Change in net position | 89,415,824 |
|------------------------|------------|

| | |
|--|--------------------|
| Net Position, beginning of year | <u>413,129,576</u> |
|--|--------------------|

| | |
|----------------------------------|------------------------------|
| Net Position, end of year | \$ <u><u>502,545,400</u></u> |
|----------------------------------|------------------------------|

The accompanying notes to financial statements are an integral part of these statements.



NOTES TO BASIC FINANCIAL STATEMENTS



Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Town of Davie, Florida (the "Town") was first incorporated in 1925 and was subsequently dissolved as a municipal corporation by the State of Florida when local residents failed to adopt necessary taxing powers. The Town was reincorporated in 1961, as authorized by Special Acts – Chapter 61-2056 under the Laws of Florida, and exists as a Council-Administrator form of municipal government. All registered voters elect the Mayor and four Council members; each of the four Council members represents a specific district. The Mayor serves as chairperson of public meetings and executes certain documents authorized by charter, ordinance, or resolution. Each elected official serves a three-year term of office. Each year, the Council elects a Vice Mayor who serves in the capacity of the Mayor when the Mayor is unable to perform his or her duties.

The Town provides its residents and businesses with a full range of municipal services contemplated by state law or local charter. Services include police and fire, parks, recreation and cultural arts, community services, licensing and permitting, general administration, water and sewer utilities, public works and maintenance, development and redevelopment services, and code enforcement. Through franchise agreements, the Town also provides garbage disposal, electricity, and towing services.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's governmental accounting policies are described below.

As required by various GASB Statements, the accompanying financial statements present the Town and its component unit, an entity for which the Town is considered to be financially accountable. The Town is financially accountable if the Town Council appoints a voting majority of an organization's governing body and the Town is able to impose its will on that organization, or the Town has a financial benefit/burden relationship or operational responsibility with the organization. Blended component units are, in substance, part of the Town's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Town.

Blended Component Unit - The Town of Davie Community Redevelopment Agency ("CRA"), although an entity legally separate from the Town, is governed by the Town's Council. In December 1988, Ordinance No. 88-75 created the Town of Davie Community Redevelopment Agency, pursuant to Sec. 163.330 et. seq., Florida Statutes. While the Town Council is not the CRA Board, the CRA's own five-member board, appointed by the Town Council, serves in the capacity of an advisory board since the CRA's annual budget, contracts, grants and all other actions must be authorized directly by resolutions of the Town Council. In addition, the Town has issued bonds to finance CRA projects and is financially responsible for the CRA. The CRA is reported as a blended component unit (special revenue fund) since its Board of Directors is the same as the governing body of the Town and the Town has the financial benefit/burden relationship and operational responsibility for the CRA relating to its assets and debts. All redevelopment activities of a contractual, financial and programmatic nature shall have a maximum duration of 30 years from date of adoption. The Town of Davie CRA is due to expire in 2027. The CRA is the Town's only component unit.

Note 1 - Summary of Significant Accounting Policies (continued)

Separate financial statements have been prepared for the CRA. Effective for the fiscal year ended September 30, 2020, the Florida Legislature enacted Chapter 2019-163, Laws of Florida, which amended Section 163.387(8), Florida Statutes, to require that each CRA meeting the specified \$ 100,000 threshold provide for a separate audit and that the resultant audit report accompany the Town's annual financial report filed with the Florida Department of Financial Services. The CRA audit is to be separate from the audit of the County or the municipality that created the CRA, which must include within their reporting entities the CRA as a component unit. In addition, the separate CRA audit report must present stand-alone financial statements which include basic financial statements, notes to the financial statements, management's discussion and analysis, and other required supplementary information.

Discretely Presented Component Units – There are currently no discretely presented component units for the Town.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for services.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund (enterprise and internal service funds) and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 are met.

All governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers revenue to be available if it is collected within sixty days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that debt service on general obligation long-term debt, if any, is recognized when due. Expenditures related to pension and other post-employment benefits are recognized when the Town has made a decision to fund those obligations with current available resources. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees, utility taxes, other general taxes, assessments, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Permits, certain charges for services, fines and forfeitures, contributions and miscellaneous revenues are considered measurable and available when cash is received by the government. Revenue received in advance of fiscal year to which they apply is presented as unearned on the balance sheet.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the Town's governmental activities, financial statements of internal service funds are consolidated mainly into the governmental column when presented at the government-wide level.

The Town's fiduciary funds are presented in the fund financial statements. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds and fiduciary-type component units, as applicable, are not reported in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows/outflows, fund balance/net position, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Funds: The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net position. The following is a description of the governmental funds of the Town:

Note 1 - Summary of Significant Accounting Policies (continued)

General Fund (a major fund)

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

Community Endowment, Special Revenue Fund (a major fund)

The *Community Endowment Fund* was established in a prior fiscal year with a fund transfer from a terminated General Employees' Pension Plan. The funds are to assist with certain unfunded liabilities; projects or programs that need capital creation that will be repaid over time; or community projects or charitable programs that have one-time needs.

Community Redevelopment Agency, Special Revenue Fund (a major fund)

The *Community Redevelopment Agency Fund* ("CRA") is used to account for the activities of the Town's Community Redevelopment Agency, a blended component unit of the Town. The Town presents the Community Redevelopment Agency Fund as a major fund. Revenue is derived primarily from tax incremental revenue, which is the revenue that the CRA collects from the Town, Broward County, Central Broward Water Control District, Children's Services Council of Broward County, and the South & North Broward Hospital District. Those taxes are based on the incremental increase of the real property value and are dedicated to the redevelopment of the area. The annual audit of the Town included an evaluation of the CRA in light of the applicable requirements of Section 163.387, Florida Statutes. Per the Town's management, the year end fund balance of \$ 5.1 million has been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan.

Capital Projects Fund (a major fund)

The *Capital Projects Fund* is used to account for the cost of acquiring, constructing, and placing into service those capital assets which are associated with activities in the governmental funds and are typically financed by the General Fund or long-term debt issues, which are repaid by the recurring operating revenues and assessments in the General Fund. Improvements made from resources provided by this fund are approved in the Town's ten-year capital program and generally have no regard for fiscal periods. In addition, the fund accounts for capital projects funded by the Broward County Transportation Surtax. These capital projects will focus on improved traffic management, transportation connectivity, transit service, and multimodal transportation options.

Community Development Block Grant, Special Revenue Fund (a non-major fund)

The *Community Development Block Grant Fund* is mainly used to account for the activities of the Town's grants received from the United States Department of Housing and Urban Development and/or the State of Florida related to community development and housing.

State Housing Initiative Partnership (SHIP), Special Revenue Fund (a non-major fund)

The *State Housing Initiative Partnership (SHIP) Fund* accounts for funds provided through the State of Florida's State Housing Initiative Partnership (SHIP) Program, to produce and preserve affordable homeownership and multifamily housing.

Parks and Open Space Impact Fees, Special Revenue Fund (a non-major fund)

The *Parks and Open Space Impact Fees Fund* is used to account for the activities of the Town's impact fees received for its open space, parks and recreational facilities.

Note 1 - Summary of Significant Accounting Policies (continued)

Fire Impact Fees, Special Revenue Fund (a non-major fund)

The *Fire Impact Fees Fund* is used to account for the activities of the Town's impact fees relating to the provision of fire and rescue services.

Police Impact Fees, Special Revenue Fund (a non-major fund)

The *Police Impact Fees Fund* is used to account for the activities of the Town's impact fees relating to the provision of law enforcement services.

Forfeitures, Special Revenue Fund (a non-major fund)

The *Forfeitures Fund* is used to account for the revenue and expenditures from State and Federal forfeitures that the Town receives from various law enforcement agencies.

General Government Impact Fees, Special Revenue Fund (a non-major fund)

The *General Government Impact Fees Fund* is used to account for the activities of the Town's impact fees relating to its general governmental services.

Affordable Housing Fund, Special Revenue Fund (a non-major fund)

The *Affordable Housing Fund* is used to account for the collection and disbursement of funds associated with the Town's affordable housing incentive program as defined in the Town's applicable Land Development Code.

Proprietary Funds: Proprietary Funds include Enterprise and Internal Service Funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Internal Service Funds are used to account for the financing of goods or services provided by one Town department to another Town department on a cost reimbursement basis and to accumulate working capital for the renewal and replacement of assets in those funds. The following is a description of the proprietary funds of the Town:

Water and Sewer, Enterprise Fund (a major fund)

The *Water and Sewer Fund* is used to account for the operations of the water and sewer utility system. The cost of operating the water and sewer system is recovered almost entirely by user charges. Tax dollars are not permanently used in this fund. The acquisition, maintenance, and improvement of the physical plant facilities are financed from existing cash resources, issuance of revenue bonds and state or federal grants.

Note 1 - Summary of Significant Accounting Policies (continued)

Internal Service Fund for Vehicle Maintenance (a non-major fund)

The *Internal Service Fund for Vehicle Maintenance* is used to accumulate the cost of operating the central garage facility for vehicle and equipment maintenance. The cost allocation utilized provides for capital accumulation for the purpose of replacement vehicles. Costs of operating vehicles (replacement reserve, insurance reserve, maintenance, etc.) are established as a monthly rental rate per class of vehicle and the user department is charged for each vehicle it uses.

Internal Service Fund for Self-Insurance (a non-major fund)

The *Internal Service Fund for Self-Insurance* was established to account for and finance the Town's insured and uninsured risks of loss related to worker's compensation and employee health benefits.

Internal Service Fund for Information Technology (a non-major fund)

The *Internal Service Fund for Information Technology* is used to accumulate the costs associated with the acquisition and maintenance of information systems equipment, networks, software and support. The cost allocation utilized provides for operational costs of the IT department and for capital accumulation for the purpose of replacing and maintaining the Town's equipment.

Fiduciary Funds: Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the Town:

Firefighters' Pension

The *Firefighters' Pension* is maintained solely for the retirement benefit of the firefighters employed by the Town.

Police Employees' Pension

The *Police Employees' Pension* is maintained solely for the retirement benefit of the sworn police officers employed by the Town.

Management and General Employees' Pension

The *Management and General Employees' Pension* is maintained solely for the retirement benefit of employees that are not represented under any other deferred benefit pension plan.

OPEB Trust

The *OPEB Trust* is maintained solely for the benefit of retired employees of the Town to provide specified post-employment health care benefits for participants.

D. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, with the exception of the Capital Projects Fund and the State Housing Initiative Partnership (SHIP) Fund. The SHIP Fund is budgeted together with the Community Development Block Grant Fund and has been presented in this report as legally adopted.

Note 1 - Summary of Significant Accounting Policies (continued)

Per the Town's charter, interdepartmental budget transfers of \$ 5,000 and under may be approved by the Town Administrator and carried out by the Budget and Finance Department. Budget transfers exceeding \$ 5,000, budget transfers between departments in the same fund and all budget amendments require the approval by the Town Council. The Town Administrator may approve some interdepartmental transfers over \$ 5,000, if the Town Council has delegated such authority for the fiscal year and so long as the net change in a department's total appropriation is zero. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

E. Cash and Cash Equivalents

The Town's "cash and cash equivalents" are considered to be cash on hand, demand deposits, certificates of deposits, money market funds, and deposits held with the State Board of Administration ("SBA") Investment pool. For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are carried at estimated fair value. Unrealized gains and losses in fair value are recognized.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any remaining balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

The Town recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided for possible uncollectible accounts.

H. Inventories and Prepaid Items

Inventories are valued at cost (first-in, first-out method) or weighted average method. Inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Note 1 - Summary of Significant Accounting Policies (continued)

I. Restricted Assets

Certain proceeds of the Town's proprietary fund revenue bonds, as well as certain resources set aside for their repayment are classified as restricted assets on the statement of net position because the funds are segregated and their use is limited by applicable bond covenants and other similar arrangements. The Town is required to maintain capital replacement, and renewal and replacement resources for unexpected contingencies or to fund asset renewals or replacements. See Note 8 for additional information.

J. Capital Assets

Property, plant, and equipment purchased or acquired at a minimum cost of \$ 1,500 is carried at historical cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition, as applicable. Interest expense is capitalized in the enterprise funds during the time a project is under construction and begins upon the issuance of bonds to finance the construction of a capital asset. Capitalization begins when expenditure is made by a payment to a vendor from the bond proceeds. Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives for each major class of depreciable capital assets are as follows:

| | |
|-----------------------------------|-------------|
| Infrastructure | 15-40 years |
| Buildings and improvements | 15-30 years |
| Machinery, equipment and vehicles | 5-20 years |

Upon disposal of property, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposal reported currently. Expenditures for maintenance, repairs, and minor renewals and betterments are charged as incurred. Renewals and betterments of a major character are capitalized. In the fund financial statements, acquisition of capital assets is recorded as expenditure and no depreciation is recorded.

K. Deferred Outflows/Inflows of Resources

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

In general, the Town has two items that qualifies for reporting in this category. The first is the deferred charge on refunding reported in the water and sewer fund – statement of net position and the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflows relating to the pension plans, and other post employment benefits, as applicable, and discussed in further detail in Notes 14 and 15.

Note 1 - Summary of Significant Accounting Policies (continued)

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In general, the Town has two items that qualifies for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenue and certain charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item are the deferred inflows relating to the pension plans, and other post-employment benefits, as applicable, and discussed in further detail in Notes 14 and 15.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issue costs are expensed at issuance. Bonds payable are reported net of the applicable premiums or discounts.

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

M. Compensated Absences

It is the Town's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and earned sick leave. Upon separation from service, employees may receive payment for all unused vacation time and, subject to length of service, generally from 50% to 75% of all unused sick leave.

Accumulated compensated absences are recorded in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, (e.g., resulting from employee resignations and retirements).

N. Net Position and Fund Balance

Net position in the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets plus unspent bond proceeds, as applicable.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

Note 1 - Summary of Significant Accounting Policies (continued)

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

For fund balance disclosures, please refer to Note 10.

O. Pension Plans

As of year-end, the Town sponsors four pension plans: three defined benefit plans (Note 14) and a Money Purchase Plan (Note 13), covering substantially all of its full-time employees. The Town also has an Other Post-Employment Benefits (OPEB) trust plan (Note 15) maintained for the health care benefit of retired employees. The investments of the pension plans and OPEB trust are all carried at fair value.

P. Unearned Revenues

Inflows that do not meet the criteria for revenue recognition, such as business tax receipts collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.

Q. Use of estimates

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

R. Subsequent events

Subsequent events are evaluated by management through March 30, 2022, the date the financial statements were available for issuance.

Note 2 - Deposits and Investments

As required by Florida Statutes, the Town Council has adopted a written investment policy, which may, from time to time, be amended. Under the current policy, Town officials are generally authorized to invest funds in the Florida Local Government Surplus Funds Trust Fund (SBA Pool), intergovernmental investment pools, United States Government Securities, guaranteed agencies and sponsored agencies, commercial paper, corporate notes, taxable and/or tax-exempt municipal debt, asset-backed securities, interest bearing certificates of deposit or savings accounts, repurchase agreements, and registered investment companies-money market mutual funds. The Community Endowment Special Revenue Fund is authorized to invest in corporate equity securities in addition to the previously listed investments.

Note 2 - Deposits and Investments (continued)

The Town's investment policy does not apply to funds not under the direct control of the Town; such as, the deferred contribution plan, deferred benefit plans (Firefighters, Police, Management and General), the OPEB trust fund, or accounts created under resolution or ordinance pursuant to the issuance of debt. The defined benefit pension plans' investment policy is determined by their respective Boards of Trustees and invests in securities as summarized in the tables below.

As of September 30, 2021, the Town had the following deposits and investments:

| Investment Type | Carrying Amount (Fair Value) | | |
|--|------------------------------|--------------------|----------------|
| | Primary Government | Fiduciary Funds | Total |
| MSIFT - Core Plus Fixed Income Portfolio | \$ 119,781 | \$ - | \$ 119,781 |
| Florida Municipal Investment Trust Funds | 5,689,659 | 108,547,984 | 114,237,643 |
| United States treasuries | 29,323,263 | 15,823,750 | 45,147,013 |
| United States agency securities | 23,435,808 | 13,652,360 | 37,088,168 |
| Corporate notes/debt securities | 19,302,085 | 10,220,089 | 29,522,174 |
| Fixed income funds | - | 13,963,098 | 13,963,098 |
| Equity securities, including mutual funds | 46,662 | 150,829,415 | 150,876,077 |
| Domestic equity funds | - | 84,355,726 | 84,355,726 |
| International equity funds | - | 31,143,381 | 31,143,381 |
| Real estate investment funds | - | 50,450,045 | 50,450,045 |
| Absolute return funds | - | 10,906,158 | 10,906,158 |
| State Board of Administration - Florida PRIME | 24,782,220 | - | 24,782,220 |
| Pooled separate accounts - self directed DROP | - | 6,791,193 | 6,791,193 |
| Plus: Cash and money market funds | 161,248,111 | 9,000,626 | 170,248,737 |
| Total | \$ 263,947,589 | \$ 505,683,825 | \$ 769,631,414 |

Deposits: The Town's cash balances were entirely covered by Federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2021, the carrying amount of the Town's deposits was \$ 161,227,263, with a bank balance of \$ 162,699,340. Cash balances held by the fiduciary funds generally exists temporarily as cash is in the process of collection from sales or to acquire securities.

Note 2 - Deposits and Investments (continued)

Investments:

Interest rate risk: Interest rate risk exists when there is a possibility that changes in interest rate could adversely affect the fair value of the investments. Generally, the longer the time to maturity, the greater the exposure is to interest rate risk. The Town, primary government, limits their risk by requiring all non-amortizing securities maturities to a maximum of seven years. All amortizing securities are limited by their effective duration rather than their final maturity. The effective duration of the amortizing securities held by the Town is limited to a maximum of five years. At year end, the weighted average effective duration of the Town's securities ranges from 0.84 to 2.19 years. As a means of limiting its exposure to interest rate risk, fiduciary funds diversify investments by security type and institution, and aim to provide sufficient liquidity to meet any required payments.

The table below summarizes the Town's Primary Government Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2021:

| Investment Type | Total Fair Value | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
|---------------------------------|----------------------|---------------------|----------------------|---------------------|---------------------|
| United States treasuries | \$ 29,323,263 | \$ 2,703,190 | \$ 26,620,073 | \$ - | \$ - |
| United States agency securities | 23,435,808 | 1,077,543 | 14,678,935 | 3,991,679 | 3,687,651 |
| Corporate notes/debt securities | 19,302,085 | 1,566,685 | 17,735,400 | - | - |
| Total | <u>\$ 72,061,156</u> | <u>\$ 5,347,418</u> | <u>\$ 59,034,408</u> | <u>\$ 3,991,679</u> | <u>\$ 3,687,651</u> |

The table below summarizes the Town's Fiduciary Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2021:

| Investment Type | Total Fair Value | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
|---------------------------------|----------------------|-------------|----------------------|----------------------|----------------------|
| United States treasuries | \$ 15,823,750 | \$ - | \$ 14,152,920 | \$ 1,313,644 | \$ 357,186 |
| United States agency securities | 13,652,360 | - | - | 11,389,764 | 2,262,596 |
| Corporate notes/debt securities | 10,220,089 | - | 409,908 | 9,810,181 | - |
| Fixed income funds | 13,963,098 | - | - | 5,138,942 | 8,824,156 |
| Total | <u>\$ 53,659,297</u> | <u>\$ -</u> | <u>\$ 14,562,828</u> | <u>\$ 27,652,531</u> | <u>\$ 11,443,938</u> |

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The Town controls this risk by investing primarily in U.S. Government backed securities, and setting minimum credit ratings for other securities, rated by a Nationally Recognized Statistical Rating Organization ("NRSRO"). The fiduciary funds investment policy utilizes portfolio diversification in order to control this risk, and provide for certain minimum ratings as established by policy. The SBA Florida, PRIME has a credit rating by Standard & Poor's ("S&P") of AAAM, while the money market mutual funds are not rated.

Note 2 - Deposits and Investments (continued)

The NRSRO ratings for the Town's investments, including those held in pension trust funds as of September 30, 2021, are summarized below.

| NRSRO Rating | Total Fair Value | Primary Government | Fiduciary Funds |
|-----------------|-----------------------|-----------------------|----------------------|
| AAA/Aaa | \$ 9,541,607 | \$ 5,831,871 | \$ 3,709,736 |
| AA+ | 57,945,293 | 53,204,333 | 4,740,960 |
| AA | 25,553,216 | 642,070 | 24,911,146 |
| AA- | 559,965 | 559,965 | - |
| A+ | 2,157,727 | 2,157,727 | - |
| A | 6,886,136 | 6,024,589 | 861,547 |
| A- | 3,907,153 | 3,003,232 | 903,921 |
| A-AAA | 8,571,416 | - | 8,571,416 |
| BBB+ | 744,752 | - | 744,752 |
| BBB | 2,904,145 | - | 2,904,145 |
| BB | 1,189,972 | - | 1,189,972 |
| B | 469,612 | - | 469,612 |
| B- | 724,823 | - | 724,823 |
| NR | 4,564,636 | 637,369 | 3,927,267 |
| Total | \$ <u>125,720,453</u> | \$ <u>72,061,156</u> | \$ <u>53,659,297</u> |

Concentration risk: The Town's and fiduciary funds policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more of the total investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investments pools, and other pooled investments are excluded from this disclosure requirement. There were no individual investments that represent 5% or more in any one issuer at September 30, 2021.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town and fiduciary funds would not recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Town and fiduciary funds minimizes this risk by establishing minimum standards for institutions and dealers used by the Town. Consistent with the Town's and Plans' investment policy, the investments are held by custodial banks/institutions in the Town's and Plans' name, or in street name or nominee name as the agent, as applicable.

Foreign currency risk: Foreign currency risk is the risk that fluctuations in the currency exchange rate may materially affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Town's investments are not subject to foreign currency risk. The Fiduciary Funds exposure to foreign currency risk derives mainly from investments in international equity funds.

Note 2 - Deposits and Investments (continued)

Florida Municipal Investment Trust Funds: The Town manages its Defined Benefit Pension Plan investments for its management and general employees and the OPEB trust with the Florida Municipal Pension Trust Fund ("FMPTF"). The FMPTF is managed through the Florida Municipal Investment Trust ("FMIvT"), a Local Government Investment Pool. The Town also has investments of the primary government with the FMIvT. Required disclosures are as follows:

| <u>Credit Risk:</u> | <u>Fitch Rating</u> | <u>Amount</u> |
|---|---------------------|-----------------------|
| <u>Fixed Income Funds:</u> | | |
| FMIvT Broad Market High Quality Bond Fund | AAf/S4 | \$ 16,969,901 |
| FMIvT 0-2 Year High Quality Bond Fund | AAAf/S1 | 61,152 |
| FMIvT 1-3 Year High Quality Bond Fund | AAAf/S2 | 5,628,507 |
| FMIvT Core Plus Fixed Income Fund | Not rated | 17,253,744 |
| <u>Equity Portfolios:</u> | | |
| FMIvT Diversified Large Cap Equity Portfolio | Not rated | 27,656,173 |
| FMIvT Diversified Small to Mid Cap Equity Portfolio | Not rated | 15,192,770 |
| FMIvT International Equity Portfolio | Not rated | 22,313,037 |
| FMIvT Core Real Estate Fund | Not rated | 9,162,359 |
| | | <u>\$ 114,237,643</u> |

Interest Rate Risk (In Years):

| <u>Fixed Income Funds:</u> | <u>Duration</u> | <u>WAM</u> |
|---|-----------------|------------|
| FMIvT Broad Market High Quality Bond Fund | 5.39 | 6.30 |
| FMIvT 0-2 Year High Quality Bond Fund | 0.70 | 0.80 |
| FMIvT 1-3 Year High Quality Bond Fund | 1.42 | 1.50 |
| FMIvT Core Plus Fixed Income Fund | 3.98 | 8.21 |

Fair Value Hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investment at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - investments reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 - investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following is a general description of the valuation methodologies used for assets measured at fair value.

Investments classified as Level 1 for the primary government and fiduciary funds, in the tables below, are valued using prices quoted in active markets for identical securities.

Note 2 - Deposits and Investments (continued)

Investments classified as Level 2 for the primary government and fiduciary funds, in the tables below, are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, cash flows, maturity, and credit ratings), or other market corroborated inputs specific to the investment type.

Investments classified as Level 3 for the fiduciary funds, in the table below, are valued based on significant unobservable inputs to the extent observable inputs are not available. The fair value of classified level 3 investments represents the value of unit positions in funds that are not publicly traded on an exchange. The fair value of the funds may be impacted by redemption restrictions imposed by the fund managers.

Fair values of investments held by the Town's Primary Government Investment Funds are classified at September 30, 2021 as follows:

| Investment Type | Total Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Valued at NAV |
|--|---------------------|--|---|--|---------------------------------|
| MSIFT-Core Plus Fixed Income Portfolio | \$ 119,781 | \$ 119,781 | \$ - | \$ - | \$ - |
| Florida Municipal Investment Trust Funds | 5,689,659 | - | 5,689,659 | - | - |
| United States treasuries | 29,323,263 | 29,323,263 | - | - | - |
| United States agency securities | 23,435,808 | 23,435,808 | - | - | - |
| Corporate notes/debt securities | 19,302,085 | 19,302,085 | - | - | - |
| Equity securities, including mutual funds | 46,662 | 46,662 | - | - | - |
| Total investments measured at fair value | 77,917,258 | \$ 72,227,599 | \$ 5,689,659 | \$ - | \$ - |
| Investments measured at amortized cost: | | | | | |
| Florida PRIME | 24,782,220 | | | | |
| Money market funds and other deposits | 161,248,111 | | | | |
| Total | \$ 263,947,589 | | | | |

A description of the valuation techniques used in the fair value measurement for Level 2 and 3 inputs above, as applicable, are as follows: Level 2 investments in the Florida Municipal Investment Trust Funds have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

Town of Davie, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 2 - Deposits and Investments (continued)

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2021 as follows:

| Investment Type | Total Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Valued at NAV |
|--|-----------------------|--|---|--|---------------------------------|
| Florida Municipal Investment Trust Funds | \$ 108,547,984 | \$ - | \$ 82,131,881 | \$ 26,416,103 | \$ - |
| United States treasuries | 15,823,750 | 15,823,750 | - | - | - |
| United States agency securities | 13,652,360 | - | 13,652,360 | - | - |
| Corporate notes/debt securities | 10,220,089 | - | 10,220,089 | - | - |
| Fixed income funds | 13,963,098 | 13,963,098 | - | - | - |
| Equity securities, including mutual funds | 150,829,415 | 150,829,415 | - | - | - |
| Domestic equity funds | 84,355,726 | - | 84,355,726 | - | - |
| International equity funds | 31,143,381 | - | 31,143,381 | - | - |
| Real estate investment funds | 50,450,045 | - | - | - | 50,450,045 |
| Absolute return funds | 10,906,158 | 10,906,158 | - | - | - |
| Pooled separate accounts - self directed DROP | 6,791,193 | - | 6,791,193 | - | - |
| Total investments measured at fair value | 496,683,199 | \$ <u>191,522,421</u> | \$ <u>228,294,630</u> | \$ <u>26,416,103</u> | \$ <u>50,450,045</u> |
| Money market funds and other deposits | <u>9,000,626</u> | | | | |
| Total | \$ <u>505,683,825</u> | | | | |

A description of the valuation techniques used in the fair value measurement for Level 2 and 3 inputs above, as applicable, are as follows: Level 2 investments in the Florida Municipal Investment Trust Funds have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC), while others were calculated using net asset value in accordance with generally accepted accounting principles, as provided by the individual funds. While the underlying asset values are based on quoted prices or market-corroborate inputs, the net asset value of the portfolio is not publicly quoted. Level 3 investments in the Florida Municipal Investment Trust Funds invest in single underlying funds where the shares of the funds are not publicly quoted. The value has been determined by the investment manager. These funds are generally measured based on specific pricing models, internal assumptions, and the weighting of the best available pricing input, including quarterly real estate appraisals. Individual investment holdings may, in turn, include investments in both non-marketable and market-traded securities.

Note 2 - Deposits and Investments (continued)

Debt securities classified in level 2 of the fair value hierarchy were valued using a matrix pricing technique. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings, and discounted cash flows with adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available. Also, matrix pricing considered valuation from International Data Pricing and Reference Data, LLC based on the securities' relationship to benchmark quoted prices.

Equity funds, including pooled separate accounts, classified in level 2 of the fair value hierarchy were valued based on the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of level 1 and level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.

Additional information for investments classified as Level 3, measured at the net asset value (NAV) per share, or equivalent, is presented in the table below as of September 30, 2021.

| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|--|----------------------|-------------------------|--|-----------------------------|
| Real estate investment funds (1) Florida Municipal Investment Trust Funds (2) | \$ 50,450,045 | \$ 2,160,099 | Quarterly | 10-90 days |
| | <u>26,416,103</u> | <u>-</u> | Monthly to Quarterly | 1-5 days |
| Total | \$ <u>76,866,148</u> | \$ <u>2,160,099</u> | | |

- (1) Real estate funds hold investments in open-end commingled private equity real estate portfolios; in an open-end diversified core real estate commingled fund; and in an open-end commingled real estate fund. The funds held in open-end commingled private equity real estate portfolios are structured as limited partnerships; their primary focus is to invest in well-based income producing properties within major U.S. markets. The amounts held in the open-end diversified core real estate commingled fund invests primarily in core institutional office, retail, industrial and multi-family properties located throughout the United States. The amounts held in the open-end commingled real estate fund invests in a pool of real estate assets that are diversified by geography and property type, with a focus on yield-driven investments and, to a lesser extent, on value-added investments. The fair values of the investments in these funds have been determined using the NAV per unit of the trusts ownership interest in partners' capital.
- (2) Florida Municipal Investment Trust Funds consists of core real estate funds and core plus fixed income funds. The core real estate fund invests in core real estate in the United States; while the core plus fixed income fund invests in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, and litigation trusts for both United States and foreign companies and governments. These funds are considered level 3 investments, since the value is based on unobservable inputs.

Note 2 - Deposits and Investments (continued)

Given the inherent nature of investments, it is reasonably possible that changes in the value of investments held by the primary government and its fiduciary funds will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Note 3 - Property Taxes

The Town's property tax is levied and becomes a lien on real and personal property on October 1 of each year based on the assessed value listed as of the prior January 1. The Broward County Property Appraiser establishes assessed values. Broward County mails tax bills for the Town as the collection agent on or about October 1 of each year and is payable beginning November 1, with discounts of one to four percent if paid before March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1.

At September 30, material uncollected current year amounts are classified as delinquent taxes receivable in the General Fund and offset by an allowance for uncollectible accounts. Delinquent taxes collected in subsequent periods are recognized as revenue in the General Fund during the fiscal year in which they are received.

The Town levied a total rate of 5.8836 per \$ 1,000 of assessed valuation for the fiscal year commencing October 1, 2020.

Note 4 - Receivables

Receivables at September 30, 2021 for the Town's major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

| | General Fund | Nonmajor Governmental Funds | Total |
|-----------------------------------|---------------------|-----------------------------------|---------------------|
| Governmental funds: | | | |
| Accounts receivable, other | \$ 1,016,923 | \$ - | \$ 1,016,923 |
| Interest | 207,114 | - | 207,114 |
| Property taxes and assessments | 88,384 | - | 88,384 |
| Utility taxes and franchise fees | 2,485,271 | - | 2,485,271 |
| Intergovernmental | <u>2,107,035</u> | <u>1,145,262</u> | <u>3,252,297</u> |
| Gross receivables | 5,904,727 | 1,145,262 | 7,049,989 |
| Less: allowance for uncollectible | <u>(4,351)</u> | <u>-</u> | <u>(4,351)</u> |
| Net receivables | <u>\$ 5,900,376</u> | <u>\$ 1,145,262</u> | <u>\$ 7,045,638</u> |

Note 4 - Receivables (continued)

Receivables at September 30, 2021 for the Town's Water and Sewer Fund, and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

| | Water and Sewer Fund | Internal Service Funds |
|--------------------------------------|----------------------------|------------------------------|
| Accounts receivable | \$ 3,086,283 | \$ 203,929 |
| Less: allowance for uncollectible | <u>(949,592)</u> | <u>(33)</u> |
| Net receivables | \$ <u>2,136,691</u> | \$ <u>203,896</u> |

Note 5 - Interfund Transactions

A summary of interfund receivables and payables at September 30, 2021 is as follows:

| Interfund items (current) | Receivables | Payables |
|---|----------------------|----------------------|
| Due to/from other funds: | | |
| General Fund | \$ - | \$ 14,310,500 |
| Capital Projects Fund | 14,975,901 | - |
| Community Development Block Grant Fund (non major governmental fund) | <u>-</u> | <u>665,401</u> |
| Total | \$ <u>14,975,901</u> | \$ <u>14,975,901</u> |

The outstanding balances between funds may result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers for the year ended September 30, 2021 is as follows:

| Transfers | In | Out |
|---|----------------------|----------------------|
| Governmental Funds: | | |
| General Fund | \$ 351,313 | \$ 22,949,099 |
| Community Redevelopment Agency Fund | 2,907,349 | - |
| Capital Projects Fund | 20,007,125 | 351,313 |
| General Government Impact Fees Fund (nonmajor governmental fund) | - | 32,603 |
| Proprietary Funds: | | |
| Vehicle Maintenance Fund | <u>67,228</u> | <u>-</u> |
| Total | \$ <u>23,333,015</u> | \$ <u>23,333,015</u> |

Transfers were used to move funds from the General Fund to the Capital Projects Fund to provide for certain capital improvement projects, as approved within the Capital Improvement Program and for future projects. Funds were also transferred from the Capital Projects Fund to the General Fund for completed or canceled projects. Funds were also transferred from the General Fund to the Community Redevelopment Agency Fund related to tax increment funding. Funds were also transferred from General Fund and General Government Impact Fees Fund to the Vehicle Maintenance Fund, as the Town purchased vehicles during the year.

Town of Davie, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

| | Balance October 1, 2020 | Additions and Transfers | Retirements and Transfers | Balance September 30, 2021 |
|--|-------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 65,816,613 | \$ 5,494,415 | \$ - | \$ 71,311,028 |
| Construction in progress | <u>16,702,074</u> | <u>4,315,480</u> | <u>(16,702,074)</u> | <u>4,315,480</u> |
| Total capital assets, not being depreciated | <u>82,518,687</u> | <u>9,809,895</u> | <u>(16,702,074)</u> | <u>75,626,508</u> |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 169,473,107 | 7,767,938 | - | 177,241,045 |
| Buildings and improvements | 91,272,414 | 10,826,910 | - | 102,099,324 |
| Machinery, equipment and vehicles | <u>73,084,000</u> | <u>6,950,304</u> | <u>(2,346,486)</u> | <u>77,687,818</u> |
| Total capital assets, being depreciated | <u>333,829,521</u> | <u>25,545,152</u> | <u>(2,346,486)</u> | <u>357,028,187</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 101,674,464 | 3,224,772 | - | 104,899,236 |
| Buildings and improvements | 65,346,658 | 2,665,957 | - | 68,012,615 |
| Machinery, equipment and vehicles | <u>59,372,599</u> | <u>4,257,180</u> | <u>(2,232,391)</u> | <u>61,397,388</u> |
| Total accumulated depreciation | <u>226,393,721</u> | <u>10,147,909</u> | <u>(2,232,391)</u> | <u>234,309,239</u> |
| Total capital assets, being depreciated, net | <u>107,435,800</u> | <u>15,397,243</u> | <u>(114,095)</u> | <u>122,718,948</u> |
| Governmental activities capital assets, net | <u>\$ 189,954,487</u> | <u>\$ 25,207,138</u> | <u>\$ (16,816,169)</u> | <u>\$ 198,345,456</u> |

Town of Davie, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 6 - Capital Assets (continued)

| | Balance October 1, 2020 | Additions and Transfers | Retirements and Transfers | Balance September 30, 2021 |
|--|-------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,331,847 | \$ - | \$ - | \$ 7,331,847 |
| Construction in progress | 879,843 | 2,152,508 | - | 3,032,351 |
| | | | | |
| Total capital assets, not being depreciated | 8,211,690 | 2,152,508 | - | 10,364,198 |
| | | | | |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 25,741,888 | 126,711 | - | 25,868,599 |
| Building and improvements | 125,492,770 | 55,837 | - | 125,548,607 |
| Machinery, equipment and vehicles | 45,499,610 | 588,717 | - | 46,088,327 |
| | | | | |
| Total capital assets, being depreciated | 196,734,268 | 771,265 | - | 197,505,533 |
| | | | | |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 18,592,674 | 1,060,128 | - | 19,652,802 |
| Buildings and improvements | 45,334,138 | 5,168,166 | - | 50,502,304 |
| Machinery, equipment and vehicles | 19,341,790 | 1,873,809 | - | 21,215,599 |
| | | | | |
| Total accumulated depreciation | 83,268,602 | 8,102,103 | - | 91,370,705 |
| | | | | |
| Total capital assets, being depreciated, net | 113,465,666 | (7,330,838) | - | 106,134,828 |
| | | | | |
| Business-type activities capital assets, net | \$ 121,677,356 | \$ (5,178,330) | \$ - | \$ 116,499,026 |

Note 6 - Capital Assets (continued)

Depreciation was charged to functions/programs as follows:

| | |
|--|-----------------------------|
| Governmental activities: | |
| General government | \$ 244,976 |
| Building and engineering | 214,170 |
| Public safety - police | 876,128 |
| Public safety - fire | 1,058,891 |
| Public works | 3,547,319 |
| Parks, recreation and cultural arts | <u>1,772,378</u> |
| Subtotal | <u>7,713,862</u> |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>2,434,047</u> |
| Total depreciation expense Governmental activities | \$ <u><u>10,147,909</u></u> |
| Business type - activities: | |
| Water and sewer | \$ <u>8,102,103</u> |
| Total depreciation expense Business type - activities | \$ <u><u>8,102,103</u></u> |

Note 7 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities reported by the governmental and proprietary funds at September 30, 2021 were as follows:

Governmental Funds:

| | General Fund | Community Redevelopment Agency | Capital Projects | Nonmajor Governmental Funds | Total |
|-----------------------------|----------------------------|--------------------------------|--------------------------|-----------------------------|-----------------------------|
| Accounts | \$ 4,809,721 | \$ 32,758 | \$ 147,156 | \$ 302,086 | \$ 5,291,721 |
| Contracts and retainage | - | 26,245 | 846,521 | - | 872,766 |
| Payroll, taxes and benefits | 4,301,579 | 5,742 | - | 5,285 | 4,312,606 |
| Other | <u>246,369</u> | <u>-</u> | <u>-</u> | <u>236,795</u> | <u>483,164</u> |
| | \$ <u><u>9,357,669</u></u> | \$ <u><u>64,745</u></u> | \$ <u><u>993,677</u></u> | \$ <u><u>544,166</u></u> | \$ <u><u>10,960,257</u></u> |

Note 7 - Accounts Payable and Accrued Liabilities (continued)

Proprietary Funds:

| | Water and Sewer | Internal Service Funds | Total |
|-----------------------------|---------------------|------------------------------|---------------------|
| Accounts | \$ 695,247 | \$ 439,056 | \$ 1,134,303 |
| Contracts and retainage | 676,987 | - | 676,987 |
| Payroll, taxes and benefits | 156,981 | 312,044 | 469,025 |
| | <u>\$ 1,529,215</u> | <u>\$ 751,100</u> | <u>\$ 2,280,315</u> |

Note 8 - Restricted Assets

At September 30, 2021, the Town had \$ 32,486,759 in restricted cash, cash equivalents and investments in the Water and Sewer Fund. This balance is comprised of the following items:

| Restriction | |
|-------------------------|----------------------|
| Renewal and replacement | \$ 15,472,285 |
| Capital replacement | 11,454,531 |
| Debt service reserve | 4,785,622 |
| Customer deposits | <u>774,321</u> |
| Total | <u>\$ 32,486,759</u> |

Renewal and replacement – In accordance with the Town’s water and sewer indentures, the Town was required to establish a renewal and replacement account, including capital contribution charges, for its water and sewer plants. The funds may be used only for certain water and sewer system capital improvements/repairs and may be withdrawn and used anytime for this or other prescribed purposes. Since such withdrawn funds represent previously collected revenues (and income earned thereon), the amount of withdrawn funds need not be replaced or returned to the renewal and replacement account, unless recommended by a consultant.

Capital replacement – Previously, the Town hired consultants to perform a rate study and determined that the Town should commence a capital replacement reserve to be funded with an annual deposit of 7.5% of total operating revenues of the facilities. This account was established to provide an additional mechanism to fund the costs of renewals, replacements, betterments and upgrades to the water and sewer system. The Town anticipates that it will continue to make deposits in the same approximate amount in future years in order to maintain the system.

Debt service reserve – As described in Note 9, the Town was required to establish a debt service reserve fund equating to 10% of the par amount of the 2013 issuance and the maximum annual debt service on the 2019 issuance.

Customer deposits – Amount represents the total amount of customer deposits held by the Town.

Note 9 - Long-Term Liabilities

Governmental Activities: The following is a summary of changes in the long-term liabilities for the year ended September 30, 2021:

| | Balance October 1, 2020 | Additions | Reductions | Balance September 30, 2021 | Due Within One Year |
|---|-------------------------------|----------------------|----------------------|----------------------------------|---------------------------|
| Community Redevelopment Bonds, Series 2013A * | \$ 4,955,090 | \$ - | \$ 851,245 | \$ 4,103,845 | \$ 872,696 |
| Community Redevelopment Bonds, Series 2013B * | 3,659,748 | - | 629,296 | 3,030,452 | 644,897 |
| General Obligation Refunding Note, Series 2015 * | 9,100,000 | - | 725,000 | 8,375,000 | 745,000 |
| Limited General Obligation Refunding Note, Series 2015 * | 9,345,000 | - | 1,475,000 | 7,870,000 | 1,510,000 |
| | <u>27,059,838</u> | <u>-</u> | <u>3,680,541</u> | <u>23,379,297</u> | <u>3,772,593</u> |
| Insurance claims payable | 1,983,209 | 11,067,359 | 10,675,003 | 2,375,565 | 2,375,565 |
| Compensated absences payable | 10,602,432 | 7,329,044 | 7,033,835 | 10,897,641 | 4,457,447 |
| | <u>12,585,641</u> | <u>18,396,403</u> | <u>17,708,838</u> | <u>13,273,206</u> | <u>6,833,012</u> |
| Total | <u>\$ 39,645,479</u> | <u>\$ 18,396,403</u> | <u>\$ 21,389,379</u> | <u>\$ 36,652,503</u> | <u>\$ 10,605,605</u> |

* Notes from direct borrowing and private placements have an outstanding balance of \$ 23,379,297 as of September 30, 2021.

For governmental activities, compensated absences are generally liquidated by the General Fund. The entire insurance claims liability is reported in the Self-Insurance Internal Service Fund and will be liquidated by that fund.

Community Redevelopment Agency ("CRA") Bonds - The CRA previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, to make various infrastructure improvements, including drainage, road, and water and sewer improvements, and to acquire land for redevelopment purposes. On August 28, 2013 and September 28, 2013, the CRA issued Community Redevelopment Bonds, Series 2013A and 2013B, amounting to \$ 10,000,000 and \$ 7,394,769, respectively, to currently refund the then outstanding Series 2010 Bonds. The 2013A and 2013B Bonds bear interest at the fixed rate of 2.470% and 2.430%, respectively, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rates were increased to 3.002% and 2.953% for the 2013A and 2013B Bonds, respectively, due to a change in the corporate tax rate. Principal and interest on both series is payable semiannually on each June 10 and December 10 through maturity in December 2025. The Bonds are secured by a pledge and lien on tax increment revenues of the Town's CRA. In addition, the Town covenants to annually budget and appropriate legally available non-ad valorem revenues to cover any shortfall in tax increment revenue of the CRA to pay for scheduled principal and interest.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013A are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 872,696 | \$ 118,329 | \$ 991,025 |
| 2023 | 894,688 | 91,600 | 986,288 |
| 2024 | 917,104 | 64,355 | 981,459 |
| 2025 | 940,344 | 36,110 | 976,454 |
| 2026 | <u>479,013</u> | <u>7,310</u> | <u>486,323</u> |
| Total | \$ <u>4,103,845</u> | \$ <u>317,704</u> | \$ <u>4,421,549</u> |

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013B are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 644,897 | \$ 85,960 | \$ 730,857 |
| 2023 | 660,883 | 66,530 | 727,413 |
| 2024 | 677,172 | 46,733 | 723,905 |
| 2025 | 694,053 | 26,217 | 720,270 |
| 2026 | <u>353,447</u> | <u>5,306</u> | <u>358,753</u> |
| Total | \$ <u>3,030,452</u> | \$ <u>230,746</u> | \$ <u>3,261,198</u> |

The outstanding CRA Series 2013A and 2013B arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and failure to budget and appropriate. These events may increase the current interest rate to the lesser of 18% or the maximum lawful rate during the continuation of an event of default. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lender may also seek enforcement of and exercise all remedies available and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lender. Prepayment fees/premiums may also apply.

\$ 12,465,000 General Obligation Refunding Note, Series 2015 - Previously, the Town issued \$ 12,465,000 of a General Obligation Refunding Note, Series 2015, maturing August 1, 2031, with a fixed interest rate of 2.59%, to refund the then outstanding General Obligation Bonds, Series 2006. The entire proceeds of the 2015 Note were applied to refund the principal balance of the 2006 Bonds; therefore, no proceeds were received by the issuer. The original bonds were issued in connection with constructing and furnishing fire and rescue facilities, and the procurement of certain equipment and technology, including the improvement of emergency management and terrorism preparedness. Interest is paid semiannually on each February 1 and August 1. Principal on the Note is paid annually commencing August 2016 through August 2031. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the General Obligation Refunding Note, Series 2015 are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|---------------------|---------------------|
| 2022 | \$ 745,000 | \$ 216,913 | \$ 961,913 |
| 2023 | 760,000 | 197,617 | 957,617 |
| 2024 | 785,000 | 177,933 | 962,933 |
| 2025 | 805,000 | 157,602 | 962,602 |
| 2026 | 825,000 | 136,752 | 961,752 |
| 2027-2031 | <u>4,455,000</u> | <u>352,111</u> | <u>4,807,111</u> |
| Total | \$ <u>8,375,000</u> | \$ <u>1,238,928</u> | \$ <u>9,613,928</u> |

\$ 16,260,000 Limited General Obligation Refunding Note, Series 2015 – Previously, the Town issued \$ 16,260,000 of a Limited General Obligation Refunding Note, Series 2015, maturing August 1, 2026, with a fixed interest rate of 2.18%, to refund the then outstanding Limited General Obligation Bonds, Series 2006. The entire proceeds of the 2015 Note were applied to refund the principal balance of the 2006 Bonds; therefore, no proceeds were received by the issuer. The original bonds were issued in connection with acquiring land to protect the quality of water bodies, preserving and improving wildlife habitat and parks, and constructing and improving recreational areas. Interest is paid semiannually on each February 1 and August 1. Principal on the Note is paid annually commencing August 2016 through August 2026. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue up to a tax limit of 0.38 mills per annum.

Annual debt service requirements estimated to maturity for the Limited General Obligation Refunding Note, Series 2015 are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 1,510,000 | \$ 171,566 | \$ 1,681,566 |
| 2023 | 1,535,000 | 138,648 | 1,673,648 |
| 2024 | 1,575,000 | 105,185 | 1,680,185 |
| 2025 | 1,610,000 | 70,850 | 1,680,850 |
| 2026 | <u>1,640,000</u> | <u>35,752</u> | <u>1,675,752</u> |
| Total | \$ <u>7,870,000</u> | \$ <u>522,001</u> | \$ <u>8,392,001</u> |

The outstanding Series 2015 (both general and limited general obligation) arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and the downgrade to certain ratings assigned by nationally recognized agencies. These events may result in a late charge on overdue payments of 6% (G.O. Series 2015); and may increase, during default, the current interest rates on these arrangements to the higher of the then prime rate or adjusted one-month LIBOR rate plus a spread ranging from 4% to 6%. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lenders may also seek enforcement of and exercise all remedies available to them and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lenders. Prepayment fees/premiums may also apply.

Town of Davie, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 9 - Long-Term Liabilities (continued)

The aggregate annual debt service estimated to maturity for the governmental activities debt is as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|----------------------|---------------------|----------------------|
| 2022 | \$ 3,772,593 | \$ 592,768 | \$ 4,365,361 |
| 2023 | 3,850,571 | 494,395 | 4,344,966 |
| 2024 | 3,954,276 | 394,206 | 4,348,482 |
| 2025 | 4,049,397 | 290,779 | 4,340,176 |
| 2026 | 3,297,460 | 185,120 | 3,482,580 |
| 2027-2031 | 4,455,000 | 352,111 | 4,807,111 |
| Total | \$ <u>23,379,297</u> | \$ <u>2,309,379</u> | \$ <u>25,688,676</u> |

Business -Type Activities: The following is a summary of changes in the long-term liabilities for the year ended September 30, 2021:

| | <u>Balance October 1, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance September 30, 2021</u> | <u>Due Within One Year</u> |
|---|--|-------------------|---------------------|---|------------------------------------|
| Bonds Payable: | | | | | |
| Water and Sewer Revenue Bonds, Series 2011 | \$ 1,810,000 | \$ - | \$ 555,000 | \$ 1,255,000 | \$ 1,255,000 |
| Water and Sewer Revenue Bonds, Series 2012 | 27,025,000 | - | 215,000 | 26,810,000 | 220,000 |
| Water and Sewer Revenue Refunding Bonds, Series 2013 * | 3,400,000 | - | 1,960,000 | 1,440,000 | 1,440,000 |
| Water and Sewer Revenue Refunding Bonds, Series 2019 * | 49,915,000 | - | - | 49,915,000 | 1,000,000 |
| Water and Sewer Revenue Refunding Bonds, Series 2020 | 47,650,000 | - | - | 47,650,000 | 490,000 |
| State Revolving Fund Loan Program* | 3,040,450 | - | 203,149 | 2,837,301 | 207,847 |
| Bond Discounts | (373,361) | - | (16,971) | (356,390) | - |
| | <u>132,467,089</u> | <u>-</u> | <u>2,916,178</u> | <u>129,550,911</u> | <u>4,612,847</u> |
| Compensated Absences | 526,452 | 300,608 | 338,854 | 488,206 | 269,632 |
| | \$ <u>132,993,541</u> | \$ <u>300,608</u> | \$ <u>3,255,032</u> | \$ <u>130,039,117</u> | \$ <u>4,882,479</u> |

* Notes from direct borrowing and private placements have an outstanding balance of \$ 54,192,301 as of September 30, 2021.

Note 9 - Long-Term Liabilities (continued)

\$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011 - Previously, the Town issued \$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011, originally to mature on October 1, 2041, with an interest rate ranging from 2.0% to 5.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds was to be paid annually commencing October 2012 through October 2041. During the year ended September 30, 2020, the Bonds were partially advanced refunded with the Water and Sewer Revenue Refunding Bonds, Series 2020. The 2011 Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. At issuance, the Town obtained the required insurance policy and is in compliance with the reserve requirement.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Bonds, Series 2011, are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|------------------|-----------------|--------------|
| 2022 | \$ 1,255,000 | \$ 18,825 | \$ 1,273,825 |
| Total | \$ 1,255,000 | \$ 18,825 | \$ 1,273,825 |

\$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012 - Previously, the Town issued \$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012, maturing October 1, 2042, with an interest rate ranging from 2.0% to 4.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2014 through October 2042. The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. At issuance, the Town obtained the required insurance policy and is in compliance with the reserve requirement.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Bonds, Series 2012, are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|------------------|-----------------|---------------|
| 2022 | \$ 220,000 | \$ 899,225 | \$ 1,119,225 |
| 2023 | 255,000 | 893,806 | 1,148,806 |
| 2024 | 295,000 | 886,800 | 1,181,800 |
| 2025 | 340,000 | 878,300 | 1,218,300 |
| 2026 | 380,000 | 863,100 | 1,243,100 |
| 2027-2031 | 2,805,000 | 4,059,650 | 6,864,650 |
| 2032-2036 | 4,630,000 | 3,458,939 | 8,088,939 |
| 2037-2041 | 7,200,000 | 2,416,225 | 9,616,225 |
| 2042-2043 | 10,685,000 | 309,925 | 10,994,925 |
| Subtotal | 26,810,000 | \$ 14,665,970 | \$ 41,475,970 |
| Less: unamortized discount | (356,390) | | |
| Total | \$ 26,453,610 | | |

Note 9 - Long-Term Liabilities (continued)

\$ 14,405,000 Water and Sewer Revenue Refunding Bonds, Series 2013 – Previously, the Town issued \$ 14,405,000 of Water and Sewer Revenue Refunding Bonds, Series 2013, to refund the then outstanding Series 2003 Bonds, with a fixed rate of 1.93%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rate was increased to 2.08% due to a change in the corporate tax rate. The gross proceeds of the 2013 issuance were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance, the establishment of a debt service reserve fund and the required debt service payment on the call date of October 2013. Interest on the Series 2013 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2013 Bonds is paid annually commencing October 2014 through October 2021.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Refunding Bonds, Series 2013, are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|------------------|-----------------|--------------|
| 2022 | \$ 1,440,000 | \$ 14,966 | \$ 1,454,966 |
| Total | \$ 1,440,000 | \$ 14,966 | \$ 1,454,966 |

\$ 49,915,000 Water and Sewer Revenue Refunding Bonds, Series 2019 - Previously, the Town issued \$ 49,915,000 of Water and Sewer Revenue Refunding Bonds, Series 2019, to refund the then outstanding Series 2010 Bonds, with a fixed rate of 2.76%, subject to adjustment based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. The gross proceeds from the 2019 issuance were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance, the establishment of a debt service reserve fund, and the required debt service payments on the call date of October 2020. Interest on the Series 2019 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2019 Bonds is paid annually commencing October 2021 through October 2040.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Refunding Bonds, Series 2019, are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|------------------|-----------------|---------------|
| 2022 | \$ 1,000,000 | \$ 1,363,854 | \$ 2,363,854 |
| 2023 | 1,995,000 | 1,322,523 | 3,317,523 |
| 2024 | 2,050,000 | 1,266,702 | 3,316,702 |
| 2025 | 2,105,000 | 1,209,363 | 3,314,363 |
| 2026 | 2,160,000 | 1,150,506 | 3,310,506 |
| 2027-2031 | 11,740,000 | 4,811,232 | 16,551,232 |
| 2032-2036 | 13,450,000 | 3,075,606 | 16,525,606 |
| 2037-2041 | 15,415,000 | 1,086,957 | 16,501,957 |
| Total | \$ 49,915,000 | \$ 15,286,743 | \$ 65,201,743 |

Note 9 - Long-Term Liabilities (continued)

\$ 47,650,000 Water and Sewer Revenue Refunding Bonds, Series 2020 - Previously, the Town issued \$ 47,650,000 of Water and Sewer Revenue Refunding Bonds, Series 2020, with an interest rate ranging from 1.004% to 3.111%, for the primary purpose of refunding on an advance basis a significant portion of the then outstanding Series 2011 Bonds. The gross proceeds from the Series 2020 issuance, along with other funds of the Town, were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance and the required debt service payments through the redemption (call) date of October 1, 2021, at which time the principal balance of \$ 44,365,000 is defeased. As a result of this transaction, the Series 2011 Bonds scheduled maturities from October 1, 2022 through October 1, 2041 were considered legally defeased. The scheduled maturities from October 1, 2021 remain outstanding and payable by the Town (principal outstanding is \$ 1,255,000) as of September 30, 2021. Interest on the Series 2020 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2020 Bonds is paid annually commencing October 2021 through October 2041. The Bond indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. At issuance, the Town obtained the required insurance policy and is in compliance with the reserve requirement.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Refunding Bonds, Series 2020, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|------------------------------|---------------|---------------|---------------|
| 2022 | \$ 490,000 | \$ 1,186,326 | \$ 1,676,326 |
| 2023 | 1,790,000 | 1,174,164 | 2,964,164 |
| 2024 | 1,810,000 | 1,153,276 | 2,963,276 |
| 2025 | 1,835,000 | 1,128,291 | 2,963,291 |
| 2026 | 1,860,000 | 1,099,296 | 2,959,296 |
| 2027-2031 | 9,830,000 | 4,930,615 | 14,760,615 |
| 2032-2036 | 11,050,000 | 3,694,051 | 14,744,051 |
| 2037-2041 | 12,685,000 | 1,990,807 | 14,675,807 |
| 2042 | 6,300,000 | 97,997 | 6,397,997 |
| Total | \$ 47,650,000 | \$ 16,454,823 | \$ 64,104,823 |

The Series 2011, 2012, 2013, 2019 and 2020 Bonds were issued in parity as to the lien of the pledged revenues. The Water and Sewer Bonds are payable from the pledged net revenues derived from the Town's water and sewer system and proceeds from contribution charges received by the Town in connection with the system.

The Town is subject to certain rate covenants outlined in the Bond Indentures. The Bond Indentures contain certain other covenants related to the operation of the water and sewer fund, including the establishment of a renewal and replacement fund and capital replacement fund.

Note 9 - Long-Term Liabilities (continued)

The Series 2011 (unrefunded portion), 2012, 2013, 2019 and 2020 arrangements discussed above include other financial provisions for events of defaults as failure to make payment (principal and interest), inability to pay debts – bankruptcy, and violation of material covenants or conditions. However, those violations of covenants or conditions that cannot be remedied within thirty days, shall not constitute an event of default if the Town shall begin to remedy such default within a thirty-day period and is diligently pursuing such remedy. Events of defaults may declare any unpaid principal and interest (acceleration of maturity) due immediately; however, the Town may obtain consent of the holders of not less than fifty-one percent to not force or effect the acceleration of maturities provision. In general, upon occurrence and continuation of an event of default, the default rate is set at the lesser of prime rate plus 5% or the maximum rate permitted by law; or in the event that the consent described above is received, the default rate is then set at the lesser of 18% or the maximum rate permitted by law. Certain bonds may also be subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by trustee/lender. Prepayment fees/premiums may also apply. The Series 2011, 2012 and 2020 scheduled payments of principal and interest when due are guaranteed under insurance policies issued concurrently with the delivery of each bond. The Series 2013 and 2019 have established debt service reserve accounts as required at issuance.

\$ 4,601,081 State Revolving Fund Loan - In April 2012, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Loan program to provide financing for the Town's Infiltration and Inflow Program and the Master Lift Station No. 8 and Force Main project. The loan is collateralized by a pledge on the revenues from the Town's Water and Sewer System, after payment of operation and maintenance expenditures and satisfaction of all senior revenue obligations. This facility is in junior position to the Water and Sewer Revenue Bonds of the Town. The Town borrowed \$ 4,601,081, including capitalized interest and service fee charges of \$ 17,594 and \$ 89,872, respectively. Semiannual payments are due on each September 15th and March 15th. As of September 30, 2016, the project was deemed completed; therefore, the amortization schedule was finalized, requiring semiannual installments of \$ 135,959, including interest at a fixed rate of 2.30%.

Annual debt service requirements estimated to maturity for the State Revolving Fund Loan, are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 207,847 | \$ 64,071 | \$ 271,918 |
| 2023 | 212,655 | 59,263 | 271,918 |
| 2024 | 217,574 | 54,344 | 271,918 |
| 2025 | 222,607 | 49,311 | 271,918 |
| 2026 | 227,757 | 44,161 | 271,918 |
| 2027-2031 | 1,220,292 | 139,298 | 1,359,590 |
| 2032-2033 | 528,569 | 13,739 | 542,308 |
| Total | <u>\$ 2,837,301</u> | <u>\$ 424,187</u> | <u>\$ 3,261,488</u> |

The State Revolving Fund Loan arrangement discussed above include other financial provisions for events of defaults such as failure to make monthly deposits and semiannual loan payments, violation of covenants or actions required by the arrangement with such failure continuing for a period of sixty days after written notice, insolvency-bankruptcy, and false representations. Non-payment may result in acceleration of the repayment schedule or increasing the financing rate on the unpaid principal balance to as much as 1.667 times the financing rate. The lender may also seek enforcement of and exercise all remedies available and allowed by law.

Note 9 - Long-Term Liabilities (continued)

The aggregate annual debt service estimated to maturity for the business-type activities is as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|-----------------------|----------------------|-----------------------|
| 2022 | \$ 4,612,847 | \$ 3,547,267 | \$ 8,160,114 |
| 2023 | 4,252,655 | 3,449,756 | 7,702,411 |
| 2024 | 4,372,574 | 3,361,122 | 7,733,696 |
| 2025 | 4,502,607 | 3,265,265 | 7,767,872 |
| 2026 | 4,627,757 | 3,157,063 | 7,784,820 |
| 2027-2031 | 25,595,292 | 13,940,795 | 39,536,087 |
| 2032-2036 | 29,658,569 | 10,242,335 | 39,900,904 |
| 2037-2041 | 35,300,000 | 5,493,989 | 40,793,989 |
| 2042-2043 | 16,985,000 | 407,922 | 17,392,922 |
| Total | \$ <u>129,907,301</u> | \$ <u>46,865,514</u> | \$ <u>176,772,815</u> |

Pledged Revenues:

The Town's debt is collateralized by multiple sources. The following table provides the gross revenue received in the current year and pledged for each debt issuance, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2021:

| <u>Debt Issue</u> | <u>Pledged Revenue</u> | <u>Gross Revenue Received</u> | <u>Principal and Interest Paid</u> | <u>Future Maturities Principal and Interest</u> | <u>Pledged Through:</u> |
|--|---|---------------------------------------|--|---|-----------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Community Redevelopment Bonds, Series 2013A and 2013B | Tax increment revenues of the Town's Community Redevelopment Agency | \$ 6,192,076 | \$ 1,729,861 | \$ 7,682,747 | 2026 |
| General Obligation Note, Series 2015 (Refunding) | Ad valorem tax | \$ 969,128 | \$ 960,690 | \$ 9,613,928 | 2031 |
| Limited General Obligation Note, Series 2015 (Refunding) | Ad valorem tax | \$ 1,693,305 | \$ 1,678,721 | \$ 8,392,001 | 2026 |
| <u>Business-Type Activities:</u> | | | | | |
| Water and Sewer Revenue Bonds, Series 2011, 2012, 2013 (Refunding), 2019 (Refunding), 2020 (Refunding) and State Revolving Fund Loan Program | Net revenues from the water and sewer system and contribution charges | \$ 26,900,500 | \$ 6,300,704 | \$ 176,772,815 | 2043 |

Note 10 - Fund Balance

The Town follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. In fiscal year 2021, this category represents \$ 358,100.

Restricted fund balance - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. In fiscal year 2021, this category represents \$ 14,181,963.

Committed fund balance – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making. The Town Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution (which are both equally binding and the highest level of decision making authority) remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category. In fiscal year 2021, this category represents \$ 80,126,781.

Assigned fund balance – This classification includes amounts that are constrained by the Town for specific purposes that are neither restricted nor committed. The Town Council through a resolution authorized the Budget and Finance Director in agreement with the Town Administrator, or designee, to assign fund balance. The Town Council may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment. In fiscal year 2021, this category represents \$ 10,907,601.

Unassigned fund balance - This classification includes the remaining fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. In fiscal year 2021, this category represents \$ 40,796,608.

The Town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

Note 10 - Fund Balance (continued)

Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Hurricane/Emergency and Disaster Recovery Operating Reserves - This reserve is to be maintained at 25% of the upcoming fiscal year General Fund's budgeted revenues, including other financing sources. This reserve is established for the purposes of responding to and providing relief and recovery efforts to ensure the maintenance of services to the public during hurricane/emergency/disaster situations. Such emergencies include, but are not limited to, hurricanes, tropical storms, tornadoes, flooding, terrorist activity and other natural or man-made disasters. In the event these funds are utilized, they should be replenished in order to prepare for possible future events. The Town will make every effort to replenish this reserve over a five-year period beginning with the completion of recovery from the event for which the reserve funds were used. At September 30, 2021, the 25% operating reserve to be maintained is \$ 37,625,842 and is reported under committed fund balance.

Contingency and Capital Reserve - It is the Town's Council intent to maintain reserve funds "minimum fund balance" to provide for a mechanism to fund unanticipated expenditures or to finance future capital outlay requirements providing a degree of financial stability by reducing reliance on indebtedness. This category includes two separate items. The first item requires 3% (\$ 4,515,101 at September 30, 2021) of the upcoming fiscal year General Fund's budgeted revenues, including other financing sources, to be set aside. If such reserve is to be used, it is the Town's intention to replenish this reserve over a five-year period beginning with the completion of the contingency for which the reserve funds were used. The second item recognizes the need to identify ongoing funding sources for capital projects. If available, the Town intends to dedicate 0.1 mills of the upcoming fiscal year operating millage to capital projects. Such amount will then be used for the upcoming Capital Improvement Plan; unless during the budget process, it is determined that such funds must be utilized to offset general fund operational expenditures. At September 30, 2021, the Town elected not to dedicate such amount for capital projects.

Note 11 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Town has established a Self-Insurance Fund (an internal service fund) to account for and finance its insured and uninsured risks of loss.

Previously, the Town joined the Preferred Governmental Insurance Trust ("PGIT"), a Public Entity Insurance Program primarily for the Town's liability and workers compensation exposures. The members of PGIT include over 400 governmental agencies who have entered into agreements with the trust. Should a deficit develop in PGIT, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each member assumes liability for the costs of claims brought against that member as if individually self-insured.

Effective July 2002, the Town became self-insured for health benefits. In 2021, the Town conducted a study on its liability for unpaid claims relating to its health benefits and workers compensation. As a result of this study, the Town recorded a liability of \$ 2,375,565 based upon actuarial calculations.

Note 11 - Risk Management (continued)

Changes in the estimated liability for the fiscal years ended September 30, 2021 and 2020 are as follows:

| <u>Fiscal Year</u> | <u>Beginning Liability</u> | <u>Claims Incurred and Changes in Estimates</u> | <u>Claims (Paid) Adjustments</u> | <u>Ending Liability</u> |
|--------------------|----------------------------|---|----------------------------------|-------------------------|
| 2020 | \$ 2,359,309 | \$ 9,305,038 | \$ 9,681,138 | \$ 1,983,209 |
| 2021 | \$ 1,983,209 | \$ 11,067,359 | \$ 10,675,003 | \$ 2,375,565 |

The estimated liability for health care claims and workers compensation claims as of September 30, 2021 was approximately \$ 837,000 and \$ 1,539,000, respectively.

There were no significant reductions in coverage from the prior fiscal year. The Town purchases insurance for exposures not covered by the Fund and for all other risks of loss. During the past three (3) fiscal years, no settlements exceeded the coverage provided by this insurance.

Amounts are paid into the Self-Insurance Fund by all other funds and are available to pay claims, premiums and administrative costs of the program.

Note 12 - Litigation, Commitments, Encumbrances, Contingencies and Conduit Debt

Litigation: The Town is involved in various pending lawsuits incidental to its operations. In the opinion of management, any potential losses resulting from claims against the Town, not covered by insurance, are not expected to have a material adverse effect on the financial position of the Town.

Commitments: The Town has entered into various agreements related to major infrastructure projects. Outstanding commitments at September 30, 2021 amounted to approximately \$ 17,150,000, which are included in the encumbrances discussed below.

In addition, as a prerequisite for approval of development plats, the Town requires developers to install certain infrastructure elements (roadways, drainage, sidewalks, lighting, landscaping, etc.) that accrue to a development as a whole. Should the developer fail to install the required infrastructure, the Town would be obligated to complete the amenities. To reduce the financial risk that may exist, the Town also requires the developer to guarantee, through third parties, the estimated amount of money that would be necessary to complete the project. At September 30, 2021, the Town held the following guarantees for developers' infrastructure requirements.

| | |
|-------------------------------|-----------------------------|
| Surety bonds | \$ 22,815,811 |
| Irrevocable letters of credit | 1,741,472 |
| Cash bonds | <u>130,795</u> |
| Total | <u><u>\$ 24,688,078</u></u> |

Note 12 - Litigation, Commitments, Encumbrances, Contingencies and Conduit Debt (continued)

Encumbrances: Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At September 30, 2021, the amount of encumbrances expected to be honored upon performance by the vendor/contractor in the next year are estimated to be as follows:

| | | |
|-------------------------------------|----|-------------------|
| Governmental Funds: | | |
| Community Redevelopment Agency Fund | \$ | 1,884,912 |
| Capital Projects Fund | | 16,993,045 |
| Nonmajor Governmental Funds | | 33,521 |
| Proprietary Funds: | | |
| Water and Sewer Fund | | 2,775,921 |
| Vehicle Maintenance Fund | | 124,620 |
| | | <hr/> |
| Total | \$ | <u>21,812,019</u> |

The encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Contingencies:

Financial Assistance

The Town receives financial assistance from numerous federal, state, and local governmental agencies in the form of grants and revenue sharing. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, such disallowed claims, if any, are not expected to have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at September 30, 2021.

Conduit Debt: In June 2018, the Town authorized the issuance of \$ 141 million Educational Facilities Revenue and Refunding Bonds, Series 2018, as conduit debt on behalf of Nova Southeastern University. The bond proceeds were earmarked to refund existing debt, and to pay for the acquisition, construction, improving and equipping of dormitory facilities, residence halls and classroom facilities, located on the University Campus. The outstanding balance on these Bonds at September 30, 2021 was \$ 138,315,000. The Town is not obligated to repay these Bonds.

Note 13 - Defined Contribution Plan

The Town of Davie is a single employer that contributes to the Town of Davie Money Purchase Plan (the "Plan"), which is a defined contribution pension plan. The Plan currently covers all eligible full-time employees hired prior to October 1, 2007, not covered by the Police Employees' or Firefighters' Pension Plans, and who opted not to join the Management and General Employees' Defined Benefit Plan. At September 30, 2021, there were 21 plan members. Contributions for fiscal year ended September 30, 2021 for the Plan were approximately \$ 182,000 (representing approximately \$ 1,600,000 in covered payroll).

Note 13 - Defined Contribution Plan (continued)

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. The Plan provides for two contribution rate levels based on job classifications. For full-time managers, professionals, and certain technical non-unionized personnel, the Town is required to contribute an amount equal to 10% of the employees' gross earnings. The employees must contribute 1.4% of their pretax pay to the Plan; however, under IRC 401(a), the Town has elected to "pick-up" the employees' mandatory contribution. The Town has no liability to the employees covered by this Plan other than the employer contribution to the Plan. For all other employees covered by the Plan, the Town is currently required to contribute 11.4% of the employees' gross earnings. There is no mandatory employee contribution to the Plan. Employees hired before January 1, 1996 are 100% vested for all amounts contributed. Employees hired after January 1, 1996 are vested 100% for Town contributions after five years of eligible service. These contribution rates are established in the Plan documents which were adopted by resolution of the Town Council and which may be amended only by the Town Council.

The Town does not exercise any control or fiduciary responsibility over the Plan's assets. Therefore, the assets, liabilities, and transactions are not included in the Town's financial statements.

Note 14 - Defined Benefit Pension Plans

A. Summary of Significant Accounting Policies

Basis of Accounting

The Firefighters' Pension Plan, Police Employees' Pension Plan and the Management and General Employees' Pension Plan (the "Plans") are accounted for on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Town contributions are recognized when due pursuant to actuarial valuations and the Town has made a formal commitment to provide such contributions. State contributions are recognized as revenue in the period in which they are approved by the State of Florida. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans.

Note 14 - Defined Benefit Pension Plans (continued)

Method Used to Value Investments

Plan investments are reported at fair value. The overall valuation processes and information sources by major investment classification are as follows: 1) equity securities and similar funds traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollar at the exchange rate in effect at September 30. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings; 2) debt securities and similar fixed income funds can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type; 3) alternative investments and similar real estate investment funds typically include investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through year end - the estimated fair value of these investments may differ from values that would have been used had a ready market existed; and 4) mutual funds are generally valued by a third party pricing source who strikes the Net Asset Value (NAV) of the holdings at year end. Other mutual funds held by the Plans are registered with the Securities and Exchange Commission; publish the NAV on a daily basis; and are deemed actively traded.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are generally based on average cost identification methods.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

B. General Information About the Plans

Firefighters' Pension Plan:

The following summary description of the Firefighters' Pension Plan is provided for general information purposes only. The Firefighters' Pension Plan was originally established by Town Ordinance 80-42 and has subsequently been amended from time to time by the Town Council. Participants should refer to the Plan documents for more complete information. Additionally, a separate public employee retirement system annual report for the Firefighters' Pension Plan is publicly available from the Pension Plan Administrator, 22233 Drawbridge Dr., Leesburg, Florida 34748.

Note 14 - Defined Benefit Pension Plans (continued)

Plan Description: The Town is the sponsor of a single-employer, Public Employee Retirement System ("PERS"). This defined benefit pension plan covers substantially all of the Town's full-time firefighters that have met the conditions of eligibility. The PERS is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees make plan amendment recommendations to the Town Council for approval. Tier one members are members hired prior to January 20, 2016 and Tier two members hired on or after such date.

Contributions: Members are required to contribute 9% of their earnable compensation, starting at their eligibility date and continuing to their date of retirement, disability, termination, death, or entry into the Deferred Retirement Option Plan ("DROP"), whichever comes first. Payouts of accrued vacation and sick leave are excluded from earnable compensation. The State contributes pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on Town of Davie properties. The premium tax is collected by the State and remitted to the Town. The Town received \$ 1,045,628 from the State and recorded as revenues and expenditures in the General Fund, as appropriate. The Town contributions are based upon actuarially determined amounts, which together with earnings, plan member and State contributions, are designed to accumulate sufficient assets to pay for benefits when due.

Benefits Provided: The Plan provides various types of retirement including normal service, early service, disability service, and death benefits. A Tier One member may retire on the first day of the month which falls on, or next follows, the date on which the member completes 20 years of credited service, regardless of age, or the date on which a member attains age 55 and completes 10 years or more of credited service. A Tier Two member is eligible for retirement after completion of 24 years of credited service, regardless of age, or age 55 with at least 10 years of credited service.

For a Tier One member the amount of normal retirement income is 3% times final monthly compensation multiplied by credited service for the first 10 years. Normal retirement benefit is a 4% multiplier for years 11 to 15, and a 5% multiplier for years 16 through 20, resulting in a 75% benefit after 20 years of service. After 20 years of service, the multiplier shall be 2% per year. The maximum retirement benefit cannot exceed 95% of final monthly compensation.

For a Tier Two member, the amount of normal retirement income is 3.125% times final monthly compensation multiplied by the number of years of credited service. The maximum retirement benefit cannot exceed 80% of final monthly compensation.

Early retirement is the first day of the month coincident with or next following the date the member attains age 50 with 10 or more years of credited service. The amount of early retirement income is the monthly accrued benefit earned by a member at his or her early retirement date, reduced by 3% per year for commencement prior to normal retirement date.

Share Plan benefit: In addition to the monthly pension benefit, individual "share accounts" have been created for each participant. The Share Plan is funded exclusively with excess Chapter 175 premium tax revenues. Participants receive "shares" for each full year of service rendered. Partial shares are allocated for full months of service. Vesting occurs when the participant has completed ten years of credited service; or the participant becomes eligible for a normal, early, disability, deferred vested or death benefit. Each year, after receipt of the annual distribution of chapter money from the State, the Board of Trustees, with the advice of their actuary, determines the amount of excess chapter money received during the fiscal year that has not been otherwise committed for benefits. Allocation of shares are credited to the participants who are on the Town's payroll on September 30 of the year. Upon retirement, participants become eligible to receive a distribution of their share account balance.

Note 14 - Defined Benefit Pension Plans (continued)

Effective upon the ratification of the 2017-2020 collective bargaining agreement, it was agreed that all of the Chapter 175 premium tax revenues that were then being held in reserve (including but not limited to any available funds as defined in the Share Plan, which have not yet been allocated to individual share accounts as of the date of ratification) and any premium tax revenues received on or after that date shall be used to offset the Town's contributions to the pension plan. As a result of this, beginning on the 2020 fiscal year, these amounts are no longer used to fund the Share Plan.

Cost-of-Living Adjustment ("COLA"): In a year where a COLA reserve check is awarded, the retiree will receive 5% of the annual retirement benefit times the number of years that the participant has been retired up to a maximum of 10 years, resulting in a benefit not to exceed the lesser of 50% of the participant's annual pension or \$ 26,500. In the event of an actuarial gain, a positive market value return on assets, or both, retirees receive a "13th check," subject to adjustments.

Deferred Retirement Option Plan (the "DROP"): Effective September 30, 1998, members who continue in employment past normal retirement date and have attained the 20 years of credited service may enter the DROP. The rate of return earned by the DROP is the same as that earned by the Plan less a \$ 10 per month adjustment for expenses. Once a member enters the DROP, the monthly retirement benefit is frozen, and the monthly benefit is paid into the DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive the (frozen) monthly retirement benefit. In general, the maximum period of DROP participation is five years for all members entering the DROP after June 21, 2007. The total years of credited service plus DROP participation cannot exceed 31 years.

For the Plan year beginning October 1, 2011, DROP participants have the option to "self-direct" their DROP account balances using certain investment options available under the DROP program. The Board approved that the self-directed DROP be administered by Mass Mutual. Any losses, charges or expenses incurred by the DROP participant shall be borne by the participant, not the Town or the Plan.

The value of the total DROP balance, including amounts pertaining to "self-directed" balances, at September 30, 2021 was \$ 11,648,537.

Police Employees' Pension Plan:

The following summary description of the Police Employees' Pension Plan is provided for general information purposes only. The Police Employees' Pension Plan was originally established by Town Ordinance 76-13 and has subsequently been amended from time to time by the Town Council. Participants should refer to the Plan documents for more complete information. Additionally, a separate public employee retirement system annual report for the Police Employees' Pension Plan is publicly available from the Pension Plan Administrator, 13790 NW 4th Street, Suite 105, Sunrise, Florida 33325.

Plan Description: The Town is the sponsor of a single-employer, Public Employee Retirement System ("PERS"). This defined benefit pension plan covers substantially all of the Town's full-time sworn police officers. The PERS is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees make Plan amendment recommendations to the Town Council for approval. Tier One members are members hired prior to October 1, 2010 and Tier Two members are members hired on or after such date.

Note 14 - Defined Benefit Pension Plans (continued)

Contributions: Members are required to contribute 9% of their basic compensation to the Plan, starting on their eligibility dates and continuing to their date of retirement, disability, termination or death, whichever comes first. Effective January 1, 2013, the limit of the amount of overtime that is included in pensionable compensation was lowered from 400 hours to 300 hours. Pursuant to Florida Statutes, Chapter 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the Town upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the Town. The Town received \$ 1,000,965 from the State and recorded as revenues and expenditures in the General Fund, as appropriate. The Town pays into the Plan such amount as is determined actuarially to provide for benefits under the Plan not met by member contributions. This amount is reduced by any allowable Chapter 185 State contributions.

Benefits Provided: The Plan provides various types of retirement including normal service, early service, disability service, and death benefits.

Tier One members - The member may retire the earlier of the date on which they attain 20 years of benefit service or the date on which they attain age 55. For members terminating service with more than 15 years but less than 20 years of benefit service, the normal retirement benefit will commence on the first day of the month coincident with or next following the date the member would have completed 20 years of benefit service. A member has vested benefits after 10 years of continuous service. Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service, with a 95% maximum. However, after 47 ½ years of benefit service, benefits shall recommence at a rate of 2% of final average earnings per year.

Tier Two members - Tier Two benefits shall be administered in the same manner as Tier One benefits, except as follows: the normal retirement benefit for Tier Two members shall be calculated using a 3% multiplier for the first 20 years of service, and 2% for each additional year, up to a maximum benefit of 80%. Notwithstanding the 80% cap, benefits shall accrue at a rate of 2% per year for any active Tier Two member after 40 years of service. The member's benefits commence on the first day of the month following their retirement date and are continued until death; however, benefits may be payable to the members' beneficiaries, depending on the optional form of payment elected. A member with the consent of the Town may continue to work beyond their normal retirement date and retire on any subsequent first day of the month.

Any member who has completed 10 years of benefit service and attained age 50 may retire early, with the consent of the Town. Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service. The benefit will be reduced for early payment so that it is actuarially equivalent to the normal retirement benefit. Effective May 1, 2011, the early retirement reduction shall be no more than 3% per year. The member also has the option of deferring the commencement of the monthly benefit to the normal retirement date, the earlier of the date the member would have attained 20 years of benefit service (provided the member has completed 15 years of actual benefit service) or age 55. In such case, there would be no actuarial reduction to the monthly benefit.

Cost-of-Living Adjustment ("COLA"): An annual COLA will be granted to retirees and beneficiaries. Disability retirees are not eligible for a COLA. The amount of the COLA will be 2% per year. For officers who retired prior to October 1, 1997, the monthly benefit after the yearly COLA will not exceed 115% of the original monthly benefit prior to COLA. For post October 1, 1997 retirees, the limit for future monthly benefits after COLA will be 130% of the original benefit amounts prior to any COLA. The first annual COLA will commence on the fifth anniversary of retirement, but no earlier than November 1, 2004.

Note 14 - Defined Benefit Pension Plans (continued)

Deferred Retirement Option Plan (the "DROP"): A Deferred Retirement Option Plan (the "DROP") was implemented for the year ended September 30, 1998. The DROP is administered by the Police Officers' Pension Board of Trustees. The rate of return earned by the DROP is the same as that earned by the Plan less a \$ 10 per month adjustment for expenses. Once a member enters the DROP, the monthly retirement benefit is frozen, and the monthly benefit is paid into the DROP account. Upon termination of employment, the balance in the member's DROP account is payable to them and they also begin to receive the (frozen) monthly retirement benefit. The DROP has a five (5) year maximum participation period. Effective October 1, 2010, DROP participants may remain in the DROP for up to 5 years. Effective October 1, 2020 the maximum period increases from 5 to 6 years for members who enter DROP on or after October 1, 2020. In no event can the total of the sum of years of credited service and years of DROP participation exceed 30 years.

All members electing to participate in the DROP are required upon entering DROP to transfer any accumulated leave balances above four hundred and eighty (480) hours into the member's DROP account, subject to the annual limit set forth in the Internal Revenue Code.

The value of the total DROP balance at September 30, 2021 was \$ 15,455,631.

Management and General Employees' Pension Plan:

The following summary description of the Management and General Employees' Pension Plan is provided for general information purposes only. The Management and General Employees' Pension Plan was originally established by Town Ordinance 2004-2 and has been subsequently amended from time to time by the Town Council. Participants should refer to the Plan documents for more complete information. Additionally, there is no separate public employee retirement system annual report for the Management and General Employees' Pension Plan.

Plan Description: On October 1, 2003 the Town Council created, under the laws of the State of Florida, a single-employer defined benefit pension plan. The plan covers substantially all full-time management and general employees. Management level employees include the Town Administrator, Assistant Town Administrator, Directors, Police and Fire Chief, Deputy Police and Fire Chief, Town Clerk, Deputy Town Clerk, Redevelopment Administrator and Assistant Directors. General employees are full-time employees not classified as management and are not otherwise restricted. The plan is administered by the Florida Municipal Investment Trust Fund ("FMITF"). The Plan is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees make Plan amendment recommendations to the Town Council for approval.

Contributions: The Town provides all funding requirements for the Plan, based on actuarial determined amounts. All active members hired prior to October 1, 2013 are required to contribute 2.5% of salary. All active members hired on or after October 1, 2013 shall make regular contributions to the Plan of 3% of salary. Overtime in excess of 300 hours per year after September 30, 2012 (for bargaining members) and after June 30, 2011 (for non-bargaining members); and payments for unused sick and annual leave accrued after those dates are excluded from compensation. Annual compensation in excess of \$ 200,000 is excluded in accordance with the Internal Revenue Code.

Benefits Provided: The Plan provides various types of retirement including normal service, early service, disability service, and death benefits. Management level employees are eligible for benefits after attaining age 52 and three years of vested service or age 48 and twenty years of vested service. General employees are eligible for benefits after attaining age 60 and six years of vested service or age 56 and thirty years of vested services. For all members hired on or after October 1, 2013, the normal retirement date is attainment of age 65 with ten years of vested service or thirty years of vested service and age 60.

Note 14 - Defined Benefit Pension Plans (continued)

Normal benefits for management level employees are equal to the number of years of credited service times the average final compensation and multiplied by 3%. Average final compensation, for management, means the one-twelfth of the highest average earnings during the best three years of credited service or career average, whichever is greater. Normal benefits for general employees are equal to the number of years of credited service times the average final compensation and multiplied by 2%. Average final compensation, for general employees, means one-twelfth of the highest average earnings during the best five years of credited service or career average, whichever is greater.

For all members hired on or after October 1, 2013, the normal benefits shall be a monthly benefit equal to the number of years of credited service multiplied by average final compensation and multiplied 1.80%. For all members hired on or after October 1, 2013, average final compensation means one-twelfth of the highest average earnings during the six best years of credited service prior to separation as an active member or the career average, whichever is greater.

The employee contributions accumulated with interest at the rate of 6% per annum; if a non-vested participant terminates employment, the member receives the accumulated contributions in lieu of any other benefits payable from the Plan; vested participants may optionally elect to receive their accumulated contributions in lieu of any other benefits payable from the Plan.

Cost-of-Living Adjustment ("COLA"): All benefits include an automatic 3% annual cost-of-living adjustment which is effective for payments made at least five years after initial retirement.

Deferred Retirement Option Plan (the "DROP"): A member is eligible to participate in the management and general employees Deferred Retirement Option Plan (the "DROP") at attainment of normal retirement age for a period of up to 60 months. The Plan earns a 6.5%, per annum, rate of return. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them.

The value of the total DROP balance at September 30, 2021 was \$ 693,541.

Plan Membership: Employee membership data for the plans at October 1, 2020 was as follows:

| | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan |
|--|----------------------------------|---|--|
| Inactive employees: | | | |
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 89 | 128 | 212 |
| Deferred retirement option plan participants | 14 | 27 | 12 |
| Active plan participants | 154 | 159 | 283 |
| Total | 257 | 314 | 507 |

Note 14 - Defined Benefit Pension Plans (continued)

C. Net Pension Liability

The Town's net pension liability was determined based on a measurement date of September 30, 2020 for all three plans.

The components of the net pension liability of the Town at September 30, 2021, were as follows:

| | Firefighter's Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|--|----------------------------------|---|--|------------------------------------|
| Total pension liability | \$ 154,628,320 | \$ 214,890,355 | \$ 89,950,391 | \$ 459,469,066 |
| Plan fiduciary net position | (133,843,746) | (189,572,081) | (87,068,827) | (410,484,654) |
| Town's net pension liability | \$ 20,784,574 | \$ 25,318,274 | \$ 2,881,564 | \$ 48,984,412 |
| Plan fiduciary net position as a percentage of total pension liability | 86.56% | 88.22% | 96.80% | 89.34% |

For governmental activities, net pension liabilities are generally liquidated by the General Fund.

Actuarial Assumptions: The total net pension liability at September 30, 2021 was determined by using actuarial valuations as of October 1, 2019, with update procedures used to roll forward the total net pension liability to September 30, 2020 (the measurement date). The actuarial valuations used the following actuarial assumptions:

Firefighters' Pension Plan:

| | |
|----------------------------|---|
| Inflation: | 3.00% |
| Salary increases: | 5.00% per annum. |
| Investment rate of return: | 7.40%, net of plan investment expense, including inflation. |
| Mortality: | PUB-2010, Scale MP-2018 |

Police Employees' Pension Plan:

| | |
|----------------------------|---|
| Inflation: | 3.00% |
| Salary increases: | 5.50% per annum. |
| Investment rate of return: | 7.50%, net of plan investment expense, including inflation. |
| Mortality: | PUB-2010, Scale MP-2018 |

Management and General Employees' Pension Plan:

| | |
|----------------------------|---|
| Inflation: | 2.77% |
| Salary increases: | 5.00% per annum. |
| Investment rate of return: | 7.00%, net of plan investment expense, including inflation. |
| Mortality: | Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale BB. |

Investment Policy -The Firefighters, Police, and Management and General Employees' Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by their respective Boards. Plan assets are managed on total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plans.

Note 14 - Defined Benefit Pension Plans (continued)

The following are the adopted target asset allocations:

| Asset Class | Firefighter's Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan |
|----------------------|----------------------------------|---|--|
| Domestic equity | 55.00% | 50.00% | 45.00% |
| International equity | 10.00% | 12.50% | 15.00% |
| Fixed income | 25.00% | 27.50% | -- |
| Real estate funds | 10.00% | 10.00% | 10.00% |
| Core bonds | -- | -- | 15.00% |
| Core plus | -- | -- | 15.00% |
| Total | 100.00% | 100.00% | 100.00% |

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

| Asset Class | Firefighter's Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan |
|-----------------------|----------------------------------|---|--|
| Domestic equity | 4.60% - 5.00% | 5.50% - 7.40% | 4.60% - 5.50% |
| International equity | 5.20% | 3.04% | 6.70% |
| Fixed income | 1.50% | 2.18% | -- |
| Real estate funds | 4.50% | 5.30% | 5.00% |
| Core bonds | -- | -- | 1.60% |
| Core plus | -- | -- | 2.10% |
| Absolute return | 3.00% | -- | -- |
| Global infrastructure | 4.00% | -- | -- |

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 22.30%, 20.30%, and 19.42% for the Firefighters, Police, and Management and General Employees' Pension Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In accordance with the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the Plans did not have concentrations (individual investment; 5% or more of fiduciary net position) that required disclosure.

Note 14 - Defined Benefit Pension Plans (continued)

Discount rate - The discount rate used to measure the total pension liability was 7.40%, 7.50% and 7.00% per annum for the Firefighters' Pension Plan, Police Employees' Pension Plan and the Management and General Employees' Pension Plan, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates (statutorily required) and the member rates. Based on those assumptions, the fiduciary net position of the Plans was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

D. Changes in the Net Pension (Asset) Liability

Fire Fighter's Pension Plan:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension (Asset) Liability (a) - (b) |
| Balances, as of September 30, 2019, Measurement Date | \$ 149,345,365 | \$ 124,046,407 | \$ 25,298,958 |
| Changes for the year: | | | |
| Service cost | 4,334,532 | - | 4,334,532 |
| Expected interest growth | 10,914,826 | - | 10,914,826 |
| Contributions - employer | - | 4,764,356 | (4,764,356) |
| Contributions - state | - | 994,485 | (994,485) |
| Contributions - members | - | 1,447,141 | (1,447,141) |
| Net investment income (loss) | - | 10,281,303 | (10,281,303) |
| Benefit payments, including refunds of member contributions | (7,568,321) | (7,568,321) | - |
| Change in assumptions | (4,088,573) | - | (4,088,573) |
| Demographic experience | 1,690,491 | - | 1,690,491 |
| Administrative expenses | - | (121,625) | 121,625 |
| Net changes | <u>5,282,955</u> | <u>9,797,339</u> | <u>(4,514,384)</u> |
| Balances, as of September 30, 2020, Measurement Date | \$ <u>154,628,320</u> | \$ <u>133,843,746</u> | \$ <u>20,784,574</u> |

Note 14 - Defined Benefit Pension Plans (continued)

Police Employees' Pension Plan:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension (Asset) Liability (a) - (b) |
| Balances, as of September 30, 2019, Measurement Date | \$ 207,634,786 | \$ 172,983,320 | \$ 34,651,466 |
| Changes for the year: | | | |
| Service cost | 4,362,363 | - | 4,362,363 |
| Expected interest growth | 15,293,941 | - | 15,293,941 |
| Contributions - employer | - | 6,367,000 | (6,367,000) |
| Contributions - state | - | 1,055,365 | (1,055,365) |
| Contributions - members | - | 1,456,925 | (1,456,925) |
| Contributions - buy back | - | 45,108 | (45,108) |
| DROP account | - | 754,421 | (754,421) |
| Net investment income (loss) | - | 15,746,361 | (15,746,361) |
| Benefit payments, including refunds of member contributions | (8,645,596) | (8,645,596) | - |
| Demographic experience | 2,795,825 | - | 2,795,825 |
| Assumption changes | (6,550,964) | - | (6,550,964) |
| Administrative expenses | - | (190,823) | 190,823 |
| Net changes | <u>7,255,569</u> | <u>16,588,761</u> | <u>(9,333,192)</u> |
| Balances, as of September 30, 2020, Measurement Date | \$ <u>214,890,355</u> | \$ <u>189,572,081</u> | \$ <u>25,318,274</u> |

Management and General Employees' Pension Plan:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension (Asset) Liability (a) - (b) |
| Balances, as of September 30, 2019, Measurement Date | \$ 83,621,418 | \$ 79,433,722 | \$ 4,187,696 |
| Changes for the year: | | | |
| Service cost | 3,783,983 | - | 3,783,983 |
| Expected interest growth | 6,040,080 | - | 6,040,080 |
| Contributions - employer | - | 3,895,203 | (3,895,203) |
| Contributions - members | - | 544,347 | (544,347) |
| Net investment income (loss) | - | 5,406,011 | (5,406,011) |
| Benefit payments, including refunds of member contributions | (2,091,222) | (2,117,320) | 26,098 |
| Demographic experience | (1,403,868) | - | (1,403,868) |
| Administrative expenses | - | (93,136) | 93,136 |
| Net changes | <u>6,328,973</u> | <u>7,635,105</u> | <u>(1,306,132)</u> |
| Balances, as of September 30, 2020, Measurement Date | \$ <u>89,950,391</u> | \$ <u>87,068,827</u> | \$ <u>2,881,564</u> |

Note 14 - Defined Benefit Pension Plans (continued)

The net pension liability for the Management and General Employees' Pension Plan is allocated to the governmental activities and business-type activities based on the distribution of current year contributions to the Plan. At September 30, 2021, it is distributed 83% to governmental activities and 17% to business-type activities.

Sensitivity of the Net Pension Liability to Changes In the Discount Rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.40%, 7.50% and 7.00% for the Firefighters' Pension Plan, Police Employees' Pension Plan and the Management and General Employees' Pension Plan, respectively, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate:

| | <u>1% Decrease (6.40%)</u> | <u>Current Discount Rate (7.40%)</u> | <u>1% Increase (8.40%)</u> |
|--|--------------------------------|--|--------------------------------|
| Firefighters' Pension Plan: Net Pension (Asset) Liability | \$ <u>37,351,250</u> | \$ <u>20,784,574</u> | \$ <u>7,134,359</u> |
| | <u>1% Decrease (6.50%)</u> | <u>Current Discount Rate (7.50%)</u> | <u>1% Increase (8.50%)</u> |
| Police Employees' Pension Plan: Net Pension (Asset) Liability | \$ <u>50,228,725</u> | \$ <u>25,318,274</u> | \$ <u>4,750,079</u> |
| | <u>1% Decrease (6.00%)</u> | <u>Current Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
| Management and General Employees': Net Pension (Asset) Liability | \$ <u>16,271,845</u> | \$ <u>2,881,564</u> | \$ <u>(7,952,667)</u> |

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the Town recognized pension expense as follows:

| | <u>Firefighter's Pension Plan</u> | <u>Police Employees' Pension Plan</u> | <u>Management and General Employees' Pension Plan</u> | <u>Total Pension Trust Funds</u> |
|-----------------------|---|---|---|--|
| Total Pension Expense | \$ <u>3,031,769</u> | \$ <u>8,405,128</u> | \$ <u>4,244,741</u> | \$ <u>15,681,638</u> |

Note 14 - Defined Benefit Pension Plans (continued)

At September 30, 2021, the Town reported deferred outflows of resources relating to pensions from the following sources:

| | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|--|----------------------------------|---|--|------------------------------------|
| Deferred Outflows: | | | | |
| Pension contributions subsequent to the measurement date | \$ 6,064,124 | \$ 7,210,965 | \$ 3,753,438 | \$ 17,028,527 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,167,195 | - | 1,167,195 |
| Changes in assumptions | - | 3,201,710 | 6,030,049 | 9,231,759 |
| Difference between expected and actual experience | 4,794,845 | 6,678,107 | - | 11,472,952 |
| Total | \$ 10,858,969 | \$ 18,257,977 | \$ 9,783,487 | \$ 38,900,433 |

The amounts reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the subsequent fiscal period, September 30, 2022.

At September 30, 2021, the Town reported deferred inflows of resources relating to pensions from the following sources:

| | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|--|----------------------------------|---|--|------------------------------------|
| Deferred Inflows: | | | | |
| Net difference between projected and actual earnings on pension plan investments | \$ 868,390 | \$ - | \$ 218,843 | \$ 1,087,233 |
| Changes in assumptions | 2,938,103 | - | - | 2,938,103 |
| Difference between expected and actual experience | - | - | 3,671,101 | 3,671,101 |
| Total | \$ 3,806,493 | \$ - | \$ 3,889,944 | \$ 7,696,437 |

Amounts reported as deferred outflows/inflows of resources will be recognized in pension expense as follows:

| Year Ending September 30, | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|------------------------------|----------------------------------|---|--|------------------------------------|
| 2022 | \$ (1,260,240) | \$ 4,144,009 | \$ 629,352 | \$ 3,513,121 |
| 2023 | (268,014) | 3,903,721 | 1,128,641 | 4,764,348 |
| 2024 | 913,670 | 2,917,409 | 571,135 | 4,402,214 |
| 2025 | 718,157 | 838,660 | 43,000 | 1,599,817 |
| 2026 | 954,540 | 46,890 | (232,023) | 769,407 |
| Thereafter | (69,761) | (803,677) | - | (873,438) |
| | \$ 988,352 | \$ 11,047,012 | \$ 2,140,105 | \$ 14,175,469 |

Note 14 - Defined Benefit Pension Plans (continued)

F. Pension Trust Funds

The Town maintains three pension trust funds to account for its fiduciary responsibility. The following condensed statements present the net position restricted for pension benefits at September 30, 2021 and the changes in net position for the year then ended:

Condensed Statements of Net Position:

| | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|---|---|---|---|--|
| Assets: | | | | |
| Cash and cash equivalents | \$ 1,062,909 | \$ 7,185,202 | \$ 743,074 | \$ 8,991,185 |
| Investments | 167,215,107 | 220,920,108 | 105,410,354 | 493,545,569 |
| Receivables | 159,954 | 182,039 | 114,472 | 456,465 |
| Prepaid expenses | 385,929 | 703,278 | - | 1,089,207 |
| Total assets | 168,823,899 | 228,990,627 | 106,267,900 | 504,082,426 |
| Liabilities: | | | | |
| Accounts payable | 55,384 | 177,875 | - | 233,259 |
| Payable for securities purchased | 214,995 | 55,048 | - | 270,043 |
| Prepaid contributions | 4,180,795 | - | - | 4,180,795 |
| Total liabilities | 4,451,174 | 232,923 | - | 4,684,097 |
| Net position restricted for pensions | \$ 164,372,725 | \$ 228,757,704 | \$ 106,267,900 | \$ 499,398,329 |

Condensed Statements of Changes in Net Position:

| | Firefighters' Pension Plan | Police Employees' Pension Plan | Management and General Employees' Pension Plan | Total Pension Trust Funds |
|-------------------------------|---|---|---|--|
| Additions: | | | | |
| Contributions | \$ 7,570,587 | \$ 9,550,300 | \$ 4,320,174 | \$ 21,441,061 |
| Net investment income | 30,625,461 | 39,822,297 | 17,538,904 | 87,986,662 |
| Total additions | 38,196,048 | 49,372,597 | 21,859,078 | 109,427,723 |
| Deductions: | | | | |
| Benefits paid | 7,503,403 | 9,942,722 | 2,351,456 | 19,797,581 |
| Refunds of contributions | 38,494 | 60,704 | 207,338 | 306,536 |
| Administrative expenses | 125,172 | 183,548 | 101,211 | 409,931 |
| Total deductions | 7,667,069 | 10,186,974 | 2,660,005 | 20,514,048 |
| Change in net position | \$ 30,528,979 | \$ 39,185,623 | \$ 19,199,073 | \$ 88,913,675 |

Note 15 - Other Post-Employment Benefits (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* specifies that governments must recognize their total OPEB liability (asset) and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

Pursuant to Section 112.081, Florida Statutes, the Town is required to permit eligible retirees and their eligible dependents to participate in the Town'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. The Town does not provide retirees with any subsidy for this benefit.

The Town elected to establish an irrevocable other post-employment benefit ("OPEB") trust and began funding the obligation during fiscal year 2009, leaving no unfunded obligation.

Plan Description: In September 2008, the Town established the OPEB Trust, a single employer defined benefit health care plan for all of its employees except for part-time employees and full-time employees who either resign or are terminated. The Town Council is authorized to establish and amend benefit levels, subject to minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The plan does not issue a separate financial report.

As of October 1, 2020, employee membership data related to the OPEB Plan was as follows:

| | |
|---|-------------|
| Inactive employees: | |
| Retirees and beneficiaries currently receiving benefits | 39 |
| Active plan participants | 683 |
| | <hr/> |
| Total | 722 |
| | <hr/> <hr/> |

Actuarial Methods and Assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the Town and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Funding Policy: The plan allows its employees and their beneficiaries, at their own cost to continue to obtain health, dental and other insurance benefits upon retirement. The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees. However, the Town's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees, and their dependents for the year, net of the retiree's own payments for the year.

Note 15 - Other Post-Employment Benefits (OPEB) (continued)

Actuarially Determined Contribution Requirements and Contributions Made: Since inception, the Town has contributed \$ 968,000 to the plan through the Florida League of Cities-Florida Municipal Pension Trust Fund (FMPTF) to pre-fund the Town's OPEB costs. There were no employee contributions to the plan.

OPEB Trust Fund: The Town maintains an OPEB trust fund to account for its fiduciary responsibility, but there are no annual minimum required employer contributions. The following condensed statements present the net position restricted for OPEB benefits at September 30, 2021 and the changes in net position for the year then ended:

Condensed Statement of Net Position:

| | | OPEB Trust |
|---|----|-----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ | 9,441 |
| Investments | | 3,137,630 |
| Total assets | | 3,147,071 |
| Liabilities: | | - |
| Net position restricted for other post-employment benefits | \$ | 3,147,071 |

Condensed Statement of Changes in Net Position:

| | | OPEB Trust |
|-------------------------------|----|-----------------------|
| Additions: | | |
| Net investment income | \$ | 508,993 |
| Total additions | | 508,993 |
| Deductions: | | |
| Administrative expenses | | 6,844 |
| Total deductions | | 6,844 |
| Change in net position | \$ | 502,149 |

Note 15 - Other Post-Employment Benefits (OPEB) (continued)

Investment Policy: The Town's policy in regard to the allocation of invested assets is established and may be amended by the Town's Council. Plan assets are managed on total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The following is the adopted target asset allocation:

| Asset Class | Target Allocation |
|-----------------------|-------------------|
| Core bonds | 15.00% |
| Core plus | 15.00% |
| U.S. large cap equity | 34.00% |
| U.S. small cap equity | 11.00% |
| Non-U.S. equity | 15.00% |
| Core real estate | 10.00% |
| Total | 100.00% |

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate of return, net of investment expense, was 19.42%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In accordance with the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the Plan did not have concentrations (individual investment; 5% or more of fiduciary net position) that required disclosure.

Net OPEB (Asset) Liability of the Town: The components of the net OPEB (asset) liability of the Town at September 30, 2021 were as follows:

| | |
|---|-----------------------|
| Total OPEB liability | \$ 1,464,438 |
| Plan fiduciary net position | <u>(2,644,922)</u> |
| Town's net OPEB (asset) liability | \$ <u>(1,180,484)</u> |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) | 180.61% |

For governmental activities, net other post employment obligations are generally liquidated by the General Fund.

Actuarial Assumptions: The total OPEB liability at September 30, 2021 was determined by using an actuarial valuation as of October 1, 2018, with update procedures used to roll-forward the total net OPEB (asset) liability to September 30, 2020 (measurement date). The actuarial valuation used the following actuarial assumptions:

| | |
|-----------------|--|
| Retirement age: | Firefighters and police officers retirement is assumed at the earlier of age 55 with 10 years of service or any age with 20 to 24 years of service, based on date of hire. Management employees retirement is assumed at the earlier of age 52 with 3 years service or age 48 with 20 years of service. General employees retirement is assumed at the earlier of age 60/65 with 6/10 years of service or age 56/60 with 30 years of service, based on date of hire. |
|-----------------|--|

Note 15 - Other Post-Employment Benefits (OPEB) (continued)

| | |
|------------------------------|---|
| Healthcare cost trend rates: | Increases in healthcare costs are assumed to be 7.00% for the 2018-2019 fiscal year graded down by 0.50% per year to 5.00% for the 2022-2023 and later fiscal years. |
| Discount rate: | 7.00% per annum; this rate was used to discount all future benefit payments and is based on the expected long-term return on assets, which was determined as of the valuation date by the Asset Consulting Group. |
| Cost-of-living increases: | Retiree contributions and health insurance claims have been assumed to increase in accordance with the healthcare cost trend rates. |
| Inflation: | 2.77% |
| Salary increases: | 3.00% per annum. |
| Investment rate of returns: | 7.00%, net of plan investment expense, including inflation. |
| Mortality: | Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017. |

Changes in the Net OPEB (Asset) Liability

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB (Asset) Liability (a) - (b) |
| Balances, as of September 30, 2019, Measurement Date | \$ 1,370,545 | \$ 2,495,777 | \$ (1,125,232) |
| Changes for the year: | | | |
| Service cost | 30,401 | - | 30,401 |
| Expected interest growth | 96,916 | - | 96,916 |
| Benefit payments and refunds | (33,424) | - | (33,424) |
| Net investment income (loss) | - | 164,102 | (164,102) |
| Administrative expenses | - | (14,957) | 14,957 |
| Net changes | <u>93,893</u> | <u>149,145</u> | <u>(55,252)</u> |
| Balances, as of September 30, 2020, Measurement Date | <u>\$ 1,464,438</u> | <u>\$ 2,644,922</u> | <u>\$ (1,180,484)</u> |

Note 15 - Other Post-Employment Benefits (OPEB) (continued)

Long-term Expected Rate of Return: The long-term expected rate of return on OPEB investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates for each major asset class included in the target asset allocation are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|-----------------------|---|
| Core bonds | 1.60% |
| Core plus | 2.10% |
| U.S. large cap equity | 4.60% |
| U.S. small cap equity | 5.50% |
| Non-U.S. equity | 6.70% |
| Core real estate | 5.00% |

Discount rate - The discount rate used to measure the total OPEB liability was 7.00% per annum. The OPEB's plan fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB (Asset) Liability to Changes In the Discount Rate: The following presents the net OPEB (asset) liability of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB (Asset) Liability | \$ <u>(1,063,216)</u> | \$ <u>(1,180,484)</u> | \$ <u>(1,286,105)</u> |

Sensitivity of the Net OPEB (Asset) Liability to Changes In the Healthcare Cost Trends Rates: The following presents the net OPEB (asset) liability of the Town, calculated using current health care cost trend rates, as well as what the Town's net OPEB (asset) liability would be if it were calculated using healthcare trend rates that are 1.00% lower or 1.00% higher than the current healthcare cost trend rates:

| | 1% Decrease (6.00% graded down to 4.00%) | Healthcare Cost Trend Rates (7.00% graded down to 5.00%) | 1% Increase (8.00% graded down to 6.00%) |
|----------------------------|--|--|--|
| Net OPEB (Asset) Liability | \$ <u>(1,329,029)</u> | \$ <u>(1,180,484)</u> | \$ <u>(1,008,429)</u> |

Note 15 - Other Post-Employment Benefits (OPEB) (continued)

OPEB Expense (Credit) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the Town recognized OPEB expense (credit) of \$ (95,934).

At September 30, 2021, the Town reported deferred outflows/inflows of resources relating to OPEB from the following sources:

| | Deferred Outflows | Deferred Inflows |
|---|----------------------|---------------------|
| Demographic experience | \$ - | \$ 188,659 |
| Assumption changes | 123,097 | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 3,072 |
| | <u>\$ 123,097</u> | <u>\$ 191,731</u> |

Amounts reported as deferred outflows/inflows of resources will be recognized in OPEB expense as follows:

| Year Ending September 30, | Amount |
|------------------------------|--------------------|
| 2022 | \$ (30,595) |
| 2023 | (5,257) |
| 2024 | (2,350) |
| 2025 | (9,022) |
| 2026 | (11,038) |
| Thereafter | <u>(10,372)</u> |
| | <u>\$ (68,634)</u> |

Note 16 - Stewardship and Accountability

Budget: The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds with the exception of the Capital Projects Fund; and State Housing Initiative Program Fund (SHIP). The SHIP Fund is budgeted together with the Community Development Block Grant Fund and has been presented in this report as legally adopted. All appropriations lapse at fiscal year-end. Appropriations at the year-end that are encumbered are brought forward and become part of the subsequent year's original budget.

Note 17 - Pronouncements Issued, But Not Yet Adopted

The GASB has issued several Statements not yet implemented by the Town. The Statements which might impact the Town are as follows:

Note 17 - Pronouncements Issued, But Not Yet Adopted (continued)

Statement No. 87, Leases, was issued in June 2017. The Statement will better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It also increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities previously classified as operating leases to be recognized as inflows of resources or outflows of resources based on contract payment provisions. 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. The provisions for this Statement are effective for fiscal year ending September 30, 2022.

Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, was issued in June 2018. This Statement will enhance information about capital assets and the cost of borrowing for a reporting period by simplifying accounting requirements for interest costs incurred before the end of a construction period. The provisions for this Statement are effective for fiscal year ending September 30, 2022.

Statement No. 91, Conduit Debt Obligations, was issued in May 2019. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice related to commitments extended by issues, arrangements associated with conduit debt obligations, and related note disclosures. This Statement will also clarify 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/voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Statement No. 92, Omnibus 2020, was issued in January 2020. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain provisions for this Statement are effective for fiscal year ending September 30, 2022.

Statement No. 93, Replacement of Interbank Offered Rates, was issued in March 2020. The objective of this Statement is to address accounting and other financial reporting implications that result from the replacement of an interbank offered rate (IBOR). As a result of global reference rate reform, governments will need to replace certain rates, such as LIBOR by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The provisions for this Statement are effective for fiscal year ending September 30, 2022.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, was issued in March 2020. This Statement will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. In addition, the Statement provides guidance for accounting and financial reporting for availability payment arrangements. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Note 17 - Pronouncements Issued, But Not Yet Adopted (continued)

Statement No. 96, Subscription-Based Information Technology Arrangements, was issued in May 2020. This Statement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments) by defining a SBITA; establishing the asset as an intangible asset with a corresponding subscription liability; providing capitalization criteria; and requiring certain note disclosures related to a SBITA. To the extent relevant, the standards for SBITA, are based on the standards established in *Statement No. 87, Leases*, as amended. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32, was issued in June 2020. This Statement increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform; mitigates costs associated with the reporting of certain defined contribution pension plans, defined contributions other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Codes (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Certain provisions for this Statement are effective for fiscal year ending September 30, 2022.

The Town's management has not yet determined the effect these Statements will have on the Town's financial statements.

Note 18 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has continued to cause disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Town Council continues to evaluate and monitor the potential adverse effect that this event may have on the Town's financial position, operations, and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still continuing to develop.

Note 19 - Subsequent Events

In December 2021, the Town issued \$ 36,600,000 in Special Obligation Bonds for the purpose of financing the new Davie Town Hall project and certain other capital costs related to the Davie Wetlands Park. The bonds bear interest at rates ranging from 4% to 5%. Principal payments are due annually starting in October 2022 through 2041, with additional tranches due in October 2046 and October 2051.



REQUIRED SUPPLEMENTARY INFORMATION

Town of Davie, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual | Variance |
|------------------------------------|-------------------------|---------------|----------------|--|
| | Original | Final | Amounts | with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Ad valorem taxes | \$ 60,514,780 | \$ 60,514,780 | \$ 61,162,957 | \$ 648,177 |
| Utility service taxes | 9,180,000 | 9,180,000 | 9,374,155 | 194,155 |
| Franchise fees | 10,233,894 | 10,333,879 | 10,942,939 | 609,060 |
| Intergovernmental | 10,883,116 | 17,236,356 | 17,109,108 | (127,248) |
| Other general taxes | 3,609,000 | 3,709,000 | 3,995,604 | 286,604 |
| Permits and fees | 6,498,620 | 6,469,102 | 6,660,873 | 191,771 |
| Charges for services | 16,406,480 | 15,630,330 | 15,884,095 | 253,765 |
| Fire assessments | 13,190,123 | 13,215,123 | 13,503,267 | 288,144 |
| Fines and forfeitures | 1,463,400 | 968,800 | 983,933 | 15,133 |
| Investment income | 1,350,000 | 505,500 | 184,372 | (321,128) |
| Miscellaneous | 3,224,456 | 3,425,956 | 3,727,191 | 301,235 |
| Total revenues | 136,553,869 | 141,188,826 | 143,528,494 | 2,339,668 |
| Expenditures: | | | | |
| General government: | | | | |
| General services department: | | | | |
| Personnel services | 7,096,218 | 7,094,485 | 6,680,559 | 413,926 |
| Operating | 4,941,632 | 4,987,335 | 3,914,856 | 1,072,479 |
| Capital outlay | 130,530 | 137,978 | 105,868 | 32,110 |
| | 12,168,380 | 12,219,798 | 10,701,283 | 1,518,515 |
| Building and engineering division: | | | | |
| Personnel services | 5,213,700 | 5,085,445 | 4,780,128 | 305,317 |
| Operating | 1,700,571 | 1,877,437 | 1,550,831 | 326,606 |
| Capital outlay | 136,500 | 136,500 | 45,509 | 90,991 |
| | 7,050,771 | 7,099,382 | 6,376,468 | 722,914 |
| Total general government | 19,219,151 | 19,319,180 | 17,077,751 | 2,241,429 |
| Public safety: | | | | |
| Police department: | | | | |
| Personnel services | 44,066,342 | 43,958,642 | 41,676,678 | 2,281,964 |
| Operating | 8,609,217 | 8,680,817 | 8,093,372 | 587,445 |
| Capital outlay | 741,722 | 777,822 | 543,613 | 234,209 |
| | 53,417,281 | 53,417,281 | 50,313,663 | 3,103,618 |
| Fire department: | | | | |
| Personnel services | 32,571,374 | 33,928,054 | 31,512,605 | 2,415,449 |
| Operating | 5,154,199 | 5,118,199 | 4,586,636 | 531,563 |
| Capital outlay | 221,040 | 272,540 | 201,039 | 71,501 |
| | 37,946,613 | 39,318,793 | 36,300,280 | 3,018,513 |
| Total public safety | 91,363,894 | 92,736,074 | 86,613,943 | 6,122,131 |

See notes to required supplementary information Budgetary Comparison Schedule

Town of Davie, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021
(continued)

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|---------------|--|
| | Original | Final | Amounts | with Final Budget Positive (Negative) |
| Expenditures (continued): | | | | |
| Public works: | | | | |
| Personnel services | 5,598,837 | 5,207,286 | 4,545,894 | 661,392 |
| Operating | 5,578,734 | 5,658,378 | 4,959,140 | 699,238 |
| Capital outlay | 150,195 | 93,195 | 75,187 | 18,008 |
| Total public works | 11,327,766 | 10,958,859 | 9,580,221 | 1,378,638 |
| Parks, recreation and cultural arts: | | | | |
| Personnel services | 3,373,973 | 3,762,128 | 3,364,709 | 397,419 |
| Operating | 2,254,016 | 2,231,497 | 1,702,932 | 528,565 |
| Capital outlay | 123,251 | 247,441 | 183,116 | 64,325 |
| Total parks, recreation and cultural arts | 5,751,240 | 6,241,066 | 5,250,757 | 990,309 |
| Non-departmental: | | | | |
| Operating | 2,030,222 | 1,059,045 | 760,540 | 298,505 |
| Total non-departmental | 2,030,222 | 1,059,045 | 760,540 | 298,505 |
| Debt service: | | | | |
| Principal | 2,200,000 | 2,200,000 | 2,200,000 | - |
| Interest and other fiscal charges | 439,411 | 439,411 | 439,411 | - |
| Total debt service | 2,639,411 | 2,639,411 | 2,639,411 | - |
| Total expenditures | 132,331,684 | 132,953,635 | 121,922,623 | 11,031,012 |
| Excess (deficiency) of revenues over expenditures | 4,222,185 | 8,235,191 | 21,605,871 | 13,370,680 |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 395,205 | 14,369,011 | - | (14,369,011) |
| Transfers in | 75,000 | 351,313 | 351,313 | - |
| Transfers out | (4,692,390) | (22,955,515) | (22,949,099) | 6,416 |
| Total other financing sources (uses) | (4,222,185) | (8,235,191) | (22,597,786) | (14,362,595) |
| Net change in fund balance | \$ - | \$ - | (991,915) | \$ (991,915) |
| Fund balance, beginning of year | | | 96,765,267 | |
| Fund balance, end of year | | | \$ 95,773,352 | |

See notes to required supplementary information Budgetary Comparison Schedule

Town of Davie, Florida
Community Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Franchise fees | \$ 70,000 | \$ 70,000 | \$ 84,335 | \$ 14,335 |
| Investment income | - | - | 30,956 | 30,956 |
| Miscellaneous | 500 | 500 | 740 | 240 |
| Total revenues | 70,500 | 70,500 | 116,031 | 45,531 |
| Expenditures: | | | | |
| General government: | | | | |
| General services department: | | | | |
| Operating | 113,533 | 113,533 | 112,059 | 1,474 |
| Total expenditures | 113,533 | 113,533 | 112,059 | 1,474 |
| Excess (deficiency) of revenues over expenditures | (43,033) | (43,033) | 3,972 | 47,005 |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 43,033 | 43,033 | - | (43,033) |
| Total other financing sources (uses) | 43,033 | 43,033 | - | (43,033) |
| Net change in fund balance | \$ - | \$ - | 3,972 | \$ 3,972 |
| Fund balance, beginning of year | | | 184,976 | |
| Fund balance, end of year | | | \$ 188,948 | |

See notes to required supplementary information Budgetary Comparison Schedule

Town of Davie, Florida
Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental | \$ 3,103,700 | \$ 3,103,700 | \$ 3,284,727 | \$ 181,027 |
| Charges for services | - | - | 5,973 | 5,973 |
| Investment income | 10,000 | 10,000 | 19,311 | 9,311 |
| Total revenues | 3,113,700 | 3,113,700 | 3,310,011 | 196,311 |
| Expenditures: | | | | |
| General government: | | | | |
| General services department: | | | | |
| Personnel services | 343,160 | 343,660 | 298,051 | 45,609 |
| Operating | 1,506,595 | 1,509,530 | 1,039,682 | 469,848 |
| Capital outlay | 8,652,290 | 9,784,542 | 5,435,988 | 4,348,554 |
| Total general government | 10,502,045 | 11,637,732 | 6,773,721 | 4,864,011 |
| Debt service: | | | | |
| Principal | 1,480,544 | 1,480,544 | 1,480,541 | 3 |
| Interest and other fiscal charges | 249,322 | 249,322 | 249,320 | 2 |
| Total debt service | 1,729,866 | 1,729,866 | 1,729,861 | 5 |
| Total expenditures | 12,231,911 | 13,367,598 | 8,503,582 | 4,864,016 |
| Excess (deficiency) of revenues over expenditures | (9,118,211) | (10,253,898) | (5,193,571) | 5,060,327 |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 6,209,821 | 7,345,508 | - | (7,345,508) |
| Transfers in | 2,908,390 | 2,908,390 | 2,907,349 | (1,041) |
| Total other financing sources (uses) | 9,118,211 | 10,253,898 | 2,907,349 | (7,346,549) |
| Net change in fund balance | \$ - | \$ - | (2,286,222) | \$ (2,286,222) |
| Fund balance, beginning of year | | | 7,376,974 | |
| Fund balance, end of year | | | \$ 5,090,752 | |

See notes to required supplementary information Budgetary Comparison Schedule

1. Budgets and Budgetary Accounting

An annual appropriated budget is adopted for all governmental funds with the exception of the Capital Projects Fund and the State Housing Initiative Partnership Fund (see reconciliation below). In September, formal public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally adopted. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

The legal level of control, the level at which expenditures may not exceed the budget, is at the department level. The Town Administrator is authorized to execute intradepartmental budget transfers within the department budgets as long as the net change in a department's total appropriation is zero. Any budget transfers between departments which increase or decrease a department's budget and all amendments that alter the budget in total must be approved by the Town Council. All appropriations lapse at the end of the fiscal period.

2. Explanation of Differences Between – Budget to Actual and Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds (Special Revenue Funds)

Explanation of differences between change in fund balance - budget to actual and Statement of Revenues, Expenditures and Changes in Fund Balances - Community Development Block Grant

| | |
|--|--------------|
| Total revenues, per budget and actual, Page 107. | \$ 2,953,790 |
|--|--------------|

Amounts reported for budget to actual are different because:

Revenues from the Town's State Housing Initiative Partnership are reported in the Community Development Block Grant for budgetary purposes but in the State Housing Initiative Partnership for the purpose of the Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

| | |
|--|-----------|
| State Housing Initiative Partnership Fund Revenues | (292,606) |
|--|-----------|

| | |
|---|---------------------|
| Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds, Page 105. | \$ <u>2,661,184</u> |
|---|---------------------|

| | |
|--|--------------|
| Total expenditures, per budget and actual, Page 107. | \$ 2,664,759 |
|--|--------------|

Amounts reported for budget to actual are different because:

Expenditures from the Town's State Housing Initiative Partnership are reported in the Community Development Block Grant for budgetary purposes but in the State Housing Initiative Partnership for the purpose of the Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

| | |
|--|-----------|
| State Housing Initiative Partnership Fund Expenditures | (261,718) |
|--|-----------|

| | |
|---|---------------------|
| Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds, Page 105. | \$ <u>2,403,041</u> |
|---|---------------------|

Town of Davie, Florida
Required Supplementary Information
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Firefighters' Pension Plan
(Unaudited)

| Fiscal Year: | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement Date: | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| Total pension liability | | | | | | | | |
| Service cost | \$ 4,635,251 | \$ 4,334,532 | \$ 4,249,641 | \$ 4,094,128 | \$ 3,736,220 | \$ 3,763,362 | \$ 3,662,229 | \$ 4,492,271 |
| Expected interest growth | 11,551,244 | 10,914,826 | 10,457,898 | 9,741,256 | 8,870,894 | 7,880,847 | 7,534,708 | 6,644,317 |
| Demographic experience | 1,731,765 | 1,690,491 | 655,040 | 2,287,868 | 1,857,324 | (1,334,314) | 2,896,606 | - |
| Changes of assumptions | 1,011,838 | (4,088,573) | 1,420,307 | 491,896 | 4,290,680 | 1,123,055 | (12,277,911) | - |
| Benefit payments, including refunds of member contributions | (7,541,897) | (7,568,321) | (4,870,970) | (4,382,442) | (3,897,474) | (5,231,413) | (4,807,524) | (3,462,249) |
| Net change in total pension liability | 11,388,201 | 5,282,955 | 11,911,916 | 12,232,706 | 14,857,644 | 6,201,537 | (2,991,892) | 7,674,339 |
| Total pension liability - beginning | 154,628,320 | 149,345,365 | 137,433,449 | 125,200,743 | 110,343,099 | 104,141,562 | 107,133,454 | 99,459,115 |
| Total pension liability - ending (A) | \$ 166,016,521 | \$ 154,628,320 | \$ 149,345,365 | \$ 137,433,449 | \$ 125,200,743 | \$ 110,343,099 | \$ 104,141,562 | \$ 107,133,454 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 5,018,496 | \$ 4,764,356 | \$ 5,270,253 | \$ 5,319,720 | \$ 5,111,468 | \$ 3,892,289 | \$ 4,216,386 | \$ 4,036,070 |
| Contributions - members | 1,506,463 | 1,447,141 | 1,490,415 | 1,340,288 | 1,281,189 | 1,102,176 | 1,060,367 | 1,122,208 |
| Contributions - state | 1,045,628 | 994,485 | 952,655 | 872,448 | 886,398 | 919,987 | 984,329 | 966,799 |
| Net investment and other income (loss) | 30,625,461 | 10,281,303 | 4,916,515 | 10,947,094 | 11,650,504 | 8,278,023 | 848,808 | 7,424,391 |
| Benefit payments, including refunds of member contributions | (7,541,897) | (7,568,321) | (4,870,970) | (4,382,442) | (3,897,474) | (5,231,413) | (4,807,524) | (3,462,249) |
| Administrative expenses | (125,172) | (121,625) | (134,572) | (143,489) | (128,754) | (148,650) | (144,044) | (126,638) |
| Net change in plan fiduciary net position | 30,528,979 | 9,797,339 | 7,624,296 | 13,953,619 | 14,903,331 | 8,812,412 | 2,158,322 | 9,960,581 |
| Plan fiduciary net position - beginning | 133,843,746 | 124,046,407 | 116,422,111 | 102,468,492 | 87,565,161 | 78,752,749 | 76,594,427 | 66,633,846 |
| Plan fiduciary net position - ending (B) | \$ 164,372,725 | \$ 133,843,746 | \$ 124,046,407 | \$ 116,422,111 | \$ 102,468,492 | \$ 87,565,161 | \$ 78,752,749 | \$ 76,594,427 |
| Town's net pension (asset) liability- ending (A) - (B) | \$ 1,643,796 | \$ 20,784,574 | \$ 25,298,958 | \$ 21,011,338 | \$ 22,732,251 | \$ 22,777,938 | \$ 25,388,813 | \$ 30,539,027 |
| Plan fiduciary net position as a percentage of the total pension liability | 99.01% | 86.56% | 83.06% | 84.71% | 81.84% | 79.36% | 75.62% | 71.49% |
| Covered payroll | \$ 15,689,368 | \$ 15,008,291 | \$ 14,614,321 | \$ 13,995,127 | \$ 13,101,270 | \$ 10,905,908 | \$ 12,095,009 | \$ 12,085,728 |
| Town's net pension (asset) liability as percentage of covered payroll | 10.48% | 138.49% | 173.11% | 150.13% | 173.51% | 208.86% | 209.91% | 252.69% |

Note: *This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.*

Town of Davie, Florida
Required Supplementary Information
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Police Employees' Pension Plan
(Unaudited)

| Fiscal Year: | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement Date: | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| Total pension liability | | | | | | | | |
| Service cost | \$ 4,499,322 | \$ 4,362,363 | \$ 4,413,896 | \$ 4,574,502 | \$ 4,567,940 | \$ 4,172,243 | \$ 4,080,569 | \$ 3,065,753 |
| Expected interest growth | 16,071,892 | 15,293,941 | 14,835,448 | 13,924,970 | 12,970,707 | 11,090,225 | 10,820,739 | 10,387,808 |
| Demographic experience | 588,690 | 2,795,825 | 2,026,532 | 497,848 | 5,256,258 | 229,588 | (698,115) | - |
| Changes of assumptions | 2,211,069 | (6,550,964) | - | 3,193,344 | 5,409,186 | - | 21,912,756 | - |
| Benefit payments, including refunds of member contributions | (10,003,426) | (8,645,596) | (10,013,274) | (6,438,104) | (6,036,548) | (6,691,573) | (7,246,724) | (5,771,558) |
| Net change in total pension liability | 13,367,547 | 7,255,569 | 11,262,602 | 15,752,560 | 22,167,543 | 8,800,483 | 28,869,225 | 7,682,003 |
| Total pension liability - beginning | <u>214,890,355</u> | <u>207,634,786</u> | <u>196,372,184</u> | <u>180,619,624</u> | <u>158,452,081</u> | <u>149,651,598</u> | <u>120,782,373</u> | <u>113,100,370</u> |
| Total pension liability - ending (A) | <u>\$ 228,257,902</u> | <u>\$ 214,890,355</u> | <u>\$ 207,634,786</u> | <u>\$ 196,372,184</u> | <u>\$ 180,619,624</u> | <u>\$ 158,452,081</u> | <u>\$ 149,651,598</u> | <u>\$ 120,782,373</u> |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 6,210,000 | \$ 6,367,000 | \$ 6,625,000 | \$ 6,223,000 | \$ 6,472,000 | \$ 5,672,500 | \$ 5,797,600 | \$ 5,503,045 |
| Contributions - state | 1,000,965 | 1,055,365 | 1,051,508 | 938,653 | 905,664 | 858,749 | 784,261 | 747,469 |
| Contributions - members | 1,473,942 | 1,456,925 | 1,442,754 | 1,382,963 | 1,417,689 | 1,359,147 | 1,128,753 | 1,670,986 |
| Contributions - buy back | 271,029 | 45,108 | 12,888 | 643,473 | 686,748 | 365,598 | 256,789 | - |
| DROP account | 594,364 | 754,421 | 557,598 | 431,816 | 129,155 | 221,440 | 106,274 | - |
| Net investment income (loss) | 39,822,297 | 15,746,361 | 3,714,484 | 13,757,131 | 16,147,239 | 10,696,539 | 844,685 | 9,398,648 |
| Benefit payments, including refunds of member contributions | (10,003,426) | (8,645,596) | (10,013,274) | (6,438,104) | (6,036,548) | (6,691,573) | (7,246,724) | (5,771,558) |
| Administrative expenses | (183,548) | (190,823) | (206,958) | (200,479) | (197,732) | (192,512) | (152,164) | (171,358) |
| Net change in plan fiduciary net position | 39,185,623 | 16,588,761 | 3,184,000 | 16,738,453 | 19,524,215 | 12,289,888 | 1,519,474 | 11,377,232 |
| Plan fiduciary net position - beginning | <u>189,572,081</u> | <u>172,983,320</u> | <u>169,799,320</u> | <u>153,060,867</u> | <u>133,536,652</u> | <u>121,246,764</u> | <u>119,727,290</u> | <u>108,350,058</u> |
| Plan fiduciary net position - ending (B) | <u>\$ 228,757,704</u> | <u>\$ 189,572,081</u> | <u>\$ 172,983,320</u> | <u>\$ 169,799,320</u> | <u>\$ 153,060,867</u> | <u>\$ 133,536,652</u> | <u>\$ 121,246,764</u> | <u>\$ 119,727,290</u> |
| Town's net pension (asset) liability- ending (A) - (B) | <u>\$ (499,802)</u> | <u>\$ 25,318,274</u> | <u>\$ 34,651,466</u> | <u>\$ 26,572,864</u> | <u>\$ 27,558,757</u> | <u>\$ 24,915,429</u> | <u>\$ 28,404,834</u> | <u>\$ 1,055,083</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 100.22% | 88.22% | 83.31% | 86.47% | 84.74% | 84.28% | 81.02% | 99.13% |
| Covered payroll | \$ 15,490,823 | \$ 15,564,522 | \$ 15,236,338 | \$ 15,388,083 | \$ 15,278,632 | \$ 14,068,195 | \$ 13,411,960 | \$ 13,916,944 |
| Town's net pension (asset) liability as percentage of covered payroll | -3.23% | 162.67% | 227.43% | 172.68% | 180.37% | 177.10% | 211.79% | 7.58% |

Note: *This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.*

Town of Davie, Florida
Required Supplementary Information
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Management and General Employees' Pension Plan
(Unaudited)

| Fiscal Year: | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Measurement Date: | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| Total pension liability | | | | | | | | |
| Service cost | \$ 3,846,854 | \$ 3,783,983 | \$ 3,754,711 | \$ 3,706,722 | \$ 3,664,762 | \$ 2,927,750 | \$ 1,955,824 | \$ 2,250,901 |
| Expected interest growth | 6,473,034 | 6,040,080 | 5,645,966 | 5,281,827 | 4,294,721 | 3,100,243 | 4,028,736 | 3,255,473 |
| Demographic experience | (902,598) | (1,403,868) | (1,666,386) | (1,804,327) | 99,312 | (972,917) | (449,761) | - |
| Change of assumptions | (1,654,672) | - | - | - | 7,656,456 | 12,806,161 | (5,257,095) | - |
| Benefit payments, including refunds of member contributions | (2,544,828) | (2,091,222) | (1,976,083) | (1,946,180) | (1,578,479) | (1,400,451) | (1,298,996) | (1,154,833) |
| Net change in total pension liability | 5,217,790 | 6,328,973 | 5,758,208 | 5,238,042 | 14,136,772 | 16,460,786 | (1,021,292) | 4,351,541 |
| Total pension liability - beginning | 89,950,391 | 83,621,418 | 77,863,210 | 72,625,168 | 58,488,396 | 42,027,610 | 43,048,902 | 38,697,361 |
| Total pension liability - ending (A) | \$ 95,168,181 | \$ 89,950,391 | \$ 83,621,418 | \$ 77,863,210 | \$ 72,625,168 | \$ 58,488,396 | \$ 42,027,610 | \$ 43,048,902 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 3,753,438 | \$ 3,895,203 | \$ 4,029,322 | \$ 4,389,592 | \$ 2,995,010 | \$ 2,951,697 | \$ 2,885,279 | \$ 3,388,803 |
| Contributions - members | 566,736 | 544,347 | 495,591 | 481,568 | 446,412 | 417,945 | 363,834 | 204,808 |
| Contributions - buy back | - | - | 313,056 | - | - | - | - | - |
| Net investment income (loss) | 17,538,904 | 5,406,011 | 4,259,240 | 5,065,294 | 7,747,395 | 4,102,297 | (31,289) | 3,755,706 |
| Benefit payments, including refunds of member contributions | (2,558,794) | (2,117,320) | (1,998,008) | (1,965,892) | (1,596,059) | (1,415,811) | (1,242,993) | (1,223,456) |
| Administrative expenses | (101,211) | (93,136) | (92,337) | (91,507) | (94,733) | (98,335) | (112,831) | (98,690) |
| Net change in plan fiduciary net position | 19,199,073 | 7,635,105 | 7,006,864 | 7,879,055 | 9,498,025 | 5,957,793 | 1,862,000 | 6,027,171 |
| Plan fiduciary net position - beginning | 87,068,827 | 79,433,722 | 72,426,858 | 64,547,803 | 55,049,778 | 49,091,985 | 47,229,985 | 41,202,814 |
| Plan fiduciary net position - ending (B) | \$ 106,267,900 | \$ 87,068,827 | \$ 79,433,722 | \$ 72,426,858 | \$ 64,547,803 | \$ 55,049,778 | \$ 49,091,985 | \$ 47,229,985 |
| Town's net pension (asset) liability- ending (A) - (B) | \$ (11,099,719) | \$ 2,881,564 | \$ 4,187,696 | \$ 5,436,352 | \$ 8,077,365 | \$ 3,438,618 | \$ (7,064,375) | \$ (4,181,083) |
| Plan fiduciary net position as a percentage of the total pension liability | 111.66% | 96.80% | 94.99% | 93.02% | 88.88% | 94.12% | 116.81% | 109.71% |
| Covered payroll | \$ 20,078,565 | \$ 18,916,341 | \$ 18,315,307 | \$ 17,699,671 | \$ 16,597,598 | \$ 14,841,440 | \$ 13,954,054 | \$ 12,904,184 |
| Town's net pension (asset) liability as percentage of covered payroll | -55.28% | 15.23% | 22.86% | 30.71% | 48.67% | 23.17% | -50.63% | -32.40% |

Note: *This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.*

Town of Davie, Florida
Required Supplementary Information
Schedule of Town Contributions
Firefighters' Pension Plan
(Dollar Amounts in Thousands)
(Unaudited)

| Fiscal Year Ended September 30,: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution | \$ 6,258 | \$ 6,031 | \$ 6,350 | \$ 6,210 | \$ 5,992 | \$ 4,740 | \$ 5,076 | \$ 4,892 | \$ 4,964 | \$ 4,661 |
| Contributions in relation to the actuarially determined contribution | 6,258 | 6,031 | 6,350 | 6,210 | 5,992 | 4,740 | 5,076 | 4,892 | 4,964 | 4,661 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 15,689 | \$ 15,008 | \$ 14,614 | \$ 13,995 | \$ 13,101 | \$ 10,906 | \$ 12,095 | \$ 11,510 | \$ 11,259 | \$ 10,709 |
| Contributions as a percentage of covered payroll | 39.9% | 40.2% | 43.5% | 44.4% | 45.7% | 43.5% | 42.0% | 42.5% | 44.1% | 43.5% |

Notes to Schedule:
Valuation date:

October 1, 2020

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------------|--|
| Actuarial cost method | Entry-Age-Normal. |
| Asset valuation method | Phasing in the deviations between the actual and expected return on assets at the rate of 25% per year. The actuarial value is limited to be within the corridor of 80% to 120% of the market value of assets. |
| Amortization method | Layered amortization. |
| Remaining amortization period | 30 years. |
| Investment rate of return | 7.30%, net of pension investment expense. |
| Projected salary increases | 5.00% |
| Inflation | 3.00% |
| Retirement rates | For Tier 1 - Ranging from 20 years of service at 50% to 25 years of service or more at 100%. For Tier 2 - Ranging from 20 years of service at 25% to 24 years of service or more at 100%. Age 55 with 10 or more years of credited service, 100% of retiring upon eligibility. |
| Mortality | Mortality rates are calculated with the Scale MP-2018 Mortality Table with separate rates for males and females. For disabled participants, the Scale MP-2018 Disability Table was used with separate rates for males and females. |
| Changes from most recent valuation | The termination rates were reduced by 30% from the October 1, 2019 Valuation and the assumed fund investment return was changed from 7.40% to 7.30%. |

For additional information related to this schedule as a whole, please refer to the stand-alone audited report dated January 27, 2022.

Town of Davie, Florida
Required Supplementary Information
Schedule of Town Contributions
Police Employees' Pension Plan
(Dollar Amounts in Thousands)
(Unaudited)

| Fiscal Year Ended September 30,: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution | \$ 7,088 | \$ 7,115 | \$ 7,175 | \$ 7,171 | \$ 7,272 | \$ 6,419 | \$ 6,361 | \$ 6,430 | \$ 6,347 | \$ 6,847 |
| Contributions in relation to the actuarially determined contribution | 7,088 | 7,115 | 7,175 | 7,171 | 7,272 | 6,419 | 6,361 | 6,430 | 6,347 | 6,847 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 15,491 | \$ 15,565 | \$ 15,236 | \$ 15,388 | \$ 15,279 | \$ 14,068 | \$ 13,412 | \$ 13,917 | \$ 13,014 | \$ 13,006 |
| Contributions as a percentage of covered payroll | 45.8% | 45.7% | 47.1% | 46.6% | 47.6% | 45.6% | 47.4% | 46.2% | 48.8% | 52.6% |

Notes to Schedule:

Valuation date:

October 1, 2020

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------------|--|
| Actuarial cost method | Entry-Age-Normal. |
| Asset valuation method | Determined by smoothing the differences between the actual investment earnings and assumed investment return over three years (limited to between 80% and 120% of the market value). |
| Amortization method | Layered amortization. |
| Remaining amortization period | 30 years. |
| Investment rate of return | 7.40%, net of pension investment expense. |
| Projected salary increases | 5.50% |
| Inflation | 3.00% |
| Retirement rates | Participants with 20 or more years of benefit service: ranging from 20 years of service at 65% to 25 years of service and over at 100%. |
| Mortality | Participants who attain age 55 with 10 or more years of benefit service, 100% of retiring upon eligibility. |
| Changes from most recent valuation | Mortality rates are calculated with the Scale MP-2018 Mortality Table with separate rates for males and females. For disabled participants, the Scale MP-2018 Disability Table was used with separate rates for males and females. The assumed interest to be earned was changed from 7.50% to 7.40%. The early retirement assumptions were removed. |

For additional information related to this schedule as a whole, please refer to the stand-alone audited report dated March 25, 2022.

Town of Davie, Florida
Required Supplementary Information
Schedule of Town Contributions
Management and General Employees' Pension Plan
(Dollar Amounts in Thousands)
(Unaudited)

| Fiscal Year Ended September 30,: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution | \$ 3,616 | \$ 3,790 | \$ 3,944 | \$ 4,502 | \$ 3,253 | \$ 3,091 | \$ 3,062 | \$ 3,007 | \$ 3,583 | \$ 3,592 |
| Contributions in relation to the actuarially determined contribution | 3,739 | 3,869 | 4,007 | 4,370 | 2,977 | 2,936 | 2,873 | 3,389 | 3,689 | 3,592 |
| Contribution deficiency (excess) | \$ (123) | \$ (79) | \$ (63) | \$ 132 | \$ 276 | \$ 155 | \$ 189 | \$ (382) | \$ (106) | \$ - |
| Covered payroll | \$ 20,079 | \$ 18,916 | \$ 18,315 | \$ 17,700 | \$ 16,598 | \$ 14,841 | \$ 13,954 | \$ 12,904 | \$ 13,169 | \$ 13,685 |
| Contributions as a percentage of covered payroll | 18.6% | 20.5% | 21.9% | 24.7% | 17.9% | 19.8% | 20.6% | 26.3% | 28.0% | 26.2% |

Notes to Schedule:
Valuation date:

October 1, 2020

Methods and assumptions used to determine contribution rates:

| | |
|----------------------------|---|
| Actuarial cost method | Aggregate Cost Method. |
| Asset valuation method | Market value of assets, adjusted to reflect a five-year phase-in of the net investment appreciation. |
| Investment rate of return | 7.00%, net of pension investment expense. |
| Projected salary increases | 5.00% |
| Inflation | 2.62% |
| Retirement rates | In general, for participants who have met the age and service requirements with a normal retirement benefit prior to age 60, 70% are assumed to retire at normal retirement age. 10% are assumed to retire each of the next five years, and 100% are assumed to retire six years after normal retirement age. For all other participants, retirement is assumed to occur at the rate of 70% upon the attainment of normal retirement age, 10% per year at each of the next two years, and 100% three years after normal retirement age. |

Mortality
Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

Changes from most recent valuation
Since the prior measurement date, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018. The discount rate was decreased from 7.50% to 7.00% per annum. The expense loading was reduced from 1.25% to 0.75% of the present value of future benefits.

Town of Davie, Florida
Required Supplementary Information
Schedule of Investment Returns
Firefighters' Pension Plan
(Unaudited)

| Fiscal Year Ended September 30,: | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual money-weighted rate of return, net of investment expense | 22.30% | 8.30% | 4.10% | 10.50% | 12.30% | 10.30% | 1.00% | 10.60% |

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

Town of Davie, Florida
Required Supplementary Information
Schedule of Investment Returns
Police Employees' Pension Plan
(Unaudited)

| Fiscal Year Ended September 30,: | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual money-weighted rate of return, net of investment expense | 20.30% | 9.15% | 2.30% | 8.90% | 11.80% | 8.40% | 0.50% | 9.10% |

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

Town of Davie, Florida
Required Supplementary Information
Schedule of Investment Returns
Management and General Employees' Pension Plan
(Unaudited)

| Fiscal Year Ended September 30,: | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual money-weighted rate of return, net of investment expense | 19.42% | 6.60% | 5.40% | 7.43% | 13.44% | 8.11% | -0.05% | 8.55% |

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

Town of Davie, Florida
Required Supplementary Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Other Post-Employment Benefits (OPEB) Plan
(Unaudited)

| Fiscal Year: | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Measurement Date: | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> |
| Total OPEB liability | | | | | |
| Service cost | \$ - | \$ 30,401 | \$ 30,401 | \$ 35,911 | \$ 35,911 |
| Expected interest growth | 102,511 | 96,916 | 96,057 | 89,813 | 84,384 |
| Assumption changes | - | - | 164,543 | - | - |
| Demographic experience | (1,566,949) | - | (252,181) | - | - |
| Benefit payments and refunds - implicit | - | (33,424) | (19,910) | (41,739) | (43,692) |
| Net change in total OPEB liability | (1,464,438) | 93,893 | 18,910 | 83,985 | 76,603 |
| Total OPEB liability - beginning | <u>1,464,438</u> | <u>1,370,545</u> | <u>1,351,635</u> | <u>1,267,650</u> | <u>1,191,047</u> |
| Total OPEB liability - ending (A) | <u>\$ -</u> | <u>\$ 1,464,438</u> | <u>\$ 1,370,545</u> | <u>\$ 1,351,635</u> | <u>\$ 1,267,650</u> |
| Plan fiduciary net position | | | | | |
| Net investment income (loss) | \$ 508,993 | \$ 164,102 | \$ 132,379 | \$ 169,197 | \$ 263,795 |
| Administrative expenses | (6,844) | (14,957) | (7,953) | (14,776) | (10,798) |
| Net change in plan fiduciary net position | <u>502,149</u> | <u>149,145</u> | <u>124,426</u> | <u>154,421</u> | <u>252,997</u> |
| Plan fiduciary net position - beginning | <u>2,644,922</u> | <u>2,495,777</u> | <u>2,371,351</u> | <u>2,216,930</u> | <u>1,963,933</u> |
| Plan fiduciary net position - ending (B) | <u>\$ 3,147,071</u> | <u>\$ 2,644,922</u> | <u>\$ 2,495,777</u> | <u>\$ 2,371,351</u> | <u>\$ 2,216,930</u> |
| Town's net OPEB (asset) liability ending (A) - (B) | <u>\$ (3,147,071)</u> | <u>\$ (1,180,484)</u> | <u>\$ (1,125,232)</u> | <u>\$ (1,019,716)</u> | <u>\$ (949,280)</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | N/A | 180.61% | 182.10% | 175.44% | 174.89% |
| Covered payroll | \$ 55,169,146 | \$ 48,117,836 | \$ 48,117,836 | \$ 44,542,602 | \$ 44,542,602 |
| Town's net OPEB (asset) liability as percentage of covered payroll | -5.70% | -2.45% | -2.34% | -2.29% | -2.13% |

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the OPEB plan will present information for those years for which the information is available.

Town of Davie, Florida
Required Supplementary Information
Schedule of Town Contributions
Other Post-Employment Benefits (OPEB) Plan
(Unaudited)

The Town does not currently contribute to the OPEB Plan and therefore there is no funding schedule.

Town of Davie, Florida
Required Supplementary Information
Schedule of Investments Returns
Other Post-Employment Benefits (OPEB) Plan
(Unaudited)

| Fiscal Year Ended September 30,: | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual money-weighted rate of return, net of investment expense | 19.42% | 6.60% | 5.40% | 7.43% | 13.44% |

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the OPEB plan will present information for those years for which the information is available.



OTHER FINANCIAL INFORMATION



Special Revenue Funds

Special Revenue Funds are used to account for funds received with specific restrictions on how the funds must be spent.

Community Development Block Grant - This fund accounts for revenue received mainly from the U.S. Department of Housing and Urban Development and/or State of Florida. The revenue is restricted to accomplish the various objectives of the community development and housing related programs.

State Housing Initiative Partnership (SHIP) Fund – This fund accounts for funds provided from the State of Florida’s Housing Initiative Partnership (SHIP) Program, to produce and preserve affordable homeownership and multifamily housing.

Parks and Open Space Impact Fees - This Fund is used to account for the activities of the Town's impact fees received for its open space, parks and recreational facilities.

Fire Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to the provisions of fire and rescue services.

Police Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to the provisions of law enforcement services.

Forfeitures - This Fund is used to account for the revenue and expenses from State and Federal forfeitures that the Town receives from various law enforcement agencies.

General Government Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to its general governmental services.

Affordable Housing - This fund is used to account for the collection and disbursement of funds associated with the Town’s affordable housing incentive program as defined in the Town’s applicable Land Development Code.

Town of Davie, Florida
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2021

| | Special Revenue Funds | | | | | | | | Total Nonmajor Governmental Funds |
|---|--|---|---|------------------------|--------------------------|-------------|---|-----------------------|--|
| | Community Development Block Grant | State Housing Initiative Partnership | Parks and Open Space Impact Fees | Fire Impact Fees | Police Impact Fees | Forfeitures | General Government Impact Fees | Affordable Housing | |
| Assets: | | | | | | | | | |
| Cash, cash equivalents and investments | \$ - | \$ 423,204 | \$ 987,885 | \$ 1,081,300 | \$ 323,773 | \$ 796,338 | \$ 918,147 | \$ 515,737 | \$ 5,046,384 |
| Due from other governments | 1,145,262 | - | - | - | - | - | - | - | 1,145,262 |
| Total assets | \$ 1,145,262 | \$ 423,204 | \$ 987,885 | \$ 1,081,300 | \$ 323,773 | \$ 796,338 | \$ 918,147 | \$ 515,737 | \$ 6,191,646 |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 184,315 | \$ - | \$ - | \$ - | \$ 123,056 | \$ 236,795 | \$ - | \$ - | \$ 544,166 |
| Due to other funds | 665,401 | - | - | - | - | - | - | - | 665,401 |
| Unearned revenues | - | 392,316 | - | - | - | - | - | - | 392,316 |
| Total liabilities | 849,716 | 392,316 | - | - | 123,056 | 236,795 | - | - | 1,601,883 |
| Fund Balances: | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| Community development projects and services | 295,546 | - | - | - | - | - | - | - | 295,546 |
| State housing initiatives | - | 30,888 | - | - | - | - | - | - | 30,888 |
| Parks and recreation - parks and open space | - | - | 987,885 | - | - | - | - | - | 987,885 |
| Public safety - fire | - | - | - | 1,081,300 | - | - | - | - | 1,081,300 |
| Public safety - police | - | - | - | - | 200,717 | 559,543 | - | - | 760,260 |
| General government activities | - | - | - | - | - | - | 918,147 | - | 918,147 |
| Affordable housing | - | - | - | - | - | - | - | 515,737 | 515,737 |
| Total fund balances | 295,546 | 30,888 | 987,885 | 1,081,300 | 200,717 | 559,543 | 918,147 | 515,737 | 4,589,763 |
| Total liabilities and fund balances | \$ 1,145,262 | \$ 423,204 | \$ 987,885 | \$ 1,081,300 | \$ 323,773 | \$ 796,338 | \$ 918,147 | \$ 515,737 | \$ 6,191,646 |

Town of Davie, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

| | Special Revenue Funds | | | | | | | | Total Nonmajor Governmental Funds |
|---|--|---|---|------------------------|--------------------------|-------------|---|-----------------------|--|
| | Community Development Block Grant | State Housing Initiative Partnership | Parks and Open Space Impact Fees | Fire Impact Fees | Police Impact Fees | Forfeitures | General Government Impact Fees | Affordable Housing | |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 2,660,871 | \$ 261,718 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,922,589 |
| Permits and fees | - | - | - | - | - | - | - | 162,558 | 162,558 |
| Charges for services | - | 30,888 | 131,790 | 63,086 | 61,768 | - | 39,233 | - | 326,765 |
| Fines and forfeitures | - | - | - | - | - | 138,269 | - | - | 138,269 |
| Investment income | 313 | - | - | - | - | 1,223 | - | - | 1,536 |
| Total revenues | 2,661,184 | 292,606 | 131,790 | 63,086 | 61,768 | 139,492 | 39,233 | 162,558 | 3,551,717 |
| Expenditures: | | | | | | | | | |
| General government: | | | | | | | | | |
| General services department: | | | | | | | | | |
| Personnel services | 251,069 | - | - | - | - | - | - | - | 251,069 |
| Operating | 1,791,511 | 261,718 | - | - | - | - | 74,033 | - | 2,127,262 |
| Capital outlay | 360,461 | - | - | - | - | - | 6,200 | - | 366,661 |
| Total general government | 2,403,041 | 261,718 | - | - | - | - | 80,233 | - | 2,744,992 |
| Public safety: | | | | | | | | | |
| Police department: | | | | | | | | | |
| Operating | - | - | - | - | 148,066 | 269,001 | - | - | 417,067 |
| Capital outlay | - | - | - | - | 314,406 | - | - | - | 314,406 |
| Total police department | - | - | - | - | 462,472 | 269,001 | - | - | 731,473 |
| Fire department: | | | | | | | | | |
| Operating | - | - | - | 157,937 | - | - | - | - | 157,937 |
| Total fire department | - | - | - | 157,937 | - | - | - | - | 157,937 |
| Total public safety | - | - | - | 157,937 | 462,472 | 269,001 | - | - | 889,410 |
| Parks, recreation and cultural arts: | | | | | | | | | |
| Operating | - | - | 6,337 | - | - | - | - | - | 6,337 |
| Capital outlay | - | - | 244,282 | - | - | - | - | - | 244,282 |
| Total parks, recreation and cultural arts | - | - | 250,619 | - | - | - | - | - | 250,619 |
| Total expenditures | 2,403,041 | 261,718 | 250,619 | 157,937 | 462,472 | 269,001 | 80,233 | - | 3,885,021 |
| Excess (deficiency) of revenues over expenditures | 258,143 | 30,888 | (118,829) | (94,851) | (400,704) | (129,509) | (41,000) | 162,558 | (333,304) |

Town of Davie, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
(continued)
For the Year Ended September 30, 2021

| | Community Development Block Grant | Special Revenue Funds | | | | | | | Total Nonmajor Governmental Funds |
|---|--|---|---|------------------------|--------------------------|-------------|---|-----------------------|--|
| | | State Housing Initiative Partnership | Parks and Open Space Impact Fees | Fire Impact Fees | Police Impact Fees | Forfeitures | General Government Impact Fees | Affordable Housing | |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers out | - | - | - | - | - | - | (32,603) | - | (32,603) |
| Total other financing sources (uses) | - | - | - | - | - | - | (32,603) | - | (32,603) |
| Net change in fund balances | 258,143 | 30,888 | (118,829) | (94,851) | (400,704) | (129,509) | (73,603) | 162,558 | (365,907) |
| Fund Balances, beginning of year | 37,403 | - | 1,106,714 | 1,176,151 | 601,421 | 689,052 | 991,750 | 353,179 | 4,955,670 |
| Fund Balances, end of year | \$ 295,546 | \$ 30,888 | \$ 987,885 | \$ 1,081,300 | \$ 200,717 | \$ 559,543 | \$ 918,147 | \$ 515,737 | \$ 4,589,763 |

Town of Davie, Florida
Community Development Block Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental | \$ 3,191,971 | \$ 4,040,188 | \$ 2,922,589 | \$ (1,117,599) |
| Charges for services | - | - | 30,888 | 30,888 |
| Investment income | - | - | 313 | 313 |
| Total revenues | <u>3,191,971</u> | <u>4,040,188</u> | <u>2,953,790</u> | <u>(1,086,398)</u> |
| Expenditures: | | | | |
| General government: | | | | |
| General services department: | | | | |
| Personnel services | 234,355 | 267,134 | 251,069 | 16,065 |
| Operating | 1,170,269 | 2,520,761 | 2,053,229 | 467,532 |
| Capital outlay | <u>1,787,347</u> | <u>1,263,834</u> | <u>360,461</u> | <u>903,373</u> |
| Total expenditures | <u>3,191,971</u> | <u>4,051,729</u> | <u>2,664,759</u> | <u>1,386,970</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(11,541)</u> | <u>289,031</u> | <u>300,572</u> |
| Other Financing Sources (Uses): | | | | |
| Appropriated fund balance | <u>-</u> | <u>11,541</u> | <u>-</u> | <u>(11,541)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>11,541</u> | <u>-</u> | <u>(11,541)</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | 289,031 | \$ <u>289,031</u> |
| Fund balance, beginning of year | | | <u>37,403</u> | |
| Fund balance, end of year | | | <u>\$ 326,434</u> | |

Town of Davie, Florida
Parks and Open Space Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Charges for services | \$ 75,000 | \$ 75,000 | \$ 131,790 | \$ 56,790 |
| Total revenues | 75,000 | 75,000 | 131,790 | 56,790 |
| Expenditures: | | | | |
| Parks, recreation and cultural arts: | | | | |
| Operating | 54,100 | 37,012 | 6,337 | 30,675 |
| Capital outlay | 598,700 | 673,159 | 244,282 | 428,877 |
| Total expenditures | 652,800 | 710,171 | 250,619 | 459,552 |
| Excess (deficiency) of revenues over expenditures | (577,800) | (635,171) | (118,829) | 516,342 |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 577,800 | 635,171 | - | (635,171) |
| Total other financing sources (uses) | 577,800 | 635,171 | - | (635,171) |
| Net change in fund balance | \$ - | \$ - | (118,829) | \$ (118,829) |
| Fund balance, beginning of year | | | 1,106,714 | |
| Fund balance, end of year | | | \$ 987,885 | |

Town of Davie, Florida
Fire Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|--------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 50,000 | \$ 50,000 | \$ 63,086 | \$ 13,086 |
| Total revenues | 50,000 | 50,000 | 63,086 | 13,086 |
| Expenditures: | | | | |
| Public safety: | | | | |
| Fire department: | | | | |
| Operating | - | - | 157,937 | (157,937) |
| Capital outlay | 3,719 | - | - | - |
| Total expenditures | 3,719 | - | 157,937 | (157,937) |
| Excess (deficiency) of revenues over expenditures | 46,281 | 50,000 | (94,851) | (144,851) |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | (46,281) | (50,000) | - | 50,000 |
| Total other financing sources (uses) | (46,281) | (50,000) | - | 50,000 |
| Net change in fund balance | \$ - | \$ - | (94,851) | \$ (94,851) |
| Fund balance, beginning of year | | | 1,176,151 | |
| Fund balance, end of year | | | \$ 1,081,300 | |

Town of Davie, Florida
Police Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Charges for services | \$ 50,000 | \$ 50,000 | \$ 61,768 | \$ 11,768 |
| Total revenues | 50,000 | 50,000 | 61,768 | 11,768 |
| Expenditures: | | | | |
| Public safety: | | | | |
| Police department: | | | | |
| Operating | - | - | 148,066 | (148,066) |
| Capital outlay | 331,997 | 331,998 | 314,406 | 17,592 |
| Total expenditures | 331,997 | 331,998 | 462,472 | (130,474) |
| Excess (deficiency) of revenues over expenditures | (281,997) | (281,998) | (400,704) | (118,706) |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 281,997 | 281,998 | - | (281,998) |
| Total other financing sources (uses) | 281,997 | 281,998 | - | (281,998) |
| Net change in fund balance | \$ - | \$ - | (400,704) | \$ (400,704) |
| Fund balance, beginning of year | | | 601,421 | |
| Fund balance, end of year | | | \$ 200,717 | |

Town of Davie, Florida
Forfeitures
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 138,269 | \$ 138,269 |
| Investment income | - | - | 1,223 | 1,223 |
| Total revenues | - | - | 139,492 | 139,492 |
| Expenditures: | | | | |
| Public safety: | | | | |
| Police department: | | | | |
| Operating | 307,000 | 280,610 | 269,001 | 11,609 |
| Total expenditures | 307,000 | 280,610 | 269,001 | 11,609 |
| Excess (deficiency) of revenues over expenditures | (307,000) | (280,610) | (129,509) | 151,101 |
| Other Financing Sources (Uses): | | | | |
| Appropriated (excess) fund balance | 307,000 | 280,610 | - | (280,610) |
| Total other financing sources (uses) | 307,000 | 280,610 | - | (280,610) |
| Net change in fund balance | \$ - | \$ - | (129,509) | \$ (129,509) |
| Fund balance, beginning of year | | | 689,052 | |
| Fund balance, end of year | | | \$ 559,543 | |

Town of Davie, Florida
General Government Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Charges for services | \$ 25,000 | \$ 25,000 | \$ 39,233 | \$ 14,233 |
| Total revenues | 25,000 | 25,000 | 39,233 | 14,233 |
| Expenditures: | | | | |
| General government: | | | | |
| General services department: | | | | |
| Operating | 56,000 | 56,000 | 74,033 | (18,033) |
| Capital outlay | 399,017 | 405,217 | 6,200 | 399,017 |
| Total expenditures | 455,017 | 461,217 | 80,233 | 380,984 |
| Excess (deficiency) of revenues over expenditures | (430,017) | (436,217) | (41,000) | 395,217 |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (40,000) | (40,000) | (32,603) | 7,397 |
| Appropriated (excess) fund balance | 470,017 | 476,217 | - | (476,217) |
| Total other financing sources (uses) | 430,017 | 436,217 | (32,603) | (468,820) |
| Net change in fund balance | \$ - | \$ - | (73,603) | \$ (73,603) |
| Fund balance, beginning of year | | | 991,750 | |
| Fund balance, end of year | | | \$ 918,147 | |

Town of Davie, Florida
Affordable Housing
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Permits and fees | \$ 331,836 | \$ 331,836 | \$ 162,558 | \$ (169,278) |
| Total revenues | 331,836 | 331,836 | 162,558 | (169,278) |
| Expenditures: | | | | |
| Community services: | | | | |
| Operating | 331,836 | 331,836 | - | 331,836 |
| Total expenditures | 331,836 | 331,836 | - | 331,836 |
| Excess (deficiency) of revenues over expenditures | - | - | 162,558 | 162,558 |
| Net change in fund balance | \$ - | \$ - | 162,558 | \$ 162,558 |
| Fund balance, beginning of year | | | 353,179 | |
| Fund balance, end of year | | | \$ 515,737 | |

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Vehicle Maintenance - This fund is used to accumulate the costs of operating the central garage facility for vehicle and equipment maintenance.

Self-Insurance - This fund is used to account for and finance the Town's insured and uninsured risks of loss related to worker's compensation and employee health benefits.

Information Technology - This fund is used to account for the accumulation of capital and distribution of costs associated with the acquisition and maintenance of information systems equipment, networks, software, and support.

Town of Davie, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2021

| | <u>Vehicle Maintenance</u> | <u>Self- Insurance</u> | <u>Information Technology</u> | <u>Total</u> |
|---|--------------------------------|----------------------------|-----------------------------------|----------------------|
| Assets: | | | | |
| Current assets: | | | | |
| Cash, cash equivalents and investments | \$ 4,275,738 | \$ 19,017,659 | \$ 6,072,768 | \$ 29,366,165 |
| Receivables, net of allowance for uncollectibles | 11,134 | 192,762 | - | 203,896 |
| Prepaid items | 7,067 | 254,432 | 946,810 | 1,208,309 |
| Inventories | <u>45,729</u> | <u>-</u> | <u>-</u> | <u>45,729</u> |
| Total current assets | <u>4,339,668</u> | <u>19,464,853</u> | <u>7,019,578</u> | <u>30,824,099</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Construction in progress | 648,831 | - | - | 648,831 |
| Building and improvements | 2,662,720 | - | - | 2,662,720 |
| Machinery, equipment and vehicles | 20,331,971 | - | 5,686,394 | 26,018,365 |
| Less accumulated depreciation | <u>(14,053,652)</u> | <u>-</u> | <u>(4,472,495)</u> | <u>(18,526,147)</u> |
| Total noncurrent assets | <u>9,589,870</u> | <u>-</u> | <u>1,213,899</u> | <u>10,803,769</u> |
| Total assets | <u>13,929,538</u> | <u>19,464,853</u> | <u>8,233,477</u> | <u>41,627,868</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 255,929 | 181,069 | 314,102 | 751,100 |
| Insurance claims payable | <u>-</u> | <u>2,375,565</u> | <u>-</u> | <u>2,375,565</u> |
| Total current liabilities | <u>255,929</u> | <u>2,556,634</u> | <u>314,102</u> | <u>3,126,665</u> |
| Total liabilities | <u>255,929</u> | <u>2,556,634</u> | <u>314,102</u> | <u>3,126,665</u> |
| Net Position: | | | | |
| Net investment in capital assets | 9,589,870 | - | 1,213,899 | 10,803,769 |
| Unrestricted | <u>4,083,739</u> | <u>16,908,219</u> | <u>6,705,476</u> | <u>27,697,434</u> |
| Total net position | <u>\$ 13,673,609</u> | <u>\$ 16,908,219</u> | <u>\$ 7,919,375</u> | <u>\$ 38,501,203</u> |

Town of Davie, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2021

| | <u>Vehicle Maintenance</u> | <u>Self- Insurance</u> | <u>Information Technology</u> | <u>Total</u> |
|---|--------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| Operating revenues: | | | | |
| Charges for services | \$ <u>4,959,626</u> | \$ <u>18,304,505</u> | \$ <u>6,262,448</u> | \$ <u>29,526,579</u> |
| Operating expenses: | | | | |
| Personnel services | 138,779 | 161,477 | 2,528,797 | 2,829,053 |
| Maintenance | 2,517,601 | - | 1,915,870 | 4,433,471 |
| Insurance | 359,838 | 3,430,329 | - | 3,790,167 |
| Claims and other fees | - | 11,437,525 | - | 11,437,525 |
| Administration | - | 2,206,754 | - | 2,206,754 |
| Depreciation | <u>1,914,524</u> | <u>-</u> | <u>519,523</u> | <u>2,434,047</u> |
| Total operating expenses | <u>4,930,742</u> | <u>17,236,085</u> | <u>4,964,190</u> | <u>27,131,017</u> |
| Operating income (loss) | <u>28,884</u> | <u>1,068,420</u> | <u>1,298,258</u> | <u>2,395,562</u> |
| Nonoperating revenues (expenses): | | | | |
| Other income, net | <u>280,158</u> | <u>707,410</u> | <u>9,273</u> | <u>996,841</u> |
| Total nonoperating revenues (expenses) | <u>280,158</u> | <u>707,410</u> | <u>9,273</u> | <u>996,841</u> |
| Income (loss) before transfers | <u>309,042</u> | <u>1,775,830</u> | <u>1,307,531</u> | <u>3,392,403</u> |
| Transfers: | | | | |
| Transfers from (to) other funds | <u>67,228</u> | <u>-</u> | <u>-</u> | <u>67,228</u> |
| Total transfers | <u>67,228</u> | <u>-</u> | <u>-</u> | <u>67,228</u> |
| Change in net position | 376,270 | 1,775,830 | 1,307,531 | 3,459,631 |
| Net position, beginning of year | <u>13,297,339</u> | <u>15,132,389</u> | <u>6,611,844</u> | <u>35,041,572</u> |
| Net position, end of year | \$ <u><u>13,673,609</u></u> | \$ <u><u>16,908,219</u></u> | \$ <u><u>7,919,375</u></u> | \$ <u><u>38,501,203</u></u> |

Town of Davie, Florida
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2021

| | <u>Vehicle Maintenance</u> | <u>Self- Insurance</u> | <u>Information Technology</u> | <u>Total</u> |
|---|--------------------------------|----------------------------|-----------------------------------|----------------------|
| Cash Flows from Operating Activities: | | | | |
| Receipts from interfund charges | \$ 4,963,813 | \$ 18,343,796 | \$ 6,262,448 | \$ 29,570,057 |
| Payments to suppliers and service providers | (3,941,602) | (16,523,786) | (2,190,385) | (22,655,773) |
| Payments to employees | (138,261) | (160,973) | (2,478,098) | (2,777,332) |
| Other receipts | <u>201,743</u> | <u>707,410</u> | <u>9,273</u> | <u>918,426</u> |
| Net cash provided by (used in) operating activities | <u>1,085,693</u> | <u>2,366,447</u> | <u>1,603,238</u> | <u>5,055,378</u> |
| Cash Flows from Non Capital Financing Activities: | | | | |
| Transfers from (to) other funds | <u>67,228</u> | <u>-</u> | <u>-</u> | <u>67,228</u> |
| Net cash provided by (used in) non capital financing activities | <u>67,228</u> | <u>-</u> | <u>-</u> | <u>67,228</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Proceeds from disposition of capital assets | 192,511 | - | - | 192,511 |
| Acquisition and construction of capital assets, net | <u>(3,020,353)</u> | <u>-</u> | <u>(241,908)</u> | <u>(3,262,261)</u> |
| Net cash provided by (used in) capital and related financing activities | <u>(2,827,842)</u> | <u>-</u> | <u>(241,908)</u> | <u>(3,069,750)</u> |
| Net increase (decrease) in cash, cash equivalents and investments | <u>(1,674,921)</u> | <u>2,366,447</u> | <u>1,361,330</u> | <u>2,052,856</u> |
| Cash, cash equivalents and investments, beginning of year | <u>5,950,659</u> | <u>16,651,212</u> | <u>4,711,438</u> | <u>27,313,309</u> |
| Cash, cash equivalents and investments, end of year | <u>\$ 4,275,738</u> | <u>\$ 19,017,659</u> | <u>\$ 6,072,768</u> | <u>\$ 29,366,165</u> |

Town of Davie, Florida
Internal Service Funds
Combining Statement of Cash Flows
(continued)
For the Year Ended September 30, 2021

| | <u>Vehicle Maintenance</u> | <u>Self- Insurance</u> | <u>Information Technology</u> | <u>Total</u> |
|---|--------------------------------|----------------------------|-----------------------------------|----------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ <u>28,884</u> | \$ <u>1,068,420</u> | \$ <u>1,298,258</u> | \$ <u>2,395,562</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Other operating revenues, net | 201,743 | 707,410 | 9,273 | 918,426 |
| Depreciation | 1,914,524 | - | 519,523 | 2,434,047 |
| (Increase) decrease in assets: | | | | |
| Receivables, net | 4,187 | 39,291 | - | 43,478 |
| Prepaid items | (7,067) | 16,568 | (209,034) | (199,533) |
| Inventories | 6,803 | - | - | 6,803 |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable and accrued liabilities | (1,063,381) | 142,402 | (14,782) | (935,761) |
| Insurance claims payable | <u>-</u> | <u>392,356</u> | <u>-</u> | <u>392,356</u> |
| Total adjustments | <u>1,056,809</u> | <u>1,298,027</u> | <u>304,980</u> | <u>2,659,816</u> |
| Net cash provided by (used in) operating activities | \$ <u><u>1,085,693</u></u> | \$ <u><u>2,366,447</u></u> | \$ <u><u>1,603,238</u></u> | \$ <u><u>5,055,378</u></u> |

Fiduciary Funds

Fiduciary trust funds are used to account for assets held by the government in a trustee capacity.

Firefighters' Pension - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighter employees of the Town of Davie.

Police Employees' Pension - This fund is used to account for the accumulation of resources for pension benefit payments to qualified police employees of the Town of Davie.

Management and General Employees' Pension – This fund is used to account for the accumulation of resources for pension benefit payments of employees that are not represented under any other deferred benefit pension plan of the Town of Davie.

OPEB Trust - This fund is used to account for the accumulation of resources to be used for other post- employment health care benefits of the Town of Davie retired employees.

Town of Davie, Florida
Fiduciary Funds
Combining Statement of Net Position
September 30, 2021

| | <u>Firefighters' Pension</u> | <u>Police Employees' Pension</u> | <u>Management and General Employees' Pension</u> | <u>OPEB Trust</u> | <u>Total</u> |
|--|----------------------------------|--|--|-----------------------|-----------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 1,062,909 | \$ 7,185,202 | \$ 743,074 | \$ 9,441 | \$ 9,000,626 |
| Investments, at fair value: | | | | | |
| Domestic equity funds | - | 84,355,726 | 41,612,144 | 1,236,799 | 127,204,669 |
| Equity securities, including mutual funds | 109,286,307 | 41,543,108 | - | - | 150,829,415 |
| Real estate investment funds | 19,878,718 | 30,571,327 | 8,916,888 | 245,472 | 59,612,405 |
| International equity funds | - | 31,143,381 | 21,655,299 | 657,738 | 53,456,418 |
| Fixed income funds | 13,963,098 | - | 33,226,023 | 997,621 | 48,186,742 |
| Absolute return funds | 10,906,158 | - | - | - | 10,906,158 |
| United States agency securities | 2,262,596 | 11,389,764 | - | - | 13,652,360 |
| Corporate notes/debt securities | 1,648,673 | 8,571,416 | - | - | 10,220,089 |
| United States treasuries | 2,478,364 | 13,345,386 | - | - | 15,823,750 |
| Pooled separate accounts - self directed DROP | 6,791,193 | - | - | - | 6,791,193 |
| Receivables: | | | | | |
| Interest and dividends | 72,207 | 179,011 | - | - | 251,218 |
| Contributions | 86,654 | - | 114,472 | - | 201,126 |
| Securities sold | 1,093 | - | - | - | 1,093 |
| Other | - | 3,028 | - | - | 3,028 |
| Prepaid expenses | 385,929 | 703,278 | - | - | 1,089,207 |
| Total assets | <u>168,823,899</u> | <u>228,990,627</u> | <u>106,267,900</u> | <u>3,147,071</u> | <u>507,229,497</u> |
| Liabilities: | | | | | |
| Accounts payable | 55,384 | 177,875 | - | - | 233,259 |
| Payable for securities purchased | 214,995 | 55,048 | - | - | 270,043 |
| Prepaid contributions | 4,180,795 | - | - | - | 4,180,795 |
| Total liabilities | <u>4,451,174</u> | <u>232,923</u> | <u>-</u> | <u>-</u> | <u>4,684,097</u> |
| Net Position: | | | | | |
| Net position restricted for pensions | 164,372,725 | 228,757,704 | 106,267,900 | - | 499,398,329 |
| Net position restricted for other post-employment benefits | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,147,071</u> | <u>3,147,071</u> |
| Total net position | <u>\$ 164,372,725</u> | <u>\$ 228,757,704</u> | <u>\$ 106,267,900</u> | <u>\$ 3,147,071</u> | <u>\$ 502,545,400</u> |

Town of Davie, Florida
Fiduciary Funds
Combining Statement of Changes in Net Position
For the Year Ended September 30, 2021

| | <u>Firefighters' Pension</u> | <u>Police Employees' Pension</u> | <u>Management and General Employees' Pension</u> | <u>OPEB Trust</u> | <u>Total</u> |
|---|----------------------------------|--|--|-----------------------|-----------------------|
| Additions: | | | | | |
| Contributions: | | | | | |
| Employer | \$ 5,018,496 | \$ 6,210,000 | \$ 3,753,438 | \$ - | \$ 14,981,934 |
| Plan members | 1,506,463 | 1,473,942 | 566,736 | - | 3,547,141 |
| Buy back | - | 271,029 | - | - | 271,029 |
| DROP account | - | 594,364 | - | - | 594,364 |
| State of Florida | 1,045,628 | 1,000,965 | - | - | 2,046,593 |
| Total contributions | <u>7,570,587</u> | <u>9,550,300</u> | <u>4,320,174</u> | <u>-</u> | <u>21,441,061</u> |
| Investment income: | | | | | |
| Net appreciation (depreciation) in fair value of investments | 28,064,127 | 38,096,988 | 17,538,904 | 508,993 | 84,209,012 |
| Interest and dividends, net | 2,941,783 | 2,516,069 | - | - | 5,457,852 |
| Total investment income | <u>31,005,910</u> | <u>40,613,057</u> | <u>17,538,904</u> | <u>508,993</u> | <u>89,666,864</u> |
| Less: | | | | | |
| Investment expenses | <u>380,449</u> | <u>790,760</u> | <u>-</u> | <u>-</u> | <u>1,171,209</u> |
| Net investment income | <u>30,625,461</u> | <u>39,822,297</u> | <u>17,538,904</u> | <u>508,993</u> | <u>88,495,655</u> |
| Total additions | <u>38,196,048</u> | <u>49,372,597</u> | <u>21,859,078</u> | <u>508,993</u> | <u>109,936,716</u> |
| Deductions: | | | | | |
| Benefits paid | 7,503,403 | 9,942,722 | 2,351,456 | - | 19,797,581 |
| Refunds of contributions | 38,494 | 60,704 | 207,338 | - | 306,536 |
| Administrative expenses | 125,172 | 183,548 | 101,211 | 6,844 | 416,775 |
| Total deductions | <u>7,667,069</u> | <u>10,186,974</u> | <u>2,660,005</u> | <u>6,844</u> | <u>20,520,892</u> |
| Change in net position | <u>30,528,979</u> | <u>39,185,623</u> | <u>19,199,073</u> | <u>502,149</u> | <u>89,415,824</u> |
| Net position, beginning of year | <u>133,843,746</u> | <u>189,572,081</u> | <u>87,068,827</u> | <u>2,644,922</u> | <u>413,129,576</u> |
| Net position, end of year | <u>\$ 164,372,725</u> | <u>\$ 228,757,704</u> | <u>\$ 106,267,900</u> | <u>\$ 3,147,071</u> | <u>\$ 502,545,400</u> |



STATISTICAL SECTION



Statistical Section

This part of the Town of Davie's annual comprehensive financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

| | |
|--|---------|
| Net position by component | 120 |
| Changes in net position | 121-122 |
| Governmental activities tax revenues by source | 123 |
| Fund balances of governmental funds | 124 |
| Changes in fund balances of governmental funds | 125-126 |

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

| | |
|---|-----|
| Assessed value and estimated actual value of taxable property | 127 |
| Property tax rates - direct and overlapping governments | 128 |
| Principal property taxpayers | 129 |
| Property tax levies and collections | 130 |

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

| | |
|---|-----|
| Ratios of outstanding debt by type | 131 |
| Ratios of general bonded debt outstanding | 132 |
| Direct and overlapping governmental activity debt | 133 |
| Legal debt margin information | 134 |
| Pledged-revenue coverage | 135 |

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

| | |
|-------------------------------------|-----|
| Demographic and economic statistics | 136 |
| Principal employers | 137 |

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

| | |
|--|-----|
| Full-time equivalent town government employees by function/program | 138 |
| Operating indicators by function/program | 139 |
| Capital asset statistics by function/program | 140 |

Sources: Unless otherwise indicated, information in these schedules is derived from the annual comprehensive financial reports for the respective years.

Town of Davie, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1

| | Fiscal Year | | | | | | | | | | | | | |
|---|-------------------|-------------|-------------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|----|-------------|----|-------------|
| | 2012 ¹ | 2013 | 2014 ² | 2015 | 2016 | 2017 ³ | 2018 | 2019 | 2020 | 2021 | | | | |
| Governmental Activities: | | | | | | | | | | | | | | |
| Net investment in capital assets | \$ | 118,167,599 | \$ | 121,184,791 | \$ | 123,156,231 | \$ | 128,321,610 | \$ | 141,487,954 | \$ | 162,894,649 | \$ | 174,093,393 |
| Restricted | | 14,865,524 | 14,982,045 | 17,875,329 | 18,283,193 | 18,334,762 | 18,723,026 | 15,255,824 | 16,713,155 | 14,181,963 | | | | |
| Unrestricted | | 54,952,370 | 55,947,315 | 60,155,607 | 72,638,771 | 83,974,637 | 74,810,077 | 104,324,444 | 121,151,298 | 134,938,457 | | | | |
| Total governmental activities net position | | 187,985,493 | 191,719,341 | 199,215,727 | 214,078,195 | 230,631,009 | 235,021,057 | 265,660,163 | 300,759,102 | 323,213,813 | | | | |
| Business-Type Activities: | | | | | | | | | | | | | | |
| Net investment in capital assets | | 15,699,857 | 18,351,139 | 16,184,828 | 10,610,125 | 7,645,777 | 4,717,415 | 2,025,211 | (5,633,052) | (9,111,298) | | | | |
| Restricted | | 21,108,710 | 26,049,822 | 30,737,703 | 31,667,288 | 31,257,099 | 30,817,049 | 34,969,555 | 31,405,754 | 31,712,438 | | | | |
| Unrestricted | | 16,768,454 | 18,177,518 | 28,881,521 | 32,962,336 | 33,936,829 | 36,154,223 | 34,334,631 | 38,687,094 | 42,503,400 | | | | |
| Total business-type activities net position | | 53,577,021 | 62,578,479 | 75,804,052 | 75,239,749 | 72,839,705 | 71,688,687 | 71,329,397 | 64,459,796 | 65,104,540 | | | | |
| Primary Government: | | | | | | | | | | | | | | |
| Net investment in capital assets | | 133,867,456 | 139,141,120 | 137,369,619 | 133,766,356 | 135,967,387 | 146,205,369 | 148,105,106 | 157,261,597 | 164,982,095 | | | | |
| Restricted | | 35,974,234 | 41,031,867 | 48,613,032 | 49,950,481 | 49,591,861 | 49,540,075 | 50,225,379 | 48,118,909 | 45,894,401 | | | | |
| Unrestricted | | 71,720,824 | 74,124,833 | 89,037,128 | 105,601,107 | 117,911,466 | 110,964,300 | 138,659,075 | 159,838,392 | 177,441,857 | | | | |
| Total primary government net position | \$ | 241,562,514 | \$ | 254,297,820 | \$ | 289,317,944 | \$ | 303,470,714 | \$ | 336,989,560 | \$ | 365,218,898 | \$ | 388,318,353 |

¹ Fiscal year 2012, total net position has been restated due to the implementation of GASB 65.

² Fiscal year 2014, total net position has been restated due to the implementation of GASB 68.

³ Fiscal year 2017, total net position has been restated due to the implementation of GASB 75.

Town of Davie, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 12,602,383 | \$ 15,021,076 | \$ 11,195,092 | \$ 10,675,017 | \$ 10,881,782 | \$ 9,892,198 | \$ 22,313,374 | \$ 11,038,576 | \$ 9,513,064 | \$ 12,643,662 |
| Building and engineering | 4,378,568 | 4,073,708 | 4,153,971 | 4,358,435 | 4,531,890 | 4,858,164 | 5,953,001 | 6,361,974 | 6,779,926 | 6,674,954 |
| Public safety - police | 37,627,602 | 38,272,875 | 39,713,301 | 36,013,987 | 44,696,828 | 47,024,033 | 50,793,842 | 50,755,743 | 53,662,619 | 52,871,670 |
| Public safety - fire | 23,733,336 | 25,553,166 | 26,864,502 | 26,843,925 | 25,317,372 | 29,420,157 | 31,228,673 | 31,932,877 | 34,845,009 | 34,597,375 |
| Public works | 10,043,786 | 10,485,525 | 10,611,584 | 11,098,196 | 10,978,597 | 12,012,003 | 13,102,659 | 13,464,587 | 14,208,213 | 13,279,847 |
| Parks, recreation and cultural arts | 5,976,439 | 5,926,310 | 6,122,782 | 6,215,254 | 6,443,584 | 6,841,915 | 6,875,546 | 6,852,682 | 6,980,087 | 7,167,759 |
| Interest on long-term debt | 3,476,918 | 3,140,306 | 2,393,950 | 2,298,240 | 1,450,160 | 1,187,592 | 1,082,179 | 934,230 | 733,664 | 667,153 |
| Total governmental activities expenses | 97,839,032 | 102,472,966 | 101,055,182 | 97,503,054 | 104,300,213 | 111,236,062 | 131,349,274 | 121,340,669 | 126,722,582 | 127,902,420 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 14,767,222 | 15,103,264 | 17,752,622 | 26,205,254 | 26,705,805 | 27,566,881 | 29,405,466 | 30,462,905 | 28,141,027 | 26,255,756 |
| Golf | 271,483 | 143,208 | 106,123 | 158,796 | 133,986 | 199,089 | 205,982 | 190,840 | - | - |
| Total business-type activities expenses | 15,038,705 | 15,246,472 | 17,858,745 | 26,364,050 | 26,839,791 | 27,765,970 | 29,611,448 | 30,653,745 | 28,141,027 | 26,255,756 |
| Total primary government expenses | \$ 112,877,737 | \$ 117,719,438 | \$ 118,913,927 | \$ 123,867,104 | \$ 131,140,004 | \$ 139,002,032 | \$ 160,960,722 | \$ 151,994,414 | \$ 154,863,609 | \$ 154,158,176 |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 8,475,288 | \$ 7,932,982 | \$ 5,442,255 | \$ 2,944,443 | \$ 4,077,774 | \$ 3,095,962 | \$ 3,747,644 | \$ 3,451,942 | \$ 15,013,915 | \$ 8,492,330 |
| Building and engineering | 5,419,679 | 5,906,559 | 6,400,640 | 6,802,367 | 7,162,150 | 8,531,709 | 9,041,193 | 12,664,335 | 8,725,023 | 6,913,561 |
| Public safety - police | 3,789,601 | 3,534,646 | 4,015,175 | 4,445,337 | 4,280,240 | 3,912,618 | 7,397,548 | 9,436,824 | 8,008,534 | 7,346,425 |
| Public safety - fire | 9,675,931 | 11,913,296 | 17,139,564 | 17,719,169 | 18,385,454 | 21,687,637 | 20,040,367 | 20,079,188 | 19,796,055 | 20,492,124 |
| Public works | 1,365,811 | 2,286,608 | 690,770 | 265,794 | 1,024,235 | 959,633 | 271,210 | 1,617,979 | 1,217,934 | 445,388 |
| Parks, recreation and cultural arts | 1,016,518 | 1,345,293 | 1,112,320 | 1,365,575 | 1,169,962 | 2,107,932 | 1,782,978 | 1,416,001 | 619,440 | 711,226 |
| Total governmental activities program revenues | 29,742,828 | 32,919,384 | 34,800,724 | 33,542,685 | 36,099,815 | 40,295,491 | 42,280,940 | 48,666,269 | 53,380,901 | 44,401,054 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 20,447,839 | 21,460,796 | 21,619,002 | 22,138,550 | 22,584,362 | 22,601,271 | 23,666,225 | 24,330,000 | 25,055,372 | 26,379,996 |
| Golf | 26,902 | 51,913 | 68,132 | 73,565 | 59,873 | 36,413 | - | - | - | - |
| Capital grants and contributions | 648,849 | 1,055,448 | 3,828,250 | 2,701,909 | 1,989,676 | 1,285,972 | 2,778,293 | 3,073,107 | 207,703 | 123,477 |
| Total business-type activities program revenues | 21,123,590 | 22,568,157 | 25,515,384 | 24,914,024 | 24,633,911 | 23,923,656 | 26,444,518 | 27,403,107 | 25,263,075 | 26,503,473 |
| Total primary government program revenues | \$ 50,866,418 | \$ 55,487,541 | \$ 60,316,108 | \$ 58,456,709 | \$ 60,733,726 | \$ 64,219,147 | \$ 68,725,458 | \$ 76,069,376 | \$ 78,643,976 | \$ 70,904,527 |

Town of Davie, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(continued)

Table 2

| | Fiscal Year | | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Net (Expense) Revenue: | | | | | | | | | | |
| Governmental activities | \$ (68,096,204) | \$ (69,553,582) | \$ (66,254,458) | \$ (63,960,369) | \$ (68,200,398) | \$ (70,940,571) | \$ (89,068,334) | \$ (72,674,400) | \$ (73,341,681) | \$ (83,501,366) |
| Business-type activities | 6,084,885 | 7,321,685 | 7,656,639 | (1,450,026) | (2,205,880) | (3,842,314) | (3,166,930) | (3,250,638) | (2,877,952) | 247,717 |
| | <u>\$ (62,011,319)</u> | <u>\$ (62,231,897)</u> | <u>\$ (58,597,819)</u> | <u>\$ (65,410,395)</u> | <u>\$ (70,406,278)</u> | <u>\$ (74,782,885)</u> | <u>\$ (92,235,264)</u> | <u>\$ (75,925,038)</u> | <u>\$ (76,219,633)</u> | <u>\$ (83,253,649)</u> |
| Total primary government, net expense | | | | | | | | | | |
| General Revenues, Transfers, and Other Change in Net Position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Ad valorem taxes | \$ 37,490,024 | \$ 38,132,831 | \$ 41,399,721 | \$ 42,385,856 | \$ 44,666,126 | \$ 47,756,767 | \$ 50,905,694 | \$ 55,494,922 | \$ 58,151,265 | \$ 61,162,957 |
| Utility service taxes | 6,917,439 | 7,289,144 | 8,078,298 | 8,209,059 | 8,402,373 | 8,630,327 | 8,932,428 | 9,192,055 | 9,265,030 | 9,374,155 |
| Other general taxes | 4,095,094 | 3,911,368 | 3,780,827 | 3,881,030 | 3,384,206 | 3,750,301 | 4,314,907 | 4,204,111 | 4,115,796 | 3,995,604 |
| Franchise fees on gross receipts | 8,612,673 | 8,797,561 | 9,545,434 | 9,816,366 | 9,795,497 | 10,152,528 | 10,429,276 | 10,730,123 | 10,279,152 | 11,027,274 |
| Intergovernmental, not restricted for specific purposes | 9,753,717 | 10,245,884 | 10,742,696 | 11,535,082 | 11,998,577 | 12,492,468 | 14,547,591 | 15,109,657 | 14,103,989 | 16,349,765 |
| Investment income | 1,029,857 | 386,625 | 620,238 | 966,065 | 973,382 | 648,353 | 808,057 | 3,376,739 | 2,940,510 | 236,407 |
| Miscellaneous | 1,291,941 | 4,449,017 | 3,997,275 | 7,942,197 | 3,842,705 | 4,509,340 | 3,520,429 | 5,177,489 | 4,012,110 | 3,809,915 |
| Transfers | (500,000) | 75,000 | - | (3,044,052) | - | 52,227 | - | 28,410 | 754,336 | - |
| Reassignment of capital assets to governmental activities | - | - | - | - | - | - | - | - | 4,818,432 | - |
| | <u>68,690,745</u> | <u>73,287,430</u> | <u>78,164,489</u> | <u>81,691,603</u> | <u>83,062,866</u> | <u>87,992,311</u> | <u>93,458,382</u> | <u>103,313,506</u> | <u>108,440,620</u> | <u>105,956,077</u> |
| Total governmental activities | | | | | | | | | | |
| Business-type activities: | | | | | | | | | | |
| Intergovernmental, not restricted for specific purposes | - | - | - | - | - | - | - | - | - | 71,246 |
| Investment income | 52,630 | 12,443 | 40,267 | 19,058 | 105,886 | 90,115 | 287,286 | 1,184,418 | 1,365,459 | 69,072 |
| Miscellaneous | 1,159,704 | 1,742,330 | 1,386,811 | 1,585,692 | 1,535,691 | 1,347,570 | 1,728,626 | 1,735,340 | 215,660 | 256,709 |
| Transfers | 500,000 | (75,000) | - | 3,044,052 | - | (52,227) | - | (28,410) | (754,336) | - |
| Reassignment of capital assets to governmental activities | - | - | - | - | - | - | - | - | (4,818,432) | - |
| | <u>1,712,334</u> | <u>1,679,773</u> | <u>1,427,078</u> | <u>4,648,802</u> | <u>1,641,577</u> | <u>1,385,458</u> | <u>2,015,912</u> | <u>2,891,348</u> | <u>(3,991,649)</u> | <u>397,027</u> |
| Total business-type activities | | | | | | | | | | |
| Total primary government general revenues, transfers, and other change in net position | \$ 70,403,079 | \$ 74,967,203 | \$ 79,591,567 | \$ 86,340,405 | \$ 84,704,443 | \$ 89,377,769 | \$ 95,474,294 | \$ 106,204,854 | \$ 104,448,971 | \$ 106,353,104 |
| Change in Net Position: | | | | | | | | | | |
| Governmental activities | \$ 594,541 | \$ 3,733,848 | \$ 11,910,031 | \$ 17,731,234 | \$ 14,862,468 | \$ 17,051,740 | \$ 4,390,048 | \$ 30,639,106 | \$ 35,098,939 | \$ 22,454,711 |
| Business-type activities | 7,797,219 | 9,001,458 | 9,083,717 | 3,198,776 | (564,303) | (2,456,856) | (1,151,018) | (359,290) | (6,869,601) | 644,744 |
| | <u>\$ 8,391,760</u> | <u>\$ 12,735,306</u> | <u>\$ 20,993,748</u> | <u>\$ 20,930,010</u> | <u>\$ 14,298,165</u> | <u>\$ 14,594,884</u> | <u>\$ 3,239,030</u> | <u>\$ 30,279,816</u> | <u>\$ 28,229,338</u> | <u>\$ 23,099,455</u> |
| Total primary government | | | | | | | | | | |

Table 3

Town of Davie, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| Fiscal Year Ended September 30, | Tax Roll Year | Ad Valorem Tax | Other General Taxes | Utility Service Taxes | Franchise Fees on Gross Receipts | Total |
|--|------------------------------|---------------------------|--------------------------------|----------------------------------|---|---------------|
| 2012 | 2011 | \$ 37,490,024 | \$ 4,095,094 | \$ 6,917,439 | \$ 8,612,673 | \$ 57,115,230 |
| 2013 | 2012 | 38,132,831 | 3,911,368 | 7,289,144 | 8,797,561 | 58,130,904 |
| 2014 | 2013 | 41,399,721 | 3,780,827 | 8,078,298 | 9,545,434 | 62,804,280 |
| 2015 | 2014 | 42,385,856 | 3,881,030 | 8,209,059 | 9,816,366 | 64,292,311 |
| 2016 | 2015 | 44,666,126 | 3,384,206 | 8,402,373 | 9,795,497 | 66,248,202 |
| 2017 | 2016 | 47,756,767 | 3,750,301 | 8,630,327 | 10,152,528 | 70,289,923 |
| 2018 | 2017 | 50,905,694 | 4,314,907 | 8,932,428 | 10,429,276 | 74,582,305 |
| 2019 | 2018 | 55,494,922 | 4,204,111 | 9,192,055 | 10,730,123 | 79,621,211 |
| 2020 | 2019 | 58,151,265 | 4,115,796 | 9,265,030 | 10,279,152 | 81,811,243 |
| 2021 | 2020 | 61,162,957 | 3,995,604 | 9,374,155 | 11,027,274 | 85,559,990 |

Town of Davie, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 20,398 | \$ 114,899 | \$ 29,573 | \$ 3,850 | \$ 4,487 | \$ 107,789 | \$ 155,988 | \$ 182,683 | \$ 236,509 | \$ 309,135 |
| Restricted | 4,983,157 | 4,640,866 | 5,293,299 | 6,153,040 | 7,131,226 | 7,636,505 | 10,384,853 | 4,149,230 | 4,388,841 | 4,501,448 |
| Committed | 23,891,957 | 24,741,783 | 27,890,072 | 28,053,495 | 30,442,397 | 20,706,954 | 21,109,246 | 24,423,779 | 36,270,513 | 39,258,560 |
| Assigned | 4,404,349 | 3,941,040 | 3,699,215 | 5,624,999 | 5,880,838 | 16,564,352 | 2,302,517 | 3,260,526 | 4,001,395 | 10,907,601 |
| Unassigned | 4,754,923 | 7,333,689 | 7,293,332 | 14,212,084 | 13,358,506 | 17,000,000 | 27,225,497 | 39,850,096 | 51,868,009 | 40,796,608 |
| Total General Fund | \$ 38,054,784 | \$ 40,772,277 | \$ 44,205,491 | \$ 54,047,468 | \$ 56,817,454 | \$ 62,015,600 | \$ 61,178,101 | \$ 71,866,314 | \$ 96,765,267 | \$ 95,773,352 |
| All Other Government Funds: | | | | | | | | | | |
| Nonspendable | \$ - | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 79 | \$ 102,992 | \$ 405,497 | \$ 96,800 | \$ 71,844 | \$ 48,965 |
| Restricted | 35,183,167 | 35,103,283 | 33,847,498 | 34,883,256 | 34,042,946 | 26,015,489 | 12,486,808 | 11,633,283 | 12,324,314 | 9,680,515 |
| Committed | 13,578,420 | 11,540,573 | 15,231,842 | 21,429,807 | 28,164,892 | 32,157,920 | 28,229,054 | 38,033,807 | 29,893,122 | 40,868,221 |
| Unassigned (deficit) | (981,173) | (662,914) | - | - | - | - | - | - | - | - |
| Total all other governmental funds | \$ 47,780,414 | \$ 46,020,942 | \$ 49,119,340 | \$ 56,353,063 | \$ 62,207,917 | \$ 58,276,401 | \$ 41,121,359 | \$ 49,763,890 | \$ 42,289,280 | \$ 50,597,701 |
| Total all governmental funds | \$ 85,835,198 | \$ 86,793,219 | \$ 93,324,831 | \$ 110,400,531 | \$ 119,025,371 | \$ 120,292,001 | \$ 102,299,460 | \$ 121,630,204 | \$ 139,054,547 | \$ 146,371,053 |

Town of Davie, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 5

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues: | | | | | | | | | | |
| Ad valorem taxes | \$ 37,490,024 | \$ 38,132,831 | \$ 41,399,721 | \$ 42,385,856 | \$ 44,666,126 | \$ 47,756,767 | \$ 50,905,694 | \$ 55,494,922 | \$ 58,151,265 | \$ 61,162,957 |
| Utility service taxes | 6,917,439 | 7,289,144 | 8,078,298 | 8,209,059 | 8,402,373 | 8,630,327 | 8,932,428 | 9,192,055 | 9,265,030 | 9,374,155 |
| Franchise fees | 8,612,673 | 8,797,561 | 9,545,434 | 9,816,366 | 9,795,497 | 10,152,528 | 10,429,276 | 10,730,123 | 10,279,152 | 11,027,274 |
| Intergovernmental | 13,358,215 | 15,299,531 | 13,153,551 | 12,145,881 | 12,805,620 | 13,955,628 | 19,072,642 | 18,517,232 | 26,997,992 | 23,966,833 |
| Other general taxes | 4,095,094 | 3,911,368 | 3,780,827 | 3,881,030 | 3,384,206 | 3,750,301 | 4,314,907 | 4,204,111 | 4,115,796 | 3,995,604 |
| Permits and fees | 6,149,751 | 6,560,604 | 6,952,973 | 7,392,240 | 7,722,855 | 9,210,223 | 8,739,976 | 12,111,749 | 8,847,134 | 6,823,431 |
| Charges for services | 10,534,036 | 12,336,183 | 13,339,187 | 13,783,812 | 14,410,193 | 15,625,682 | 16,553,995 | 18,051,652 | 16,377,496 | 16,216,833 |
| Fire assessments | 7,124,432 | 6,803,622 | 9,889,781 | 10,110,026 | 10,426,283 | 11,843,257 | 12,172,946 | 12,898,200 | 12,976,551 | 13,503,267 |
| Fines and forfeitures | 1,249,899 | 1,388,196 | 1,327,254 | 1,970,968 | 1,389,538 | 1,106,928 | 1,368,869 | 2,065,823 | 1,224,413 | 1,122,202 |
| Investment income | 1,029,857 | 386,625 | 620,238 | 966,065 | 973,382 | 648,353 | 808,057 | 3,376,739 | 2,940,510 | 236,407 |
| Miscellaneous | 1,412,712 | 4,922,110 | 5,258,879 | 7,425,918 | 4,259,292 | 4,238,622 | 3,686,554 | 5,234,380 | 4,248,026 | 3,811,415 |
| Total revenues | 97,974,132 | 105,827,775 | 113,346,143 | 118,087,221 | 118,235,365 | 126,918,616 | 136,985,344 | 151,876,986 | 155,423,365 | 151,240,378 |
| Expenditures: | | | | | | | | | | |
| General government | 17,359,559 | 18,300,674 | 16,675,752 | 14,920,656 | 17,221,056 | 23,846,879 | 31,331,610 | 20,054,045 | 19,051,546 | 26,708,523 |
| Public safety | 59,990,689 | 61,148,274 | 64,415,889 | 65,483,238 | 69,282,330 | 75,422,433 | 79,987,940 | 81,980,266 | 84,497,415 | 87,503,353 |
| Public works | 6,812,650 | 7,071,640 | 7,047,481 | 7,372,191 | 7,496,375 | 8,108,498 | 8,631,348 | 8,683,451 | 9,849,941 | 9,580,221 |
| Non-departmental | 1,111,377 | 1,072,536 | 1,189,844 | 232,615 | 241,219 | 1,434,922 | 9,926,355 | 870,295 | 1,071,540 | 760,540 |
| Parks, recreation and cultural arts | 4,167,794 | 4,014,641 | 4,163,405 | 4,277,132 | 4,363,583 | 4,762,304 | 5,818,517 | 4,894,981 | 5,202,698 | 5,501,376 |
| Capital outlay | 2,991,147 | 3,892,084 | 5,190,071 | 5,051,591 | 7,159,809 | 6,803,684 | 11,953,331 | 9,677,684 | 12,844,627 | 9,433,359 |
| Debt service: | | | | | | | | | | |
| Principal | 6,010,215 | 6,257,257 | 6,048,688 | 6,614,497 | 7,103,785 | 6,404,719 | 6,027,670 | 5,176,762 | 4,582,244 | 3,680,541 |
| Interest and fiscal charges | 3,272,583 | 3,187,648 | 2,462,067 | 2,456,049 | 1,476,029 | 1,249,135 | 1,105,114 | 976,860 | 809,207 | 688,731 |
| Total expenditures | 101,716,014 | 104,944,754 | 107,193,197 | 106,407,969 | 114,344,186 | 128,032,574 | 154,781,885 | 132,314,344 | 137,909,218 | 143,856,644 |
| Excess (deficiency) of revenues over expenditures | (3,741,882) | 883,021 | 6,152,946 | 11,679,252 | 3,891,179 | (1,113,958) | (17,796,541) | 19,562,642 | 17,514,147 | 7,383,734 |

Town of Davie, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(continued)

Table 5

| | Fiscal Year | | | | | | | | | |
|--|----------------|--------------|--------------|---------------|--------------|--------------|-----------------|---------------|---------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers in | 2,554,313 | 1,623,065 | 7,322,545 | 7,664,951 | 9,451,352 | 12,680,690 | 8,017,648 | 17,190,158 | 9,605,398 | 23,265,787 |
| Transfers out | (2,054,313) | (1,548,065) | (6,943,879) | (10,709,003) | (9,682,691) | (12,824,007) | (8,213,648) | (17,422,056) | (9,695,202) | (23,333,015) |
| Sale of capital assets | - | - | - | 8,440,500 | 4,965,000 | 2,523,905 | - | - | - | - |
| Issuance of debt | - | 17,394,769 | - | 28,725,000 | - | - | - | - | - | - |
| Payment to escrow agent | - | (17,394,769) | - | (28,725,000) | - | - | - | - | - | - |
| Total other financing sources (uses) | 500,000 | 75,000 | 378,666 | 5,396,448 | 4,733,661 | 2,380,588 | (196,000) | (231,898) | (89,804) | (67,228) |
| Net change in fund balances | \$ (3,241,882) | \$ 958,021 | \$ 6,531,612 | \$ 17,075,700 | \$ 8,624,840 | \$ 1,266,630 | \$ (17,992,541) | \$ 19,330,744 | \$ 17,424,343 | \$ 7,316,506 |
| Debt services as a percentage of noncapital expenditures | 9.40% | 9.45% | 8.58% | 8.96% | 8.04% | 6.81% | 5.55% | 5.09% | 4.34% | 3.40% |

Town of Davie, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

| Fiscal Year Ended September 30, | Tax Roll Year | Real Property | Personal Property | Less: Tax Exempt Property | Total Taxable Assessed Value | Total Direct Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value |
|--|---------------------|------------------|----------------------|---------------------------------|---------------------------------|-------------------------|--------------------------------------|--|
| | | | | | | | | |
| 2012 | 2011 | \$ 7,528,749,030 | \$ 286,149,893 | \$ 1,242,462,810 | \$ 6,572,436,113 | 5.6007 | \$ 9,979,210,203 | 65.86% |
| 2013 | 2012 | 7,588,509,410 | 279,671,874 | 1,253,918,540 | 6,614,262,744 | 5.6422 | 9,939,798,474 | 66.54% |
| 2014 | 2013 | 7,741,261,030 | 315,289,419 | 1,228,449,080 | 6,828,101,369 | 5.9450 | 10,223,709,690 | 66.79% |
| 2015 | 2014 | 8,165,770,910 | 348,276,267 | 1,197,325,920 | 7,316,721,257 | 5.8910 | 11,085,286,065 | 66.00% |
| 2016 | 2015 | 8,577,709,770 | 365,641,052 | 1,193,105,540 | 7,750,245,282 | 5.7976 | 12,020,234,773 | 64.48% |
| 2017 | 2016 | 9,143,047,930 | 423,261,411 | 1,181,288,540 | 8,385,020,801 | 5.6962 | 13,070,563,470 | 64.15% |
| 2018 | 2017 | 9,824,850,650 | 469,092,425 | 1,211,819,750 | 9,082,123,325 | 5.8485 | 14,033,435,693 | 64.72% |
| 2019 | 2018 | 10,417,873,270 | 504,534,955 | 1,253,357,700 | 9,669,050,525 | 6.0121 | 14,822,705,163 | 65.23% |
| 2020 | 2019 | 11,062,753,930 | 504,714,867 | 1,270,094,570 | 10,297,374,227 | 5.9123 | 15,784,674,086 | 65.24% |
| 2021 | 2020 | 11,655,452,509 | 493,155,299 | 1,572,682,960 | 10,575,924,848 | 5.8836 | 16,377,976,137 | 64.57% |

Source: Broward County Property Appraiser.
Note: Property in the County is reassessed annually. Tax rates are per \$ 1,000 of assessed value.

Town of Davie, Florida
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Table 7

| Fiscal Year Ended September 30, | Town of Davie, Florida | | | | Overlapping Rates | | | | | | | | | | | | | |
|---------------------------------|------------------------|-------------------|----------------------|-------------------|-------------------|-------------------------|----------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|--|---------|--|---------|--|
| | Tax Roll Year | Operating Millage | Debt Service Millage | Total Direct Rate | Broward | | | | South Florida | | North | | South | | Broward | | Florida | |
| | | | | | County Millage | School District Millage | County Millage | Water Management District | Broward Hospital District | Broward Hospital District | Broward Hospital District | Children's Services Council | Inland Navigational District | | | | | |
| | | | | | | | | | | | | | | | | | | |
| 2012 | 2011 | 4.8122 | 0.7885 | 5.6007 | 5.5530 | 7.4180 | 0.4363 | 1.8750 | 0.7500 | 0.4789 | 0.0345 | 21.3964 | 20.2714 | | | | | |
| 2013 | 2012 | 4.8122 | 0.8300 | 5.6422 | 5.5530 | 7.4560 | 0.4289 | 1.8564 | 0.6000 | 0.4902 | 0.0345 | 21.4612 | 20.2048 | | | | | |
| 2014 | 2013 | 5.0829 | 0.8621 | 5.9450 | 5.7230 | 7.4800 | 0.4110 | 1.7554 | 0.4000 | 0.4882 | 0.0345 | 21.8371 | 20.4817 | | | | | |
| 2015 | 2014 | 5.0829 | 0.8081 | 5.8910 | 5.7230 | 7.4380 | 0.3842 | 1.5939 | 0.1863 | 0.4882 | 0.0345 | 21.5528 | 20.1452 | | | | | |
| 2016 | 2015 | 5.0819 | 0.7157 | 5.7976 | 5.7230 | 7.2740 | 0.3551 | 1.4425 | 0.1737 | 0.4882 | 0.0320 | 21.1124 | 19.8436 | | | | | |
| 2017 | 2016 | 5.0799 | 0.6163 | 5.6962 | 5.6690 | 6.9063 | 0.3307 | 1.3462 | 0.1615 | 0.4882 | 0.0320 | 20.4686 | 19.2839 | | | | | |
| 2018 | 2017 | 5.3220 | 0.5265 | 5.8485 | 5.6690 | 6.5394 | 0.3100 | 1.2483 | 0.1496 | 0.4882 | 0.0320 | 20.1354 | 19.0367 | | | | | |
| 2019 | 2018 | 5.6270 | 0.3851 | 6.0121 | 5.6690 | 6.4029 | 0.2936 | 1.0855 | 0.1414 | 0.4882 | 0.0320 | 19.9833 | 19.0392 | | | | | |
| 2020 | 2019 | 5.6270 | 0.2853 | 5.9123 | 5.6690 | 6.7393 | 0.2795 | 1.0324 | 0.1260 | 0.4882 | 0.0320 | 20.1527 | 19.2463 | | | | | |
| 2021 | 2020 | 5.6270 | 0.2566 | 5.8836 | 5.6690 | 6.5052 | 0.2675 | 1.1469 | 0.1199 | 0.4882 | 0.0320 | 19.9924 | 18.9654 | | | | | |

Source: Broward County Revenue Collector.

Notes: Overlapping rates are those of local and County governments that apply to property owners within the Town of Davie, Florida.

State law requires all counties to assess at 100% just valuation and limits millage for operating purposes to ten (10) mills.

(1) Excluding South Broward Hospital District.

(2) Excluding North Broward Hospital District.

Town of Davie, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

| Taxpayer | 2021 | | | 2012 | | |
|----------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| SCG Atlas PalmTrace Landings LLC | \$ 117,995,120 | 1 | 1.12% | \$ - | - | - |
| Florida Power & Light | 116,782,824 | 2 | 1.10% | 62,565,671 | 2 | 0.95% |
| PPF AMLI 5971 Toscana Drive LP | 114,748,380 | 3 | 1.08% | - | - | - |
| BP Avenue LLC | 92,990,411 | 4 | 0.88% | - | - | - |
| 33 West Owner LLC | 85,138,010 | 5 | 0.81% | - | - | - |
| GSG Residential Sunforest LLC | 70,803,320 | 6 | 0.67% | - | - | - |
| FR Tower Shops LLC | 69,398,530 | 7 | 0.66% | 41,258,240 | 3 | 0.63% |
| Rag Davie LLC | 58,876,150 | 8 | 0.56% | - | - | - |
| SCG Atlas New River Cove LLC | 53,961,160 | 9 | 0.51% | - | - | - |
| Nob Hill Partners LLC | 52,794,000 | 10 | 0.50% | - | - | - |
| City National Bank of Trustee | - | - | - | 96,423,386 | 1 | 1.47% |
| Equity One | - | - | - | 37,369,430 | 4 | 0.57% |
| Davie Plaza | - | - | - | 32,957,630 | 5 | 0.50% |
| James M. Dale Liv TR | - | - | - | 31,127,830 | 6 | 0.47% |
| Florida Auto Auction | - | - | - | 25,361,040 | 7 | 0.39% |
| EQR Marina Bay Apt LLC | - | - | - | 25,018,978 | 8 | 0.38% |
| Palm Owner LLC | - | - | - | 24,582,230 | 9 | 0.37% |
| 595 CPC LLC | - | - | - | 21,287,080 | 10 | 0.32% |
| Total | \$ 833,487,905 | | 7.89% | \$ 397,951,515 | | 6.05% |

Source: Broward County Records, Taxes, and Treasury Division.

Table 9

Town of Davie, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Tax Roll Year | Total Tax Levy for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections (Credits) in Subsequent Years | Total Collections to Date | |
|--|---------------------|---|---|---------------------------|--|---------------------------|---------------------------|
| | | | Amount Collected | Percentage of the Levy | | Amount Collected | Percentage of the Levy |
| 2012 | 2011 | \$ 36,562,490 | \$ 35,028,211 | 95.80% | \$ 90,036 | \$ 35,118,247 | 96.05% |
| 2013 | 2012 | 37,291,063 | 35,735,499 | 95.83% | (45,196) | 35,690,303 | 95.71% |
| 2014 | 2013 | 40,528,241 | 38,774,698 | 95.67% | (152,555) | 38,622,143 | 95.30% |
| 2015 | 2014 | 43,066,409 | 41,051,588 | 95.32% | 48,831 | 41,100,419 | 95.43% |
| 2016 | 2015 | 44,936,250 | 43,030,891 | 95.76% | 39,370 | 43,070,261 | 95.85% |
| 2017 | 2016 | 47,805,550 | 45,792,620 | 95.79% | 40,414 | 45,833,034 | 95.87% |
| 2018 | 2017 | 53,166,153 | 50,840,147 | 95.63% | 13,684 | 50,853,831 | 95.65% |
| 2019 | 2018 | 58,142,998 | 55,585,234 | 95.60% | (19,529) | 55,565,705 | 95.57% |
| 2020 | 2019 | 60,862,442 | 58,199,871 | 95.63% | 127,583 | 58,327,454 | 95.83% |
| 2021 | 2020 | 63,690,768 | 60,733,179 | 95.36% | - | 60,733,179 | 95.36% |

Source: Broward County Revenue Collection Division Accountability Statement.

Town of Davie, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

| Fiscal Year Ended September 30, | Governmental Activities | | Business-Type Activities | | | | |
|--|--------------------------------|------------------|-------------------------------------|-----------------|------------------------------|---|---------------------------|
| | General Obligation Bonds | Capital | Water and Sewer Revenue Bonds | Note Payable | Total Outstanding Debt | Percentage of Personal Income (1) | Debt Per Capita (1) |
| | | Improvement | | | | | |
| | | Revenue Bonds | | | | | |
| 2012 | \$ 47,176,589 | \$ 28,098,872 | \$ 113,081,654 | \$ - | \$ 188,357,115 | 6.93% | \$ 2,028.66 |
| 2013 | 43,630,329 | 25,387,874 | 140,559,956 | 1,317,015 | 210,895,174 | 7.87% | 2,253.18 |
| 2014 | 39,907,398 | 23,062,117 | 138,532,387 | 3,520,530 | 205,022,432 | 6.97% | 2,146.85 |
| 2015 | 35,998,230 | 20,356,788 | 136,124,818 | 3,529,405 | 196,009,241 | 6.57% | 2,022.63 |
| 2016 | 31,671,818 | 17,579,415 | 133,647,249 | 3,808,142 | 186,706,624 | 5.56% | 1,877.58 |
| 2017 | 27,560,284 | 15,286,230 | 131,114,680 | 3,622,752 | 177,583,946 | 5.48% | 1,763.79 |
| 2018 | 23,692,450 | 13,126,394 | 128,527,111 | 3,433,073 | 168,779,028 | 4.80% | 1,636.01 |
| 2019 | 20,739,050 | 10,903,032 | 129,559,542 | 3,239,006 | 164,440,630 | 4.58% | 1,577.38 |
| 2020 | 18,445,000 | 8,614,838 | 129,426,639 | 3,040,450 | 159,526,927 | 4.14% | 1,518.52 |
| 2021 | 16,245,000 | 7,134,297 | 126,713,610 | 2,837,301 | 152,930,208 | 3.94% | 1,446.96 |

Note: Debt is presented net of discounts and premiums, as applicable.

(1) Personal income and population data is disclosed in Table 15.

Town of Davie, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 11

| Fiscal Year Ended September 30, | General Obligation Bonds (1) | Less: Accumulated Resources Restricted To Repaying the Principal of General Bonded Debt | | Total | Percentage of Estimated Actual Taxable Value of Property (2) | Per Capita (3) |
|--|------------------------------------|--|---------|---------------|---|----------------|
| | | | | | | |
| 2012 | \$ 47,176,589 | \$ | 535,000 | \$ 46,641,589 | 0.47% | \$ 502.34 |
| 2013 | 43,630,329 | | 230,000 | 43,400,329 | 0.44% | 463.68 |
| 2014 | 39,907,398 | | 277,500 | 39,629,898 | 0.39% | 414.98 |
| 2015 | 35,998,230 | | 145,300 | 35,852,930 | 0.32% | 369.97 |
| 2016 | 31,671,818 | | 189,200 | 31,482,618 | 0.26% | 316.60 |
| 2017 | 27,560,284 | | 234,500 | 27,325,784 | 0.21% | 271.40 |
| 2018 | 23,692,450 | | 260,000 | 23,432,450 | 0.17% | 227.14 |
| 2019 | 20,739,050 | | 282,700 | 20,456,350 | 0.14% | 196.23 |
| 2020 | 18,445,000 | | 299,100 | 18,145,900 | 0.11% | 172.73 |
| 2021 | 16,245,000 | | 172,000 | 16,073,000 | 0.10% | 152.08 |

- (1) General bonded debt is presented net of discounts and premiums, as applicable.
(2) For property value data see Table 6: Assessed Value and Estimated Actual Value of Taxable Property.
(3) For population data see Table 15: Demographic and Economic Statistics.

Town of Davie, Florida
Direct and Overlapping Governmental Activity Debt
As of September 30, 2021

Table 12

| | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Amount Applicable to Primary Government</u> |
|-----------------------------------|-----------------------------|--|--|
| Governmental Unit: | | | |
| Broward County School Board | \$ 548,096,000 | 7.45% | \$ 40,850,415 |
| Broward County | 605,165,000 | 5.12% | <u>30,956,290</u> |
| Subtotal, overlapping debt | | | 71,806,705 |
| Town of Davie, Florida | | | <u>23,379,297</u> |
| Total direct and overlapping debt | | | \$ <u><u>95,186,002</u></u> |

Source: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Davie, Florida. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table 13

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Town of Davie, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

Table 14

| Fiscal Year Ended September 30, | Water and Sewer Revenue Bonds | | | | | |
|--|---------------------------------|--------------------------------|-----------------------------|--------------|--------------|----------|
| | Water Charges and Other * | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2012 | \$ 21,231,766 | \$ 9,477,833 | \$ 11,753,933 | \$ 1,435,000 | \$ 3,664,539 | 230.49% |
| 2013 | 23,237,974 | 10,178,244 | 13,059,730 | 1,715,000 | 3,158,950 | 267.95% |
| 2014 | 25,440,833 | 11,662,722 | 13,778,111 | 2,301,646 | 1,794,488 | 336.37% |
| 2015 | 28,486,341 | 12,073,335 | 16,413,006 | 2,665,294 | 6,743,818 | 174.44% |
| 2016 | 25,207,810 | 12,387,452 | 12,820,358 | 2,596,944 | 6,757,287 | 137.05% |
| 2017 | 24,320,696 | 13,485,764 | 10,834,932 | 2,700,390 | 6,610,944 | 116.36% |
| 2018 | 27,450,471 | 15,169,017 | 12,281,454 | 2,759,679 | 6,562,409 | 131.75% |
| 2019 | 29,443,300 | 16,451,215 | 12,992,085 | 2,814,067 | 6,302,363 | 142.51% |
| 2020 | 26,844,194 | 15,675,640 | 11,168,554 | 2,873,556 | 4,796,561 | 145.61% |
| 2021 | 26,900,500 | 14,207,242 | 12,693,258 | 2,933,149 | 4,159,579 | 178.96% |

* Water charges and other includes charges for services, intergovernmental, other income, investment income, gain (loss) on sale of capital assets and capital contributions.

| Year | Population (1,2,3) | Median Age (1,2) | Personal Income (1,3) (Thousands of Dollars) | Per Capita Personal Income (1,3) | School Enrollment (4) | Broward County Unemployment Rate (5,6) |
|-------------|-------------------------------|---------------------------------|---|---|--------------------------------------|---|
| 2012 | 92,848 | 35.9 | \$ 2,716,732 | \$ 29,260 | 16,358 | 7.6% |
| 2013 | 93,599 | 39.7 | 2,680,956 | 28,643 | 16,273 | 5.4% |
| 2014 | 95,499 | 37.9 | 2,940,414 | 30,790 | 16,228 | 5.2% |
| 2015 | 96,908 | 37.6 | 2,983,797 | 30,790 | 16,161 | 5.1% |
| 2016 | 99,440 | 40.8 | 3,360,276 | 33,792 | 16,539 | 4.6% |
| 2017 | 100,683 | 37.6 | 3,240,080 | 32,181 | 17,083 | 3.3% |
| 2018 | 103,165 | 37.7 | 3,518,649 | 34,107 | 17,174 | 2.8% |
| 2019 | 104,249 | 37.7 | 3,593,567 | 34,471 | 17,235 | 2.6% |
| 2020 | 105,054 | 36.8 | 3,857,268 | 36,717 | 16,809 | 7.8% |
| 2021 | 105,691 | 36.8 | 3,880,656 | 36,717 | 16,821 | 4.4% |

Sources:

- (1) U.S. Census Bureau.
- (2) American Community Survey.
- (3) University of Florida Bureau of Economic and Research.
- (4) Broward County School 20th day Enrollment.
- (5) State of Florida Unemployment Statistics.
- (6) U.S. Department of Labor.

**Town of Davie, Florida
Principal Employers
Current Year and Nine Years Ago**

Table 16

| Employer | Type of Business | 2021 | | | 2012 | | |
|------------------------------|-------------------------|------------------|-------------|--|------------------|-------------|--|
| | | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Nova Southeastern University | Educational Complex | 4,966 | 1 | 0.53% | 3,971 | 1 | 0.42% |
| Broward College | Educational Complex | 1,589 | 2 | 0.17% | - | - | - |
| Broward County Schools | Educational Complex | 1,263 | 3 | 0.14% | 250 | 7 | 0.03% |
| HCA Hospital | Medical | 1,207 | 4 | 0.13% | - | - | - |
| Publix Supermarkets | Retail | 867 | 5 | 0.09% | 608 | 4 | 0.06% |
| Town of Davie | Municipality | 729 | 6 | 0.08% | 642 | 3 | 0.07% |
| Rick Case Automotive | Auto/Cycle Dealership | 670 | 7 | 0.07% | - | - | - |
| Home Depot | Retail | 600 | 8 | 0.06% | - | - | - |
| Walmart | Retail | 432 | 9 | 0.05% | - | - | - |
| Teva/Actavis | Pharmaceutical | 271 | 10 | 0.03% | - | - | - |
| Actavis (Watson) | Pharmaceutical | - | - | - | 1,200 | 2 | 0.13% |
| Mako Surgical Corp | Medical Device | - | - | - | 436 | 5 | 0.05% |
| Maheim Auction | Auction House | - | - | - | 354 | 6 | 0.04% |
| Signature Grand | Banquet Hall | - | - | - | 230 | 8 | 0.02% |
| Miami Dolphins LLC | Sports Entertainment | - | - | - | 200 | 9 | 0.02% |
| Target | Retail | - | - | - | 177 | 10 | 0.02% |
| Total | | 12,594 | | 1.35% | 8,068 | | 0.86% |

Source: Greater Fort Lauderdale Broward Economic Development Alliance and Town of Davie Administration Department.

Town of Davie, Florida
Full-Time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years

Table 17

| Function/Program: | Full-Time Equivalent Employees as of September 30, | | | | | | | | | |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Government: | | | | | | | | | | |
| Legislative | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Administrative | 77 | 76 | 75 | 79 | 94 | 101 | 92 | 100 | 99 | 93 |
| Public Works/Utilities | 97 | 106 | 105 | 106 | 111 | 113 | 113 | 115 | 120 | 122 |
| Parks, Recreation and Cultural Arts | 51 | 51 | 48 | 48 | 49 | 49 | 49 | 74 | 52 | 53 |
| Building and Engineering | 24 | 24 | 29 | 29 | 24 | 24 | 25 | 25 | 27 | 27 |
| Public Safety: | | | | | | | | | | |
| Police | 236 | 241 | 251 | 253 | 258 | 264 | 274 | 277 | 286 | 298 |
| Fire/Rescue | 145 | 157 | 156 | 157 | 162 | 176 | 177 | 177 | 184 | 184 |
| Total | 635 | 660 | 669 | 677 | 703 | 732 | 735 | 773 | 773 | 782 |

Source: Various Town Departments.

Town of Davie, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 18

| Function/Program: | Fiscal Year | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Police: | | | | | | | | | | |
| Physical arrests | 1,558 | 3,381 | 1,408 | 1,237 | 1,873 | 954 | 964 | 1,134 | 912 | 1,278 |
| Citations issued | 11,841 | 14,330 | 15,188 | 13,897 | 9,407 | 8,279 | 11,756 | 12,674 | 7,281 | 5,746 |
| Fire rescue: | | | | | | | | | | |
| Numbers of calls answered | 12,144 | 13,119 | 13,345 | 13,649 | 14,094 | 14,566 | 14,174 | 13,964 | 13,200 | 14,338 |
| Fire inspections | 5,966 | 4,170 | 4,560 | 5,457 | 5,358 | 5,444 | 8,366 | 10,599 | 7,530 | 8,771 |
| Community development: | | | | | | | | | | |
| New Residential/Commercial building permits issued | 111 | 108 | 152 | 157 | 188 | 110 | 239 | 284 | 150 | 203 |
| Highway and streets: | | | | | | | | | | |
| Street resurfacing (miles) | 0 | 8 | 7 | 10 | 3 | 3 | 8 | 6 | 14 | 9 |
| Parks, recreation and cultural arts: | | | | | | | | | | |
| Athletic programs (participants) | 2,296 | 3,026 | 3,227 | 2,984 | 3,279 | 2,054 | 2,332 | 1,614 | 825 | 822 |
| Youth camps (participants) | 339 | 470 | 510 | 498 | 551 | 458 | 539 | 495 | - | 319 |
| Club memberships | 517 | 331 | 353 | 424 | 489 | 627 | 961 | 946 | 1,027 | 1,090 |
| Facility rentals | 1,549 | 2,662 | 3,384 | 2,464 | 2,613 | 1,749 | 3,687 | 3,324 | 922 | 257 |
| Pool admissions | 2,716 | 56,224 | 91,898 | 94,088 | 98,790 | 100,413 | 134,790 | 136,415 | 55,431 | 25,489 |
| Water: | | | | | | | | | | |
| Number of water meters operating | 9,801 | 9,661 | 9,603 | 9,517 | 9,691 | 10,181 | 10,171 | 9,876 | 10,393 | 9,956 |
| Average daily consumption (thousands of gallons) | 4.43 MGD | 4.22 MGD | 3.83 MGD | 3.73 MGD | 4.64 MGD | 4.51 MGD | 4.47 MGD | 4.42 MGD | 4.15 MGD | 4.00 MGD |
| Sewer: | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 3.76 MGD | 4.02 MGD | 3.83 MGD | 3.30 MGD | 3.46 MGD | 3.78 MGD | 3.90 MGD | 3.76 MGD | 3.54 MGD | 3.60 MGD |

Source: Various Town Departments

Town of Davie, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 19

| Function/Program: | Fiscal Year | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Public safety: | | | | | | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire stations | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Highway and streets: | | | | | | | | | | |
| Streets (miles) | 304 | 305 | 309 | 310 | 310 | 310 | 310 | 310 | 310 | 310 |
| Number of street lights | 4,059 | 4,065 | 4,065 | 5,152 | 5,153 | 5,156 | 5,164 | 5,174 | 5,215 | 5,215 |
| Parks, recreation and cultural arts: | | | | | | | | | | |
| Number of parks | 35 | 35 | 35 | 35 | 35 | 36 | 37 | 37 | 37 | 33 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Community centers | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 8 | 8 |
| Community bus shuttles | 3 | 3 | 3 | 3 | 3 | 3 | 5 | 5 | 6 | 6 |
| Water: | | | | | | | | | | |
| Water mains (miles) | 162 | 162 | 162 | 162 | 162 | 163 | 163 | 169 | 165 | 170 |
| Fire hydrants | 1,326 | 1,329 | 1,587 | 1,460 | 1,460 | 1,587 | 1,587 | 1,587 | 1,461 | 1,638 |
| Maximum daily capacity (in thousand of gallons) | 7.42 MGD | 7.42 MGD | 7.42 MGD | 10.0 MGD | 10.0 MGD | 10.0 MGD | 10.0 MGD | 10.0 MGD | 10.0 MGD | 10.0 MGD |
| Sewer/stormwater: | | | | | | | | | | |
| Sanitary sewers (miles) | 72 | 72 | 73 | 73 | 73 | 73 | 73 | 73 | 68 | 70 |
| Storm sewers (miles) | 84 | 84 | 84 | 84 | 84 | 84 | 89 | 89 | 89 | 117 |
| Maximum daily treatment capacity (in millions of gallons per day - MGD) | 4.85 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD | 8.35 MGD |

Source: Various Town Departments



COMPLIANCE SECTION

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 and
Members of the Town Council
Town of Davie, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Davie, Florida (the "Town"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Town of Davie Firefighters' Pension Plan and the Town of Davie Police Employees' Pension Plan, as described in our report on the Town's financial statements. The financial statements of the Town of Davie Police Employees' Pension Plan were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 30, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the Town Council
Town of Davie, Florida

Report on Compliance for Each Major Federal Program

We have audited the Town of Davie, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended September 30, 2021. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 30, 2022

MANAGEMENT LETTER IN ACCORDANCE WITH
THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and
Members of the Town Council
Town of Davie, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Davie, Florida (the "Town"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the Town and its blended component unit 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 Town 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 Town 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 Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Town reported the specific information in Exhibit 1 accompanying this report. The information for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, and other granting agencies, Members of the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE MCCULLOUGH

Fort Lauderdale, Florida
March 30, 2022

Town of Davie, Florida

Exhibit 1

**Data Elements Required By Section 218.39(3)(c), Florida Statutes and
Sections 10.554(1)(i)6, Rules of the Auditor General
(Unaudited)**

| Data Element | | Town of Davie Community Redevelopment Agency |
|--|----|---|
| Number of district employees compensated at 9/30/2021 | | None |
| Number of independent contractors compensated at September 2021 | | None |
| Employee compensation for FYE 9/30/2021 (paid/accrued) | \$ | - |
| Independent contractor compensation for FYE 9/30/2021 (paid/accrued) | \$ | - |
| Each construction project to begin on or after October 1, 2020; (>\$65K): | | |
| Davie Road Phase III | \$ | 5,516,768 |
| Budget variance report | | Page 90 |

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and
Members of the Town Council
Town of Davie, Florida

We have examined the Town of Davie, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the fiscal year ended September 30, 2021. Management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements, for the year ended September 30, 2021.

This report is intended solely for the information and use of management use of management, Members of the Town Council, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 30, 2022

Town of Davie, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

| Federal Agency, Pass-through Entity, Federal Program | CFDA Number | Contract/Grant Number | Expenditures | Transfers to Sub-recipients |
|--|------------------------|------------------------------|---------------------|--|
| Federal Agency Name: | | | | |
| Direct Programs: | | | | |
| United States Department of Housing and Urban Development - | | | | |
| Community Development Block Grants/Entitlement Grants - Cluster | 14.218 | BC-18MC-12-0044 | \$ 360,461 | \$ - |
| | 14.218 | BC-20MC-12-0044 | 494,297 | - |
| | 14.218 | BC-20MW-12-0044 | 901,006 | - |
| | | 14.218 Total | <u>1,755,764</u> | <u>-</u> |
| Indirect Programs: | | | | |
| United States Department of Justice - | | | | |
| Passed through Broward County Sheriff's Office - | 16.922 | --- | 245,619 | - |
| Equitable Sharing Program | | | | |
| United States Department of Health and Human Services - | | | | |
| Passed through Florida Department of Health - | 93.136 | --- | 3,968 | - |
| Injury Prevention and Control Research and State and Community Based Programs | | | | |
| United States Department of Homeland Security - | | | | |
| Passed through the Florida Division | | | | |
| of Emergency Management - | 97.039 | --- | 71,246 | - |
| Hazard Mitigation Grant | | | | |
| Emergency Management Performance Grants | 97.042 | CADET | 5,000 | - |
| | 97.042 | CERT | 5,000 | - |
| | | 97.042 Total | <u>10,000</u> | <u>-</u> |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | Z1659 | 5,582 | - |
| United States Department of Treasury - | | | | |
| Passed through Florida Housing Finance Corporation - | 21.019 | 110-2020 | 647,279 | - |
| Coronavirus Relief Funds | | | | |
| Total Expenditures of Federal Awards | | | <u>\$ 2,739,458</u> | <u>\$ -</u> |

See notes to the schedule of expenditures of federal awards.

Town of Davie, Florida
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Town of Davie, Florida (the "Town"). The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

Note 3 - Indirect Cost Rate

The Town did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Contingency

The grant and contract revenue received is subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies would become a liability of the Town. In the opinion of management, all grant and contract expenditures are in compliance with the terms and conditions of the grant agreements and applicable federal/state laws and other applicable regulations.

Town of Davie, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Programs

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal program:

| <u>CFDA No.</u> | <u>Federal Program(s)</u> |
|-----------------|--|
| 14.218 | United States Department of Housing and Urban Development - Community Development Block Grants/Entitlement Grants - Cluster |

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000 federal programs

Auditee qualified as low-risk auditee?

 X yes _____ no

SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

SECTION III - FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared WILLIAM W. ACKERMAN, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance of the Town of Davie which is a local governmental entity of the State of Florida;
2. The Town of Davie adopted Ordinance No. 2007-38 and Ordinance No. 2009-21 implementing an impact fee; and
3. The Town of Davie has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

William W. Ackerman

William W. Ackerman, Budget & Finance Director

STATE OF FLORIDA
COUNTY OF Broward

SWORN TO AND SUBSCRIBED before me this 30th day of March, 2022.

Raquel B Gray

NOTARY PUBLIC

Print Name RAQUEL B. GRAY

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires:

07/10/2022

