

Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2021



**Annual Comprehensive Financial Report
of the City of North Lauderdale, Florida
For the Fiscal Year Ended
September 30, 2021**



Prepared by the
Finance Department

City of North Lauderdale, Florida

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June 23, 2022

To the Honorable Mayor, City Commissioners and Citizens of the City of North Lauderdale, Florida

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (the “ACFR”) of the City of North Lauderdale, Florida (the “City”), for the fiscal year ended September 30, 2021. The report fulfills the state requirements that all general-purpose local governments publish a complete set of audited financial statements. In addition to meeting legal requirements, the report presents full financial disclosure. This philosophy is demonstrated by the informative financial analysis provided herein.

Management assumes full responsibility for the completeness and reliability of all of the information contained in this report, based upon a comprehensive internal control framework that is designed for this purpose. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

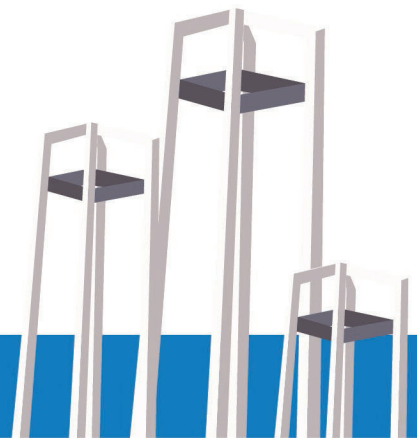
The City’s September 30, 2021 financial statements have been audited by a firm of certified public accountants licensed in the State of Florida. Their independent auditor report contains an unmodified opinion and is presented as the first component of the financial section of this report.

Management’s Discussion and Analysis (“MD&A”) provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the independent auditor’s report.

North Lauderdale at a Glance

The City was incorporated on July 15, 1963 and is located in northwestern Broward County (the “County”), Florida, eight miles northwest of Fort Lauderdale. The City was developed as a full-service municipality serving a largely suburban residential community. In 2003 and 2004 the City annexed certain adjacent unincorporated properties into its municipal boundaries, bringing the City’s total land area to approximately 5.5 square miles. Today, the City’s population has reached approximately 45,000.

With the exception of a few remaining undeveloped parcels, the City has essentially reached build-out. Future expansion of the City is unlikely due to the City’s geographic location within the County and the reality that there are no remaining unincorporated areas left to annex.



North Lauderdale at a Glance (continued)

The City operates under a Commission-Manager form of government, comprised of five elected officials, four of which represent a single geographic district with the mayor elected at large. The City Commission (the "Commission") determines policy, adopts legislation and approves the City's annual budget. The Commission also appoints the City Manager, City Clerk, Deputy City Clerk and City Attorney. The City Manager serves as the Chief Executive Officer and is charged with the responsibility of carrying out the City's day-to-day operations.

The City provides a full range of municipal services, including police and fire protection; construction and maintenance of streets and other infrastructure; building, licensing and code compliance; parks and recreation facilities and activities; and water, wastewater, canal maintenance and stormwater services.

The financial reporting entity includes all governmental and business-type activities and fiduciary funds of the primary government as well as its blended component unit, the North Lauderdale Water Control District (the "District"). The City is also financially accountable for a legally separate Housing Authority; however, there has been no financial activity for the past several years. Additional information on the reporting entity is located in Note 1A in the notes to the financial statements.

The City maintains budgetary controls designed to ensure compliance with state law and the City's Code of Ordinances. Not later than 75 days before the end of each fiscal year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The budget proposal is made available for inspection in the Office of the City Clerk for a period of at least ten days preceding the first budget hearing. Prior to October 1, the budget is legally adopted through passage of an ordinance.

The City prepares and adopts annual appropriated budgets for all of its governmental and proprietary fund types, except the Transportation Surtax Special Revenue Fund, Street Maintenance Special Revenue Fund, Law Enforcement Special Revenue Fund and Grants Special Revenue Fund. Budgets are monitored at the line item level within each department; however, the legal level of budgetary control is at the department level. The City Manager has the authority to transfer amounts within department functions, however, only the City Commission can legally transfer amounts between departments and amend the original adopted budget.

Local Economy

Between 2009 and 2013, the City experienced an unprecedented reduction in property values which forced City staff to review operations and institute innovative and proactive cost cutting measures that helped the City weather the effects of the recession. The City's healthy financial condition has been maintained through the prudent administration and balancing of revenues and expenditures.

Property values have slowly increased since 2013 but only reached pre-recession levels for Fiscal Year 2022. However, the City continues to provide a high level of service to residents of North Lauderdale. For Fiscal Year 2021, the City set its operating millage rate at 7.4000 mills, the same rate as the prior three years.

The City's unemployment rate (not seasonally adjusted) at September 30, 2021 was 5.0% as compared to the rates of the County of 4.2% and the State of Florida of 4.0%. The economic base of the City consists primarily of residential homes, condominiums and apartments. The City's commercial and light industrial areas, while modest in proportion to its residential base, are vitally important to the community. As the City matured toward build-out in the late 1990's, the economic focus transitioned away from developing infrastructure to maintaining it along with preserving the City's quality of life, safety and aesthetic appearance.

Subsequent to fiscal year end, the City was awarded over \$22 Million of American Rescue Plan Act ("ARPA") funding to help counter the effects of the continuous coronavirus ("COVID-19") outbreak. The duration and full impact of the COVID-19 outbreak are still unknown. The City has resumed full operations while continuing to practice safety precautions.

Major Initiatives

The City continues to present a positive public image through continued expansion and enhancement of public information efforts. The communication system, powered by Blackboard Connect, greatly enhances citizen notification by enabling the City to notify specific areas of water line breaks, road closures, emergency evacuations, AMBER Alerts, etc. In addition, the system is used to notify residents of City events, special programs, etc., that greatly enhances residents' attendance at these events and encourages community pride and enthusiasm. Public communication with our residents is also improved by broadcasting City events and displaying pictures and information on the City's Cable Channel, YouTube, Facebook, Marquee signs, Website and other resources. The City Commission meetings are streamed for the benefit of the City's residents and the general public who can watch live and on-demand.

Continuing the City's Vision of A Fun City in the Heart of Broward, we will make every effort to maintain the City image, promote activities throughout the City, promote development and redevelopment efforts and ensure that the implementation and management of City services and programs are carried out in an efficient manner. The City is committed to continuing its efforts to expand opportunities for home ownership, make home repairs and mitigate health and safety issues in commercial or residential areas by providing grant programs to residents and businesses. The City is excited to continue to move forward with the new public art program. This program will enhance the City through placing various types of art throughout the City helping to boost a 'sense of place' and beautification.

The City plans include several current and future major capital improvement and repair and maintenance projects to help upgrade and/or maintain infrastructure. This includes new improvements at the parks, roadway and drainage improvements, city building improvements, fire equipment and a new training facility, utility water treatment plant improvements and more.

Long-term financial planning

The risk of hurricane loss is a continual concern for the City. As a smaller local government located in South Florida immediate access to resources in an emergency is critical, therefore, City Administration has assigned \$ 3,500,000 of general fund balance for disaster recovery. In addition, aging infrastructure is in need of repair and replacement. In addition to ARPA funding, there are resources included in the general fund balance to help fund some of the costs of renovating the older infrastructure.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Lauderdale for its annual comprehensive financial report for the fiscal year ended September 30, 2020. The City has received this prestigious award for thirty-nine consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized document. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2020. In order to qualify for the budget award, the budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the City's Finance Department. We express our appreciation to all members of the Department who assisted in the preparation of this report. Credit is also given to the Mayor and Commission for their continued support in planning and conducting the City's operations in a fiscally responsible and progressive manner.

Respectfully submitted,



Michael Sargis
City Manager



Kelly Schwartz
Director of Finance



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

**City of North Lauderdale
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended September 30,

2020

Christopher P. Morrill

Executive Director/CEO

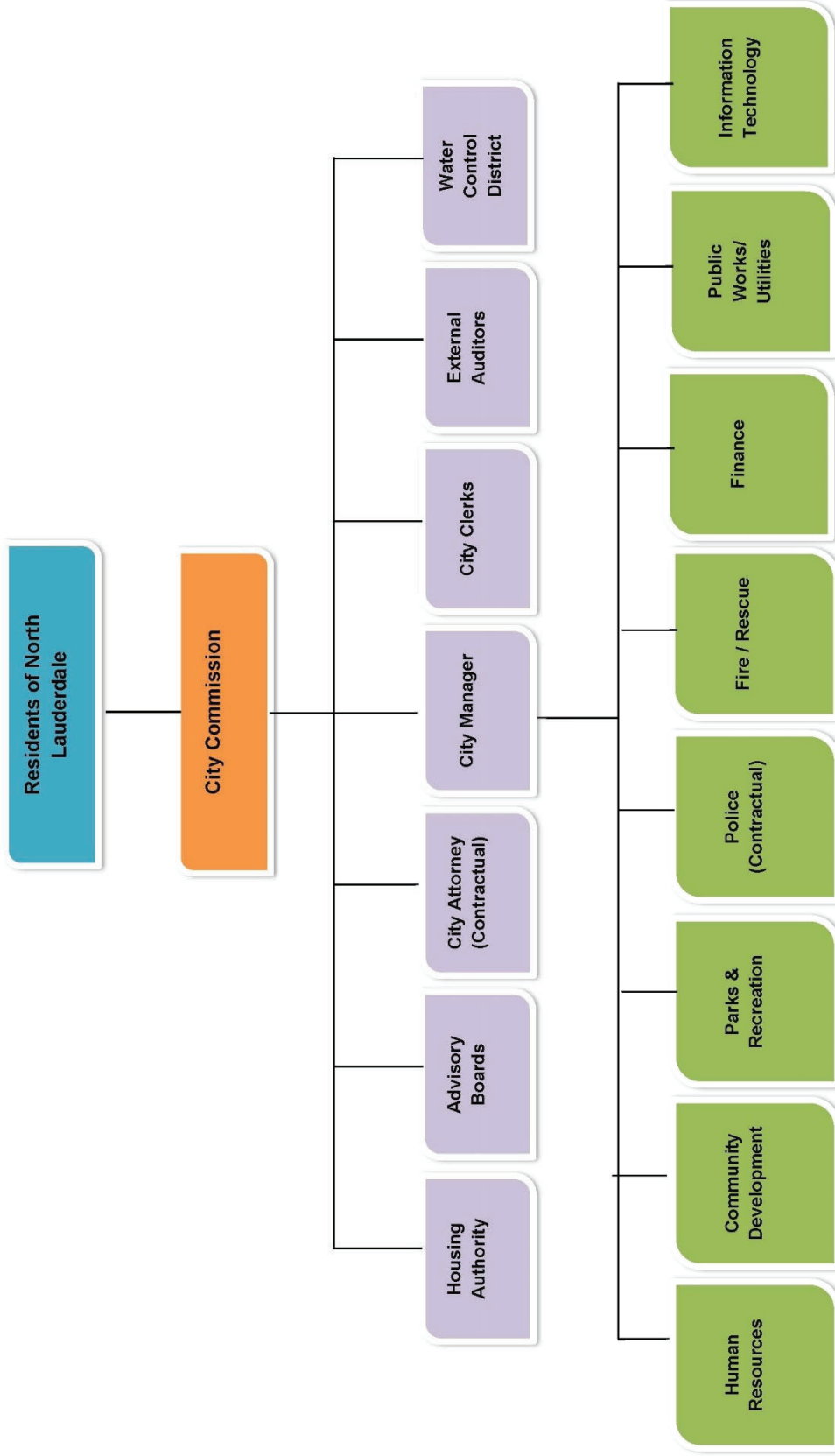
CITY OF NORTH LAUDERDALE, FLORIDA

List of Principal Officials
(As of September 30, 2021)

<u>Title</u>	<u>Name</u>
Mayor	Ana M. Ziade
Vice Mayor	Mario Bustamante
Commissioner (District A)	Lorenzo Wood
Commissioner (District C)	Dr. Regina Martin
Commissioner (District D)	Samson Borgelin
City Manager	Ambreen Bhatti
City Attorney	Samuel S. Goren
City Clerk	Elizabeth Garcia- Beckford
Assistant City Manager	Michael Sargis
Community Development Director	Tammy Reed-Holguin
Finance Director	Susan Nabors
Human Resources Manager	Lura Woodley
Fire Chief	Rodney Turpel
Parks and Recreation Director	Michael Sargis
Public Works Director	Sam May
Chief Information Technology Officer	Michelet Williams

CITY OF NORTH LAUDERDALE, FLORIDA

ORGANIZATIONAL CHART



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of
the City Commission and City Manager
City of North Lauderdale, 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 City of North Lauderdale, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Lauderdale, Florida, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows and the respective budget comparison for the General Fund, Fire/Rescue Fund and North Lauderdale Water Control District Fund 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 63 through 65, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedule, 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedule 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 reports of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedule and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

City of North Lauderdale, 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 June 23, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 23, 2022

The purpose of financial reporting is to provide financial statements readers with information that will help them make decisions about the entity. The following narrative overview and analysis of the City of North Lauderdale, Florida's (the "City") financial activities for the fiscal year ended September 30, 2021 has been prepared by City management for the readers' benefit. We encourage readers to consider the information presented herein in conjunction with the Letter of Transmittal, which can be found on pages i through iv of this report.

Financial Highlights

- The assets plus deferred outflows of resources of the City exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$ 151,811,388 (net position). Of this amount, \$ 106,523,138 is unrestricted and may be utilized to meet the City's ongoing obligations to citizens and creditors.
- The resulting change in net position for the fiscal year ended September 30, 2021 was \$ 7,062,724 due in part to unanticipated intergovernmental revenues and various operational savings resulting from cost containment measures that the City's Administration has been implementing over the last several years.
- At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$ 70,906,578. Of this amount, \$ 27,088,776 is unassigned General Fund balance and is available for spending at the City's discretion.
- During the fiscal year, the City's outstanding governmental debt (excluding compensated absences) had a net increase from the prior year of \$ 144,504. The increase relates to vehicle lease agreements entered into by the City. The leases qualify as capital leases for accounting purposes.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements are comprised of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, public works and parks and recreation. The business-type activities of the City include water and sewer utilities and stormwater management operations.

The government-wide financial statements include not only the City itself (the primary government), but also the legally separate North Lauderdale Water Control District. Financial information for this component unit is blended with the financial information presented for the primary government itself, since the governing body of the District and that of the City's are the same - the City Commission. The Housing Authority of the City of North Lauderdale, Inc. (the "Authority"), a discretely presented component unit, had no balances or activity during the most recent fiscal year.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These financial statements report the City's operations in greater detail than the government-wide financial statements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds which include the General Fund, the Transportation Surtax Fund, the Fire/Rescue Special Revenue Fund, the North Lauderdale Water Control District Special Revenue Fund, and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements presented immediately following the notes to the financial statements.

The City is required to prepare annual budgets for all Departments for the ensuing fiscal year. The City adopts annual budgets for all of its governmental and proprietary fund types, except the Transportation Surtax Special Revenue Fund, Street Maintenance Special Revenue Fund, Law Enforcement Special Revenue Fund and Grants Special Revenue Fund.

A budgetary comparison statement has been provided for the General Fund, the Fire/Rescue Special Revenue Fund and the North Lauderdale Water Control District Special Revenue Fund in the Fund Financial Statements section of this report. Additionally, a budgetary comparison schedule has been provided for the Capital Projects Fund in the Combining and Individual Fund Statements and Schedules section of this report. These are presented to demonstrate compliance with the budget. They compare the actual amount to the budgeted amount as well as the original adopted budget to the final budget.

Proprietary funds provide financial information on an accrual basis of accounting. The City maintains the following different types of proprietary funds:

- The *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer utilities and stormwater management operations. The City's proprietary fund financial statements provide separate information for the water and sewer utilities operation because it is considered to be a major fund.
- *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle maintenance, information technology and insurance operations. Because these services benefit both the governmental and business-type functions, they have been included within governmental activities and business-type activities in the government-wide financial statements based on the applicable usage. The three internal services funds are aggregated and combined into a single column for presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining statements that are presented immediately following the notes to the financial statements.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also contains *Other Information*. The information includes certain required supplementary information. In addition, the combining statements referred to above are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Net Position: As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$ 151,811,388. The following table summarizes the City's net position at September 30, 2021 and 2020 and is followed by a comparative analysis between the two years.

**City of North Lauderdale, Florida
Management's Discussion and Analysis
September 30, 2021**

**City of North Lauderdale, Florida
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 80,167,342	\$ 74,907,279	\$ 47,891,090	\$ 45,708,266	\$ 128,058,432	\$ 120,615,545
Capital assets	28,462,669	28,014,537	11,387,450	11,123,338	39,850,119	39,137,875
Total assets	108,630,011	102,921,816	59,278,540	56,831,604	167,908,551	159,753,420
Total deferred outflows of resources	5,290,400	6,474,530	459,243	398,980	5,749,643	6,873,510
Non-current liabilities	9,822,574	17,184,555	1,055,522	779,782	10,878,096	17,964,337
Other liabilities	2,339,138	1,591,239	1,795,749	1,783,137	4,134,887	3,374,376
Total liabilities	12,161,712	18,775,794	2,851,271	2,562,919	15,012,983	21,338,713
Total deferred inflows of resources	6,790,491	494,839	43,332	44,714	6,833,823	539,553
Net Position:						
Net investment in capital assets	28,318,165	28,014,537	11,276,373	11,123,338	39,594,538	39,137,875
Restricted	5,693,712	4,141,541	-	-	5,693,712	4,141,541
Unrestricted (deficit)	60,956,331	57,969,635	45,566,807	43,499,613	106,523,138	101,469,248
Total net position	\$ 94,968,208	\$ 90,125,713	\$ 56,843,180	\$ 54,622,951	\$ 151,811,388	\$ 144,748,664

Of the City's net position, approximately 26% reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure), net of accumulated depreciation and less any outstanding debt used to construct or acquire those assets. These capital assets are used to provide citizen services and are therefore not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's net position, \$ 5,693,712 or approximately 4% represents resources that are subject to external restrictions on how they may be used.

The remaining balance of \$ 106,523,138 or approximately 70% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. As of the end of both the current and prior fiscal year, the City reported an increase in its unrestricted net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

For **governmental activities**, the change in net position for the fiscal year ended September 30, 2021 was an increase of \$ 4,842,495 or approximately 5% from the prior year net position resulting primarily from operating efficiencies and higher than anticipated revenues.

For **business-type activities**, there was an increase in net position for the fiscal year ended September 30, 2021 of \$ 2,220,229 or approximately 4% from the prior year net position resulting primarily from various operational savings and the deferral of a utility repair and maintenance project.

Changes in Net Position

The following table summarizes the City's changes in net position for the years ended September 30, 2021 and 2020 and is followed by a comparative analysis between the two years.

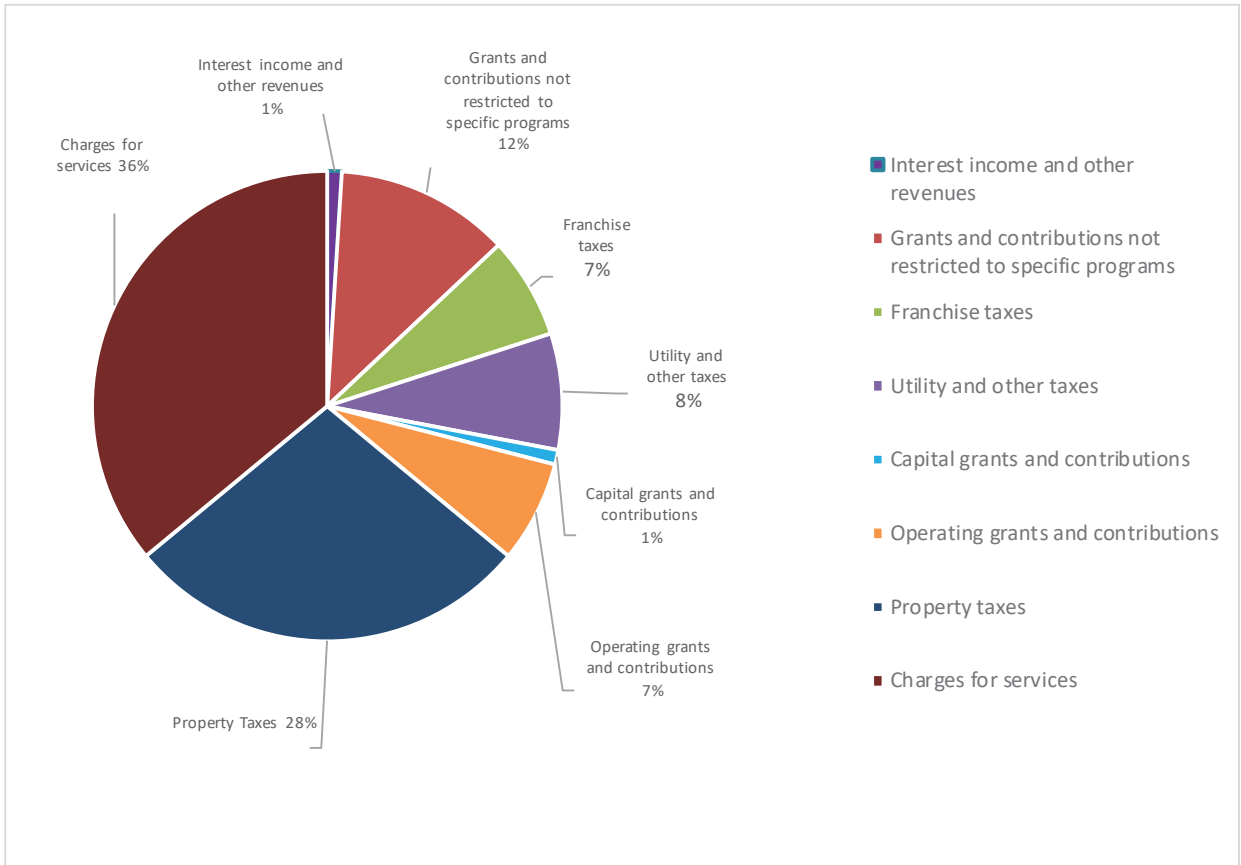
City of North Lauderdale, Florida
Management's Discussion and Analysis
September 30, 2021

Changes in Net Position

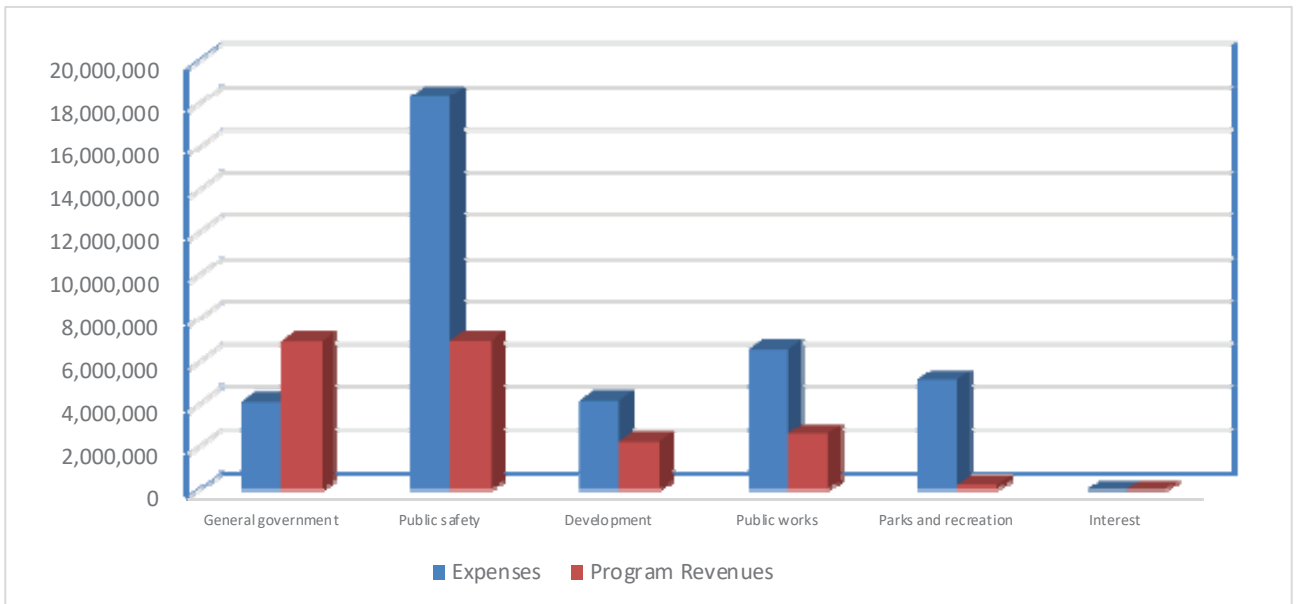
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 15,810,024	\$ 14,710,786	\$ 14,280,695	\$ 14,049,826	\$ 30,090,719	\$ 28,760,612
Operating grants and contributions	3,089,613	3,592,007	-	363,796	3,089,613	3,955,803
Capital grants and contributions	114,966	249,596	105,799	548,152	220,765	797,748
General revenues:						
Property taxes	12,347,101	11,389,772	-	-	12,347,101	11,389,772
Utility and other taxes	3,875,260	3,714,045	-	-	3,875,260	3,714,045
Franchise taxes	2,850,009	2,804,191	-	-	2,850,009	2,804,191
Grants and contributions not restricted to specific programs	4,989,367	4,214,198	-	-	4,989,367	4,214,198
Interest income	100,392	1,201,684	45,168	647,343	145,560	1,849,027
Other	28,877	17,920	-	-	28,877	17,920
Total revenues	43,205,609	41,894,199	14,431,662	15,609,117	57,637,271	57,503,316
Expenses:						
General government	4,117,810	4,821,862	-	-	4,117,810	4,821,862
Public safety	18,354,559	19,480,855	-	-	18,354,559	19,480,855
Community development	4,178,267	3,210,311	-	-	4,178,267	3,210,311
Public works	6,570,210	5,974,212	-	-	6,570,210	5,974,212
Parks and recreation	5,138,878	4,517,059	-	-	5,138,878	4,517,059
Interest and other fiscal charges	3,390	2,343	-	-	3,390	2,343
Water and sewer	-	-	11,087,450	10,259,875	11,087,450	10,259,875
Stormwater	-	-	1,123,983	886,163	1,123,983	886,163
Total expenses	38,363,114	38,006,642	12,211,433	11,146,038	50,574,547	49,152,680
Change in net position	4,842,495	3,887,557	2,220,229	4,463,079	7,062,724	8,350,636
Net position, beginning	90,125,713	86,238,156	54,622,951	50,159,872	144,748,664	136,398,028
Net position, ending	\$ 94,968,208	\$ 90,125,713	\$ 56,843,180	\$ 54,622,951	\$ 151,811,388	\$ 144,748,664

Governmental Activities - Governmental activities increased the City's net position by \$ 4,842,495 representing approximately 69% of the total increase in the City's net position. Revenues of the City exceeded costs as the City continues to experience operational savings resulting from cost containment measures that the City's Administration has been implementing over the last several years.

Revenues by Source Governmental Activities

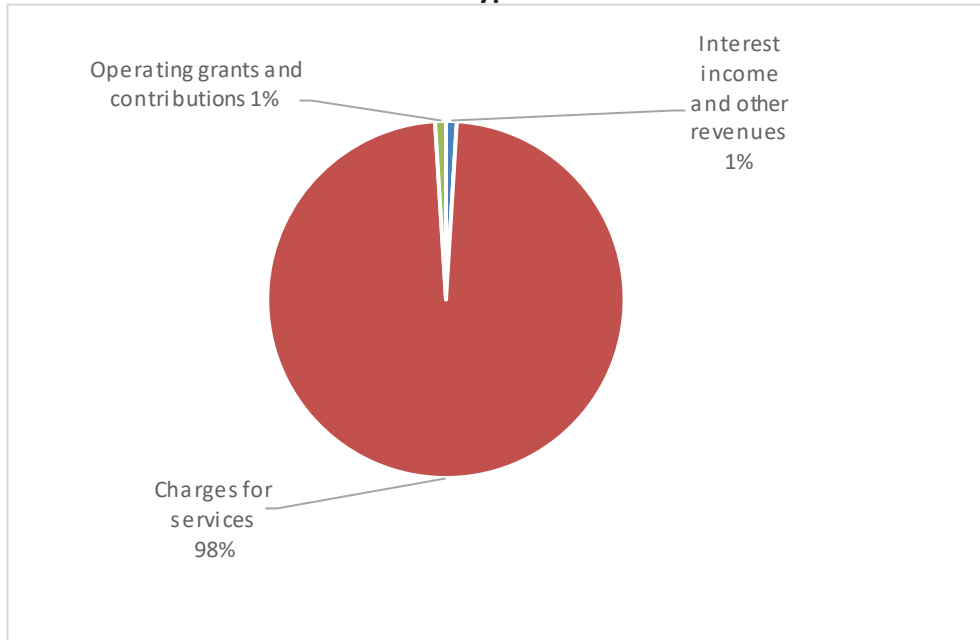


Expenses and Program Revenues Governmental Activities

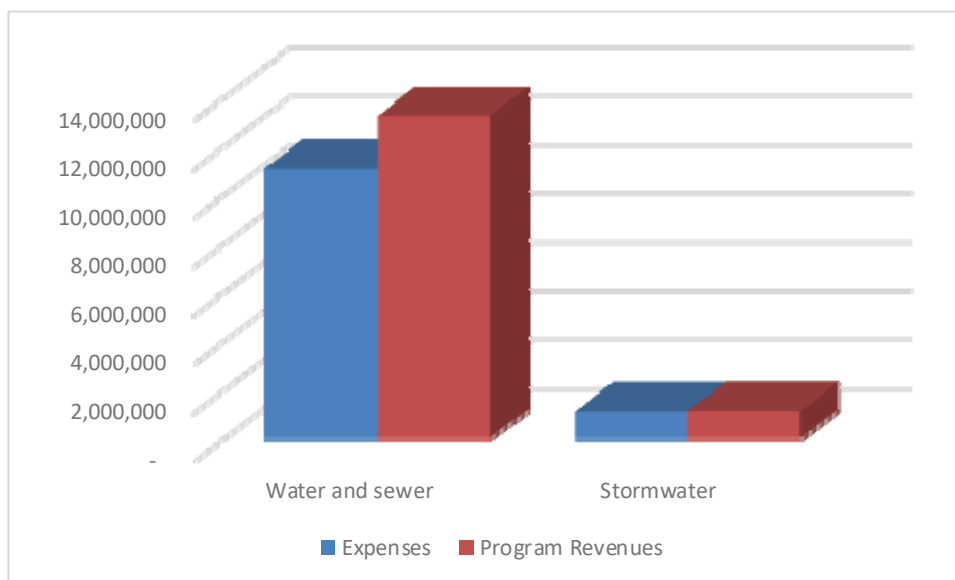


Business-type Activities - Business-type activities increased the City's net position by \$ 2,220,229 representing approximately 31% of the total increase in the City's net position. The increase resulted primarily from a combination of continuing cost containment measures and an increase in utility service charges. Approximately 1% of the increase was from impact fee contributed capital for future expansion.

**Revenues by Source
 Business-type Activities**



**Expenses and Program Revenues
 Business-type Activities**



As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$ 70,906,578, an increase of \$ 4,812,966 or approximately 7% from prior year combined fund balances. Of this amount, \$ 27,088,776 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact, 3) restricted for particular purposes, 4) committed for particular purposes, or 5) assigned for particular purposes.

The General Fund is the City's main operating fund. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$ 27,088,776 while the total fund balance reached \$ 54,073,545. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of the City's General Fund increased by \$ 3,961,486 during the current fiscal year due to various factors. Overall, revenues were higher than anticipated, including sales tax and half cent sales tax revenues which were approximately \$ 1,000,000 (30%) higher than budgeted. Expenditures, however, were less than anticipated, including personnel costs which were approximately \$ 1,295,000 (15%) less than budgeted. The City has experienced the same employment impact as many other municipalities around the world from what has been labeled the "Great Resignation". The unanticipated trend of employees voluntarily resigning from their jobs en masse, which began in early 2021, is reflected in the actual expenditures of the City. This also impacted after school and summer programs which specifically were not operated at full capacity due to decreased demand and in order to follow safety protocols. In addition, although only a difference of three percent, the BSO contract was under budget by over \$ 300,000 due to vacancy credits.

The fund balance of the City's **Transportation Surtax Special Revenue Fund**, a major fund, did not change. Revenues from Surtax funds were recognized at the same time as expenditures.

The fund balance of the City's **Fire/Rescue Special Revenue Fund**, a major fund, decreased by (\$ 63,096) due to the use of existing resources for structural improvements.

The fund balance of the **North Lauderdale Water Control District Special Revenue Fund**, a major fund, increased by \$ 314,915 due to an unexpected temporary decline in availability of service providers.

The fund balance of the **Capital Projects Fund**, a major fund, decreased by (\$ 90,922) due to the use of existing resources for ongoing projects.

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

At the close of the most recent fiscal year, unrestricted net position for the Utilities Fund totaled \$ 41,778,301, an increase of \$ 2,080,512. Unrestricted net position for the Stormwater Fund totaled \$ 3,096,400, an increase of \$ 3,874. Other factors concerning the finances of both of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Overall the final budget to actual, excluding transfers, for the General Fund was favorable. These results can be attributed to the following:

- Higher than anticipated revenues, including intergovernmental revenues and building permit fees.
- Various operational savings resulting from cost containment measures that the City's Administration has been implementing over the last several years. In addition, personal service costs were less than anticipated due to vacant budgeted positions.

For the fiscal year 2021, the General Fund budget was amended to increase revenues \$ 648,080, use of fund balance \$ 138,400 and expenditures \$ 786,480 primarily for COVID-19 related programs.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of September 30, 2021 and 2020 amounts to \$ 39,850,119 and \$ 39,137,875, respectively.

The following schedule summarizes the City's capital assets by category as of September 30, 2021 and 2020.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,394,065	\$ 6,394,065	\$ 86,365	\$ 86,365	\$ 6,480,430	\$ 6,480,430
Construction in progress	1,767,072	105,429	68,251	-	1,835,323	105,429
Residual interest in assets held by Broward County Sheriff's Office	489,626	489,626	-	-	489,626	489,626
Buildings	9,375,909	9,665,551	-	-	9,375,909	9,665,551
Improvements other than buildings	5,796,622	6,429,961	80,583	98,515	5,877,205	6,528,476
Machinery and equipment	1,958,151	2,151,331	1,144,720	368,361	3,102,871	2,519,692
Infrastructure	2,681,224	2,778,574	10,007,531	10,570,097	12,688,755	13,348,671
Total	\$ 28,462,669	\$ 28,014,537	\$ 11,387,450	\$ 11,123,338	\$ 39,850,119	\$ 39,137,875

The major capital asset activity that occurred during the 2021 fiscal year was comprised of building and infrastructure improvements of approximately \$ 1,950,100, vehicle and equipment additions of approximately \$ 328,900, and continued improvements to the park and recreational facilities and equipment of approximately \$ 153,800.

Additional information can be found in footnote 6 in the notes to the financial statements.

Long-term Debt

On September 30, 2021, the City had total debt outstanding of \$ 255,581 for capital leases.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 144,504	\$ -	\$ 111,077	\$ -	\$ 255,581	\$ -
Total	\$ 144,504	\$ -	\$ 111,077	\$ -	\$ 255,581	\$ -

Additional information can be found in footnote 8 in the notes to the financial statements.

Economic Factors and Next Year's Budget

A large part of the City's strategic planning and annual budget process involves Commission and staff workshops. During these workshops, the City's past and current operations are reviewed in detail and discussions are held regarding the City's future vision for operations including staffing, facilities and public services. In addition to the City's operations, initiatives for major capital expenditures are discussed at length. Long-range goals, economic factors, staffing implications and available financial resources assist the Commission in prioritizing their goals and objectives for the coming fiscal year.

In developing the fiscal year 2022 Budget and Capital Improvement Program, the following economic factors were considered:

- In the years since the economic downturn between 2009 and 2012 the City has seen slow but stable economic growth and has gradually returned to a reasonable level of financial stability. Despite the economic improvements, available resources are still strained relative to the cost of providing services. Construction costs for infrastructure projects, health care costs for employees and material and labor costs from vendors continue to grow. In addition, during fiscal year 2020, the world was hit with an unprecedented global pandemic - Covid-19. The ongoing potential negative economic effect of this pandemic was taken into consideration in development of the FY 2022 budget.
- The City's operating millage rate for the 2021 tax year is 7.400 mils.
- The City's Solid Waste special assessment rate for residential units is \$425.00 per the year.
- The City's Stormwater special assessment rate for residential units is \$72.00 per ERU.
- In fiscal year 2016, the City's Fire/Rescue Special Assessment program had a rate analysis conducted. The study's resulting rate table is being implemented over a five-year-period beginning in fiscal year 2017 and continuing through fiscal year 2021. The assessment for the fiscal year 2021 was the fifth year of the five-year plan. The City had a new rate analysis conducted in fiscal year 2021 and the resulting rate table is being implemented over a five-year-period beginning in the fiscal year 2022 and continuing through the fiscal year 2026.

- A utility rate study was completed in fiscal year 2009 to ensure that the utility revenue keeps pace with the continually changing needs and costs of essential service. After performing a thorough analysis of the Utility Fund's operational and capital requirements, the engineers recommended a 5% annual increase (calendar year). For 2022, the City expects to be able to keep the cost of operating and maintaining the City's utility infrastructure level and will maintain the current rate structure.

Requests for Information

These financial statements are designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you should have any questions pertaining to the information presented in this report or would like additional information, please contact the Finance Department located at 701 SW 71st Avenue, North Lauderdale, Florida 33068-2395.

City of North Lauderdale, Florida
Statement of Net Position
September 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets:			
Cash and equity in pooled cash	\$ 4,685,584	\$ 7,147,068	\$ 11,832,652
Investments	72,890,168	38,385,880	111,276,048
Restricted assets:			
Cash and cash equivalents	-	771,338	771,338
Accounts receivable, net of allowances	2,591,590	1,586,804	4,178,394
Capital assets not being depreciated:			
Land	6,394,065	86,365	6,480,430
Construction in progress	1,767,072	68,251	1,835,323
Residual interest in equipment	489,626	-	489,626
Capital assets, being depreciated:			
Buildings	18,933,224	-	18,933,224
Improvements other than buildings	17,465,988	364,152	17,830,140
Machinery, equipment, furnishings and other	7,733,630	1,604,190	9,337,820
Infrastructure	19,358,988	28,829,031	48,188,019
Less accumulated depreciation	<u>(43,679,924)</u>	<u>(19,564,539)</u>	<u>(63,244,463)</u>
Total assets	<u>108,630,011</u>	<u>59,278,540</u>	<u>167,908,551</u>
Deferred Outflows of Resources:			
Pension	2,217,001	-	2,217,001
Other post employment benefit (OPEB)	<u>3,073,399</u>	<u>459,243</u>	<u>3,532,642</u>
Total deferred outflows of resources	<u>5,290,400</u>	<u>459,243</u>	<u>5,749,643</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	1,487,788	990,414	2,478,202
Unearned revenue	711,799	-	711,799
Deposits, payable from restricted assets	-	771,338	771,338
Noncurrent liabilities:			
Due within one year:			
Compensated absences	109,487	11,154	120,641
Capital lease	30,064	22,843	52,907
Due in more than a year:			
Compensated absences	1,215,254	141,959	1,357,213
Capital lease	114,440	88,234	202,674
Net pension liability	2,969,528	-	2,969,528
Other post employment benefit (OPEB) liability	<u>5,523,352</u>	<u>825,329</u>	<u>6,348,681</u>
Total liabilities	<u>12,161,712</u>	<u>2,851,271</u>	<u>15,012,983</u>
Deferred Inflows of Resources:			
Pension	6,500,495	-	6,500,495
Other post employment benefit (OPEB)	<u>289,996</u>	<u>43,332</u>	<u>333,328</u>
Total deferred inflows of resources	<u>6,790,491</u>	<u>43,332</u>	<u>6,833,823</u>
Net Position:			
Net investment in capital assets	28,318,165	11,276,373	39,594,538
Restricted for:			
Street Maintenance	1,274,386	-	1,274,386
Fire/Rescue	1,965,722	-	1,965,722
Water Control District	2,203,515	-	2,203,515
Law Enforcement	198,060	-	198,060
Grants	52,029	-	52,029
Unrestricted	<u>60,956,331</u>	<u>45,566,807</u>	<u>106,523,138</u>
Total net position	<u>\$ 94,968,208</u>	<u>\$ 56,843,180</u>	<u>\$ 151,811,388</u>

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

**City of North Lauderdale, Florida
Statement of Activities
For the Year Ended September 30, 2021**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,117,810	\$ 6,941,274	\$ -	-	\$ 2,823,464	\$ -	\$ 2,823,464
Public safety	18,354,559	5,644,504	1,306,086	-	(11,403,969)	-	(11,403,969)
Community Development	4,178,267	1,829,509	291,466	114,966	(1,942,326)	-	(1,942,326)
Public works	6,570,210	1,129,459	1,492,061	-	(3,948,690)	-	(3,948,690)
Parks and recreation	5,138,878	265,278	-	-	(4,873,600)	-	(4,873,600)
Interest and other fiscal charges	3,390	-	-	-	(3,390)	-	(3,390)
Total governmental activities	38,363,114	15,810,024	3,089,613	114,966	(19,348,511)	-	(19,348,511)
Business-type activities:							
Water and sewer	11,087,450	13,137,332	-	105,799	-	2,155,681	2,155,681
Stormwater	1,123,983	1,143,363	-	-	-	19,380	19,380
Total business-type activities	12,211,433	14,280,695	-	105,799	-	2,175,061	2,175,061
Total primary government	\$ 50,574,547	\$ 30,090,719	\$ 3,089,613	\$ 220,765	(19,348,511)	2,175,061	(17,173,450)
General revenues:							
Taxes:							
Property taxes					12,347,101	-	12,347,101
Utility and other taxes					3,875,260	-	3,875,260
Franchise taxes					2,850,009	-	2,850,009
Grants and contributions not restricted to specific programs					4,989,367	-	4,989,367
Interest income					100,392	45,168	145,560
Miscellaneous revenues					28,877	-	28,877
Total general revenues					24,191,006	45,168	24,236,174
Change in net position					4,842,495	2,220,229	7,062,724
Net position, beginning					90,125,713	54,622,951	144,748,664
Net position, ending					\$ 94,968,208	\$ 56,843,180	\$ 151,811,388

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

**City of North Lauderdale, Florida
Balance Sheet - Governmental Funds
September 30, 2021**

	Major Governmental Funds							Total Governmental Funds
	General Fund	Transportation Surtax Fund	Fire/Rescue Fund	Lauderdale Water Control District Fund	Capital Projects Fund	Other Nonmajor Funds		
Assets:								
Cash and equity in pooled cash	\$ 2,060,485	\$ 326,082	\$ 336,461	\$ 372,557	\$ 678,807	\$ 953,492	\$ 4,727,884	
Investments	51,938,109	-	634,250	1,830,958	11,130,114	-	65,533,431	
Accounts receivable	1,137,896	-	1,201,770	-	114,966	136,958	2,591,590	
Total assets	\$ 55,136,490	\$ 326,082	\$ 2,172,481	\$ 2,203,515	\$ 11,923,887	\$ 1,090,450	\$ 72,852,905	
Liabilities:								
Accounts payable and accrued liabilities	\$ 677,228	\$ -	\$ 206,759	\$ -	\$ 174,797	\$ 175,744	\$ 1,234,528	
Unearned revenue	385,717	326,082	-	-	-	-	711,799	
Total liabilities	1,062,945	326,082	206,759	-	174,797	175,744	1,946,327	
Fund Balances:								
Restricted for:								
Street maintenance	609,769	-	-	-	-	664,617	1,274,386	
Fire/Rescue	-	-	1,965,722	-	-	-	1,965,722	
Water Control District	-	-	-	2,203,515	-	-	2,203,515	
Law enforcement	-	-	-	-	-	198,060	198,060	
Grants	-	-	-	-	-	52,029	52,029	
Assigned for:								
Capital projects	21,875,000	-	-	-	11,749,090	-	33,624,090	
Disaster assistance	3,500,000	-	-	-	-	-	3,500,000	
General government	1,000,000	-	-	-	-	-	1,000,000	
Unassigned	27,088,776	-	-	-	-	-	27,088,776	
Total fund balances	54,073,545	-	1,965,722	2,203,515	11,749,090	914,706	70,906,578	
Total liabilities and fund balances	\$ 55,136,490	\$ 326,082	\$ 2,172,481	\$ 2,203,515	\$ 11,923,887	\$ 1,090,450	\$ 72,852,905	

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

City of North Lauderdale, Florida
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
September 30, 2021

Total Fund Balances - Governmental Funds \$ 70,906,578

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

The cost of capital assets acquired is reported as an expenditure in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation among the assets of the governmental as a whole.

Cost of capital assets	\$ 70,507,808	
Accumulated depreciation	<u>(42,794,567)</u>	27,713,241

Deferred outflows of resources related to pensions and OPEB are recorded in the statement of net position.		5,290,400
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Deferred inflows of resources related to pensions and OPEB are recorded in the statement of net position.		(6,790,491)
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Liabilities not payable from current available resources are not reported as fund liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Total OPEB liability	\$ (5,523,352)	
Net pension liability	(2,969,528)	
Capital leases	(144,504)	
Compensated absences	<u>(1,255,945)</u>	(9,893,329)

Internal service fund is used by management to charge the costs of vehicle maintenance, information technology, and insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.		<u>7,741,809</u>
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Net Position of Governmental Activities \$ 94,968,208

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

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

	Major Governmental Funds						Total Governmental Funds
	General Fund	Transportation Surtax Fund	Fire/Rescue Fund	North Lauderdale Water Control District Fund	Capital Projects Fund	Other Nonmajor Funds	
Revenues:							
Taxes	\$ 16,222,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,222,361
Franchise taxes	2,850,009	-	-	-	-	-	2,850,009
Licenses and permits	1,721,536	-	8,220	-	-	-	1,729,756
Intergovernmental	5,749,343	15,823	642,297	-	114,966	1,499,418	8,021,847
Charges for services	4,192,619	-	833,734	-	-	-	5,026,353
Special assessments	1,448,610	-	4,802,550	1,129,459	-	-	7,380,619
Fines and forfeitures	611,246	-	-	-	-	31,162	642,408
Interest income	80,938	-	2,850	1,604	14,670	330	100,392
Other revenues	1,242,114	-	17,508	-	-	-	1,259,622
Total revenues	34,118,776	15,823	6,307,159	1,131,063	129,636	1,530,910	43,233,367
Expenditures:							
Current:							
General government	3,573,855	-	-	-	-	-	3,573,855
Public safety	10,986,456	-	8,721,135	-	-	2,500	19,710,091
Community development	3,665,503	-	-	-	-	278,522	3,944,025
Public works	4,224,324	15,823	-	927,798	753,306	615,010	6,536,261
Parks and recreation	4,730,031	-	-	-	67,252	-	4,797,283
Debt service:							
Principal retirement	10,541	-	-	-	-	5,807	16,348
Interest expense	2,247	-	-	-	-	1,143	3,390
Total expenditures	27,192,957	15,823	8,721,135	927,798	820,558	902,982	38,581,253
Excess (deficiency) of revenues over (under) expenditures	6,925,819	-	(2,413,976)	203,265	(690,922)	627,928	4,652,114
Other Financing Sources (Uses):							
Capital leases	98,197	-	-	-	-	62,655	160,852
Transfers in	-	-	2,350,880	111,650	600,000	-	3,062,530
Transfers out	(3,062,530)	-	-	-	-	-	(3,062,530)
Total other financing sources (uses)	(2,964,333)	-	2,350,880	111,650	600,000	62,655	160,852
Net change in fund balances	3,961,486	-	(63,096)	314,915	(90,922)	690,583	4,812,966
Fund Balances, Beginning	50,112,059	-	2,028,818	1,888,600	11,840,012	224,123	66,093,612
Fund Balances, Ending	\$ 54,073,545	\$ -	\$ 1,965,722	\$ 2,203,515	\$ 11,749,090	\$ 914,706	\$ 70,906,578

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

City of North Lauderdale, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 4,812,966

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

Capital assets are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of certain of those assets is eliminated and capitalized as capital assets. 1,946,039

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements. (27,758)

Capital lease proceeds are reported as financing sources in governmental funds financial statements and contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. (160,852)

Repayment of long-term liabilities are reported as expenditures in the governmental funds, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities. 16,348

Internal Service Funds are used by management to charge the costs of Vehicle Maintenance, Information Technology, and Insurance to individual funds. The net expense of certain activities of Internal Service Funds is reported with governmental activities. (73,293)

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. The details of the differences are as follows:

Change in compensated absences	(38,635)
Other Post Employment Benefit expense	(800,751)
Pension expense	838,215
Retirement of capital assets	(21,303)
Depreciation of capital assets	(1,648,481)
	<u>(1,648,481)</u>

Change in Net Position of Governmental Activities \$ 4,842,495

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

City of North Lauderdale, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget to Actual - General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 12,180,520	\$ 12,180,520	\$ 12,347,101	\$ 166,581
Utility service taxes	3,694,920	3,694,920	3,875,260	180,340
Franchise taxes	2,775,480	2,775,480	2,850,009	74,529
Licenses and permits	1,632,140	1,632,140	1,721,536	89,396
Intergovernmental	4,020,280	4,668,360	5,749,343	1,080,983
Charges for services	4,776,760	4,776,760	4,192,619	(584,141)
Special assessments	1,447,350	1,447,350	1,448,610	1,260
Fines and forfeitures	476,250	476,250	611,246	134,996
Interest income	602,930	602,930	80,938	(521,992)
Other revenues	1,150,640	1,150,640	1,242,114	91,474
Total revenues	32,757,270	33,405,350	34,118,776	713,426
Expenditures:				
Departmental:				
City Commission	509,200	530,500	489,308	41,192
City Manager	499,440	499,440	490,755	8,685
City Attorney	309,730	344,730	334,537	10,193
City Clerk	370,730	370,730	314,359	56,371
Human Resources	484,430	487,430	316,037	171,393
Finance	1,154,950	1,154,950	1,054,120	100,830
Public Works	5,215,540	5,299,800	4,224,324	1,075,476
Parks and Recreation	5,480,870	5,505,980	4,730,031	775,949
Community Development	3,732,400	4,350,210	3,665,503	684,707
Police - Contractual	11,348,170	11,348,170	10,986,456	361,714
Debt service:				
Principal retirement	-	-	10,541	(10,541)
Interest expense	-	-	2,247	(2,247)
Total departmental	29,105,460	29,891,940	26,618,218	3,273,722
Nondepartmental:				
General Fund nondepartmental	674,280	674,280	574,739	99,541
Total nondepartmental	674,280	674,280	574,739	99,541
Total expenditures	29,779,740	30,566,220	27,192,957	3,373,263
Excess of revenues over expenditures	2,977,530	2,839,130	6,925,819	4,086,689
Other Financing Sources (Uses):				
Use of fund balance	-	138,400	-	(138,400)
Proceeds from sale of capital assets	85,000	85,000	-	(85,000)
Capital leases	-	-	98,197	98,197
Transfers out	(3,062,530)	(3,062,530)	(3,062,530)	-
Total other financing sources (uses)	(2,977,530)	(2,839,130)	(2,964,333)	(125,203)
Net change in fund balance	\$ -	\$ -	3,961,486	\$ 3,961,486
Fund Balance, Beginning			50,112,059	
Fund Balance, Ending			\$ 54,073,545	

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

City of North Lauderdale, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Special Revenue Fund - Fire/Rescue Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 13,000	\$ 13,000	\$ 8,220	\$ (4,780)
Intergovernmental	196,000	255,670	642,297	386,627
Charges for services	839,350	839,350	833,734	(5,616)
Special assessments	4,723,000	4,723,000	4,802,550	79,550
Interest income	14,300	14,300	2,850	(11,450)
Other revenues	-	-	17,508	17,508
Total revenues	<u>5,785,650</u>	<u>5,845,320</u>	<u>6,307,159</u>	<u>461,839</u>
Expenditures:				
Public safety:				
Operating division	7,408,290	8,524,160	7,466,768	1,057,392
Administrative	1,021,990	1,021,990	1,017,117	4,873
Non-Departmental	247,250	247,250	237,250	10,000
Total expenditures	<u>8,677,530</u>	<u>9,793,400</u>	<u>8,721,135</u>	<u>1,072,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,891,880)</u>	<u>(3,948,080)</u>	<u>(2,413,976)</u>	<u>1,534,104</u>
Other Financing Sources (Uses):				
Transfers in	2,350,880	2,350,880	2,350,880	-
Use of fund balance	541,000	1,597,200	-	(1,597,200)
Total other financing sources (uses)	<u>2,891,880</u>	<u>3,948,080</u>	<u>2,350,880</u>	<u>(1,597,200)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(63,096)	\$ <u>(63,096)</u>
Fund Balance, Beginning			<u>2,028,818</u>	
Fund Balance, Ending			\$ <u>1,965,722</u>	

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

City of North Lauderdale, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Special Revenue Fund - North Lauderdale Water Control District Fund
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget-Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 1,121,960	\$ 1,121,960	\$ 1,129,459	\$ 7,499
Interest income	800	800	1,604	804
Total revenues	<u>1,122,760</u>	<u>1,122,760</u>	<u>1,131,063</u>	<u>8,303</u>
Expenditures:				
Public works:				
Contractual services	<u>1,234,410</u>	<u>1,234,410</u>	<u>927,798</u>	<u>306,612</u>
Total expenditures	<u>1,234,410</u>	<u>1,234,410</u>	<u>927,798</u>	<u>306,612</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,650)</u>	<u>(111,650)</u>	<u>203,265</u>	<u>314,915</u>
Other Financing Sources (Uses):				
Transfers in	<u>111,650</u>	<u>111,650</u>	<u>111,650</u>	<u>-</u>
Total other financing sources (uses)	<u>111,650</u>	<u>111,650</u>	<u>111,650</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	314,915	\$ <u><u>314,915</u></u>
Fund Balance, Beginning			<u>1,888,600</u>	
Fund Balance, Ending			\$ <u><u>2,203,515</u></u>	

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

City of North Lauderdale, Florida
Statement of Net Position - Proprietary Funds
September 30, 2021

	Business-type Activities - Enterprise Funds			Internal Service Fund
	Major Fund Utilities Fund	Nonmajor Fund Stormwater Fund	Total	
Assets:				
Current assets:				
Cash and equity in pooled cash	\$ 5,613,016	\$ 841,946	\$ 6,454,962	\$ 649,806
Investments	36,047,016	2,338,864	38,385,880	7,356,737
Restricted cash and cash equivalents:				
Customer deposits	771,338	-	771,338	-
Accounts receivable, net of allowances for uncollectible accounts	1,576,721	10,083	1,586,804	-
Total current assets	44,008,091	3,190,893	47,198,984	8,006,543
Non-current assets:				
Capital assets:				
Land	86,365	-	86,365	-
Construction in progress	-	68,251	68,251	286,099
Improvements other than buildings	364,152	-	364,152	72,933
Machinery, equipment, furnishings and other	1,589,804	14,386	1,604,190	1,275,753
Infrastructure	25,842,287	2,986,744	28,829,031	-
Less: accumulated depreciation	(16,851,892)	(2,712,647)	(19,564,539)	(885,357)
Total capital assets, net	11,030,716	356,734	11,387,450	749,428
Total assets	55,038,807	3,547,627	58,586,434	8,755,971
Deferred Outflows of Resources:				
Other post employment benefits (OPEB)	459,243	-	459,243	-
Total deferred outflows of resources	459,243	-	459,243	-
Liabilities, Deferred Inflows of Resources and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable and other liabilities	950,775	39,639	990,414	253,260
Accrued compensated absences	7,476	3,678	11,154	1,962
Capital lease	22,843	-	22,843	-
Deposits, payable from restricted assets	771,338	-	771,338	-
Total current liabilities	1,752,432	43,317	1,795,749	255,222
Long-Term liabilities				
Accrued compensated absences	90,783	51,176	141,959	66,834
Capital lease	88,234	-	88,234	-
Other post employment benefits (OPEB) liability	825,329	-	825,329	-
Total long-term liabilities	1,004,346	51,176	1,055,522	66,834
Total liabilities	2,756,778	94,493	2,851,271	322,056
Deferred Inflows of Resources:				
Other post employment benefits (OPEB)	43,332	-	43,332	-
Total deferred inflows of resources	43,332	-	43,332	-
Net Position:				
Investment in capital assets	10,919,639	356,734	11,276,373	749,428
Unrestricted	41,778,301	3,096,400	44,874,701	7,684,487
Total net position	\$ 52,697,940	\$ 3,453,134	\$ 56,151,074	\$ 8,433,915

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

City of North Lauderdale, Florida
Reconciliation of the Statement of Net Position - Proprietary Funds
to the Statement of Net Position
September 30, 2021

Total Net Position - Proprietary Fund Financial Statements \$ 56,151,074

Internal service fund is used by management to charge the costs of Vehicle Maintenance, Information Technology, and Insurance to individual funds. The position attributable to business-type activities is reflected here and the residual assets and liabilities are included in business activities in the statement of net position.

692,106

Net Position of Business-type Activities \$ 56,843,180

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

City of North Lauderdale, Florida
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Major Fund Utilities Fund	Nonmajor Stormwater Fund	Total	
Operating Revenues:				
Charges for services:				
Water sales	\$ 5,893,183	\$ -	\$ 5,893,183	\$ -
Sewer sales	7,244,149	-	7,244,149	-
Other sales and services	-	1,143,363	1,143,363	1,849,660
Total operating revenues	<u>13,137,332</u>	<u>1,143,363</u>	<u>14,280,695</u>	<u>1,849,660</u>
Operating and Expenses:				
Personnel	1,006,713	271,290	1,278,003	459,878
Other operating expenses	8,332,213	803,650	9,135,863	1,502,216
General and administrative	1,128,290	-	1,128,290	-
Depreciation	604,417	47,668	652,085	114,222
Total operating and expenses	<u>11,071,633</u>	<u>1,122,608</u>	<u>12,194,241</u>	<u>2,076,316</u>
Operating income (loss)	<u>2,065,699</u>	<u>20,755</u>	<u>2,086,454</u>	<u>(226,656)</u>
Non-Operating Revenues (Expenses):				
Interest income	41,466	3,702	45,168	10,964
Insurance recovery	-	-	-	44,718
Intergovernmental	-	-	-	80,489
Total non-operating revenues (expenses)	<u>41,466</u>	<u>3,702</u>	<u>45,168</u>	<u>136,171</u>
Income (Loss) Before Capital Contributions	2,107,165	24,457	2,131,622	(90,485)
Capital Contributions:				
Capital contributions - impact fees	<u>105,799</u>	<u>-</u>	<u>105,799</u>	<u>-</u>
Change in net position	2,212,964	24,457	2,237,421	(90,485)
Net Position, Beginning	<u>50,484,976</u>	<u>3,428,677</u>	<u>53,913,653</u>	<u>8,524,400</u>
Net Position, Ending	<u>\$ 52,697,940</u>	<u>\$ 3,453,134</u>	<u>\$ 56,151,074</u>	<u>\$ 8,433,915</u>

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

City of North Lauderdale, Florida
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds to the Statement of Activities
September 30, 2021

Change in Net Position - Proprietary Fund Financial Statements	\$ 2,237,421
Internal service fund is used by management to charge the costs of Vehicle Maintenance, Information Technology, and Insurance to individual funds. The portion of the net expense attributable to business-type activities is reflected here.	<u>(17,192)</u>
Change in Net Position of Business-type Activities	<u>\$ 2,220,229</u>

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

City of North Lauderdale, Florida
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Major Fund Utilities Fund	Nonmajor Fund Stormwater Fund	Totals	
Cash Flows From Operating Activities:				
Receipts from customers, users and other	\$ 13,064,794	\$ 1,133,280	\$ 14,198,074	\$ 1,849,660
Payments to suppliers for goods	(9,435,539)	(783,869)	(10,219,408)	(1,521,984)
Payments to employees	(881,525)	(274,432)	(1,155,957)	(444,650)
Net cash provided (used) by operating activities	<u>2,747,730</u>	<u>74,979</u>	<u>2,822,709</u>	<u>(116,974)</u>
Cash Flows From Noncapital Financing Activities:				
Operating grants	-	-	-	80,489
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,489</u>
Cash Flows From Capital and Related Financing Activities:				
Capital contributions - impact fees	105,799	-	105,799	-
Acquisition and construction of capital assets, net	(725,624)	(68,251)	(793,875)	(286,099)
Principal payments on capital leases	(11,245)	-	(11,245)	-
Insurance recovery	-	-	-	44,718
Net cash provided (used) by capital and related financing activities	<u>(631,070)</u>	<u>(68,251)</u>	<u>(699,321)</u>	<u>(241,381)</u>
Cash Flows From Investing Activities:				
Purchase of investments	(10,895,324)	(774,778)	(11,670,102)	(1,801,523)
Sale of investments	9,606,233	771,996	10,378,229	942,216
Interest received	41,466	3,702	45,168	10,964
Net cash provided (used) by investing activities	<u>(1,247,625)</u>	<u>920</u>	<u>(1,246,705)</u>	<u>(848,343)</u>
Net increase (decrease) in cash and equity in pooled cash	869,035	7,648	876,683	(1,126,209)
Cash and Equity in Pooled Cash, Beginning	<u>5,515,319</u>	<u>834,298</u>	<u>6,349,617</u>	<u>1,776,015</u>
Cash and Equity in Pooled Cash, Ending	<u>\$ 6,384,354</u>	<u>\$ 841,946</u>	<u>\$ 7,226,300</u>	<u>\$ 649,806</u>
Reconciliation to the Statement of Net Position:				
Cash and Equity in Pooled Cash	\$ 5,613,016	\$ 841,946	\$ 6,454,962	\$ 649,806
Restricted Assets, Cash	<u>771,338</u>	<u>-</u>	<u>771,338</u>	<u>-</u>
Cash and Equity in Pooled Cash, Ending	<u>\$ 6,384,354</u>	<u>\$ 841,946</u>	<u>\$ 7,226,300</u>	<u>\$ 649,806</u>

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

City of North Lauderdale, Florida
Statement of Cash Flows - Proprietary Funds
(Continued)
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Internal Service Funds
	Major Fund Utilities Fund	Nonmajor Fund Stormwater Fund	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
By Operating Activities:				
Operating income (loss)	\$ 2,065,699	\$ 20,755	\$ 2,086,454	\$ (226,656)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	604,417	47,668	652,085	114,222
Increase (decrease) in assets:				
Accounts receivable	(21,377)	(10,083)	(31,460)	-
Deferred outflows of resources	(60,263)	-	(60,263)	-
(Increase) decrease in liabilities:				
Accounts payable and other liabilities	24,964	19,781	44,745	(19,768)
Compensated absences	5,535	(3,142)	2,393	15,228
OPEB liability	181,298	-	181,298	-
Deferred inflows of resources	(1,382)	-	(1,382)	-
Deposit payables	(51,161)	-	(51,161)	-
Total adjustments	682,031	54,224	736,255	109,682
Net cash provided (used) by operating activities	\$ <u>2,747,730</u>	\$ <u>74,979</u>	\$ <u>2,822,709</u>	\$ <u>(116,974)</u>
Schedule of Non-cash Capital and Related Financing Activities:				
Purchase of machinery, equipment, furnishings and other through leases	\$ <u>122,322</u>	\$ <u>-</u>	\$ <u>122,322</u>	\$ <u>-</u>

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

Note 1 - Summary of Significant Accounting Policies

The City of North Lauderdale, Florida (the "City") was incorporated on July 15, 1963, under the provisions of Chapter 63-1675 Laws of Florida. The City operates under a commission/city manager form of government. The City provides the following full range of municipal services to its residents including: police and fire protection; street construction and maintenance; building, licensing and code compliance; parks and recreation facilities and activities; water, wastewater, canal maintenance, and stormwater services; public records and general administrative services.

The Annual Comprehensive Financial Report of the City includes all funds and component units. The financial statements of the City have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

Blended component units, although legally separate entities, are, in substance, part of the City's operation. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City maintains two blended component units.

Blended component units: The North Lauderdale Water Control District (the "District") serves all the citizens of the City and is governed by a board comprised of the City's elected five-member Commission. The rates for user charges and bond issuance authorizations, when applicable, are approved by the City Commission. The District meets the financial accountability criteria under GASB Statements. The District is reported as a special revenue fund of the City. The District does not issue separate financial statements.

The Housing Authority of the City of North Lauderdale, Florida, Inc. (the "Authority") was formed in June 1993. The Authority's purpose is to address the shortage of safe or sanitary dwelling accommodations in the City available to persons of low income. The Housing Authority currently acts in an advisory capacity for the City of North Lauderdale to identify and oversee implementation of projects to improve the housing stock in North Lauderdale. The Authority is governed by a five-member board, one appointment from each of the City's elected five-member commission. At least one (1) member shall be a North Lauderdale rental tenant, living in a public housing project or a person of low-income who is receiving a rental subsidy through a program administered by the Authority's public housing agency within North Lauderdale.

Although the Authority is a legally separate entity from the City, the fact that the governing board is deemed to be the same as the City's defines the Authority as a blended component unit of the City of North Lauderdale. The Authority meets the financial accountability criteria under GASB Statements. For the fiscal year ended September 30, 2021, the Authority has no financial transactions, assets, liabilities, equity and there are no contracts, agreements, grants, loans or other obligations. The Authority does not issue separate financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) 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 activities of the primary government and its component units. The effect of interfund activity, with the exception of those that are immaterial, has been eliminated from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 2) grants and contributions that are restricted to meeting the operating requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, interest income, etc.). The City applies eligible expenses against available restricted resources before the use of unrestricted resources.

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined or funds that management deems major) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor governmental funds are detailed in the combining section of the statements if they involve more than one fund.

Internal service funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities and business type activities columns when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., General Government, Public Safety, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Note 1 - Summary of Significant Accounting Policies (continued)

The following major governmental funds are used by the City:

General Fund - This fund is used to account for all financial transactions, except those required to be accounted for and reported in another fund. Revenue is derived primarily from property taxes, utility taxes, franchise taxes, state and federal distributions and other governmental revenue.

Transportation Surtax Fund - This fund is used to account for revenues and expenditures related to transportation projects intended to reduce traffic congestion, improve roads and bridges, and increase connectivity pursuant to interlocal agreements with Broward County.

Fire/Rescue Fund - This fund is used to account for revenues and expenditures related to the operation of the City's fire/rescue services. These services are funded primarily through a combination of non-ad valorem special assessment revenue and transfers from the City's General Fund.

North Lauderdale Water Control District Fund - This fund is used to account for the provision of water control and drainage services, facilities and programs within the District's boundaries. When House Bill 1875 became law on May 30, 1997, the City's five Commissioners became the District's Board of Supervisors. Accordingly, the District became a Dependent Special District, as defined in Florida Statutes 189 and a blended component unit of the City.

Debt Service Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all City debt other than proprietary debt.

Capital Projects Fund - This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Other Governmental Funds - These funds are a summarization of all the nonmajor governmental funds.

The following major proprietary fund is used by the City:

Utilities Fund - This fund is used to account for the income and expenses of operating the City's water and sewer utilities system. Receipts may only be used for costs associated with operating the water and sewer system and for debt service.

Other Proprietary Fund - The nonmajor proprietary fund is the Stormwater Fund.

Additionally, the government reports the following fund type:

Internal Service Funds - These 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 City, on a cost reimbursement basis. The City operates three internal service funds: the Vehicle Maintenance Fund, the Information Technology Fund and the Insurance Fund.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when an enforceable lien exists and when levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when paid from expendable available financial resources.

Property taxes, franchise taxes, fire/rescue fund charges for services, licenses and interest 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. Revenue received in advance of fiscal year to which they apply is presented as unearned on the balance sheet. Licenses and permits, all other charges for services, fines and forfeitures, contributions, miscellaneous revenues, and all other revenue items are considered measurable and available when cash is received by the government. Investment earnings are recorded as earned since they are measurable and available.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Utilities and Stormwater Funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal services funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. New Accounting Standards Adopted

During fiscal year 2021, the City did not adopt any new accounting standards that had any effect on the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Capital Assets

Government-Wide and Proprietary Funds:

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the time received. Capital assets received in a service concession arrangement are also recorded at acquisition value. Public domain (infrastructure) capital assets consisting of roads, sidewalks, signage, lighting systems, curbs, water mains and lines, canals, sewer lines and drainage systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year.

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

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	50
Improvements other than buildings	20-40
Equipment	4-10
Drainage improvements/canals	50-75
Streets/roads/curbs	25-50
Water/sewer lines/mains/plants	50
System infrastructure	20-50

Governmental funds:

Amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the fund financial statements.

F. Cash, Equity in Pooled Cash and Investments

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

The City adopted an investment policy to establish guidelines for the efficient management of its cash reserves. Section XIII of the investment policy identifies permitted instruments as follows:

- a) Intergovernmental Investment Pools as provided in Florida Statute 163.01.
- b) Prime Institutional Money Market Funds (Variable Share Price) rated AAAM or AA Af by Standards & Poor's.
- c) Money Market Funds (Fixed Share Price) rated AAAM by Standards & Poor's.
- d) Mutual Funds & Private Placement Funds rated above AA-f by Standard & Poor's.

Note 1 - Summary of Significant Accounting Policies (continued)

- e) Qualified Public Depositories as defined in Florida Statute 280.02.
- f) FDIC Swapped Deposits - Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Florida Statute. 218.415(23).
- g) Direct obligations of the United States Treasury, federal agencies and other instrumentalities of the United States.
- h) Debt instruments issued by the States, their Subdivisions, the Territories, their subdivisions, of the United States with a minimum long-term credit rating of A- by Standard & Poor's.
- i) Foreign Sovereign, Super Nationals and Debt of the State of Israel with a minimum long-term credit rating of A- by Standard & Poor's.
- j) Corporate Debt, Securitized Bank Instruments, Asset-Backed & Mortgage-Backed Securities with a minimum long-term credit rating of A- by Standard & Poor's, or if the security purchased is a money market instrument than a minimum of an A2 credit rating by Standard & Poor's.
- k) Repurchase Agreements with 102% collateralization.

The City records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or fair value as required by generally accepted accounting principles. Additional information regarding the fair value measurement of investments and amortized cost is disclosed in Note 5.

Cash and cash equivalents, for purposes of the statement of cash flows, includes pooled cash and investments which are defined as short-term, highly liquid investments with original maturities of three months or less.

G. Inventories and Prepaid Amounts

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

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

H. Unearned Revenue

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

I. Compensated Absences

Employees are granted compensated absence pay for vacation leave in varying amounts based on length of service. Vacation leave is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the liability and it is probable that the City will compensate the employees, now or upon termination or retirement. Sick leave is accrued as a liability to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies and is based on length of service and date of hire.

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. For the governmental funds, compensated absences are liquidated by the fund in which employees are compensated.

J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond 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. Debt issuance costs are recognized as an expenditure in the period incurred.

K. Deferred Outflows/Inflows of Resources

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

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

L. Fund Equity/Net Position

In the fund financial statements, governmental funds report fund balances according to the following classifications:

Non-spendable fund balance: Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of nonspendable fund balance include inventories, prepaid amounts, and the corpus (or principal) of a permanent fund. The City has classified prepaid items as nonspendable.

Restricted fund balance: Amounts that can be spent only for specific purposes stipulated by external resource providers such as granters, contributors, or laws and regulations.

Committed fund balance: Amounts that can be used only for the specific purposes determined by a formal action (ordinance) of the City's highest level of decision-making authority (City Commission). Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.

Note 1 - Summary of Significant Accounting Policies (continued)

Assigned fund balance: Amounts intended to be used for specific purposes that are neither considered restricted nor committed. Assignments of fund balance may be made by management based upon the direction of the City Commission annually through the budget process.

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

The City first uses 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.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the City's bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

M. Property Tax Revenue Recognition

Ad valorem taxes are based on the assessed values, determined by the Broward County Property Appraiser, as of January 1 of each year. Property taxes are levied on October 1 of each year and due as of November 1 (lien date) of each year. Broward County collects the taxes and remits the funds to the City, less a collection fee. Taxes may be paid upon receipt of such notice by Broward County, with a discount rate of four percent (4%) if paid in November, three percent (3%) if paid in December, two percent (2%) if paid in January, and one percent (1%) if paid in February. Revenue is recognized at the time monies are received from the County.

The millage rate levied by the City for the fiscal year ended September 30, 2021 was 7.4000.

N. Defined Benefit Pension Plan

In the government-wide statement of net position, liabilities are recognized for the City's proportionate share of the net pension liability for the Fire/Rescue Department. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Florida Retirement System defined benefit pension plan (FRS Pension Plan) and the Retiree Health Insurance Subsidy Program defined benefit pension plan (HIS Program), and additions to/deductions from the FRS Pension Plan's and the HIS Program's fiduciary net position have been determined on the same basis as they are reported by the FRS Pension Plan and the HIS Program Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Note 1 - Summary of Significant Accounting Policies (continued)

O. Use of Estimates

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

Note 2 - Budget Information

The City prepares and adopts budgets for all of its governmental and proprietary fund types, except the Transportation Surtax, Street Maintenance, Law Enforcement and Grants Special Revenue Funds.

Budgets are monitored at the activity level within each department; however, the legal level of budgetary control is at the department level. The City Manager has the authority to transfer amounts within department functions, however, only the City Commission can amend the adopted budget to transfer amounts between departments and/or appropriate additional funds.

Annual budgets are legally adopted on a basis consistent with GAAP, except for compensated absences in the governmental funds and principal payments in the proprietary funds. Compensated absence liabilities expected to be liquidated with expendable available resources are accrued as earned as opposed to being expended when paid. Principal payments on long-term debt within the proprietary funds are applied to outstanding liabilities in the financial statement as opposed to being expended on a budgetary basis.

The City established the following budgetary procedures reflected in the financial statements:

Not later than 75 days before the end of each fiscal year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1.

The budget proposal is made available for inspection in the Office of the City Clerk for a period of at least ten days preceding the first public hearing to adopt the budget. Additionally, the adopted budget is made available to the public on the City's website.

Prior to October 1, the budget is legally enacted through passage of an ordinance.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Unexpended appropriations lapse at year-end; however, unexpended capital appropriations are simultaneously added to and re-appropriated in the subsequent year's budget.

City of North Lauderdale, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 3 - Receivables

Receivables for the fiscal year ended September 30, 2021 for the City's major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire/Rescue Fund	Capital Projects Fund	Other Nonmajor Funds	Total
Accounts receivable	\$ 240,393	\$ 5,527,113	\$ -	\$ -	\$ 5,767,506
Taxes	318,569	-	-	-	318,569
Franchise	399,707	-	-	-	399,707
Intergovernmental	308,176	-	114,966	136,958	560,100
Gross receivables	<u>1,266,845</u>	<u>5,527,113</u>	<u>114,966</u>	<u>136,958</u>	<u>7,045,882</u>
Allowance	<u>(128,949)</u>	<u>(4,325,343)</u>	<u>-</u>	<u>-</u>	<u>(4,454,292)</u>
Net	<u>\$ 1,137,896</u>	<u>\$ 1,201,770</u>	<u>\$ 114,966</u>	<u>\$ 136,958</u>	<u>\$ 2,591,590</u>

Receivables for the fiscal year ended September 30, 2021, for the City's major business-type activities are as follows:

	Major Fund Utilities Fund	Nonmajor Stormwater Fund	Total
Accounts receivable	\$ 2,011,187	\$ 10,083	\$ 2,021,270
Allowance	<u>(434,466)</u>	<u>-</u>	<u>(434,466)</u>
Net	<u>\$ 1,576,721</u>	<u>\$ 10,083</u>	<u>\$ 1,586,804</u>

Accounts receivable on the statement of net position are shown net of an allowance for uncollectible accounts. Management determines the allowance based on a review of accounts and their knowledge of the creditors and their ability to pay.

Note 4 - Interfund Transactions

Interfund transfers for the year ended September 30, 2021 were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,062,530
Fire/Rescue Fund	2,350,880	-
Water Control District Fund	111,650	-
Capital Projects Fund	<u>600,000</u>	<u>-</u>
	<u>\$ 3,062,530</u>	<u>\$ 3,062,530</u>

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them.

Note 5 - Deposits and Investments

Deposits - Deposits consist of interest and noninterest-bearing demand accounts. All of the City's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

Investments: The City's investments were held as follows at September 30, 2021:

	Fair Value	Credit Risk Moody's/S&P	Maturities	
			Less than 1 year	1-5 years
Federal Home Loan Mortgage Corporation	\$ 3,994,510	AAA	\$ -	\$ 3,994,510
Federal Farm Credit Bank	2,025,124	AAA	2,025,124	-
Federal National Mortgage Association	3,000,073	AAA	1,021,973	1,978,100
Federal Home Loan Bank	7,963,148	AAA	2,041,544	5,921,604
Corporate Bonds	3,944,386	AA1-AA2	-	3,944,386
Municipal Bonds	2,133,411	AAA-AA1	-	2,133,411
United States Treasury Notes	20,152,481	N/A	11,152,343	9,000,138
	<u>\$ 43,213,133</u>		<u>\$ 16,240,984</u>	<u>\$ 26,972,149</u>
Investments measured at amortized cost				
Wells Fargo Advantage 100% Treasury Money Market Fund	\$ 13,268,994	AAAm	Weighted average of the fund portfolio: 50 days	
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	<u>54,793,921</u>	AAAm	Weighted average of the fund portfolio: 49 days	
	<u>\$ 68,062,915</u>			

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The City has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Credit risk - Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments. The City has no formal policy for managing credit risk.

Note 5 -Deposits and Investments (continued)

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The City shall only purchase securities from financial institutions that are qualified as public depositories by the Treasurer of the State of Florida; institutions designated as Primary Securities Dealers by the Federal Reserve Bank of New York, direct issuers of commercial paper and bankers' acceptances or approved non-primary securities dealers. All approved non-primary securities dealers that qualify under Security and Exchange Commission Rule 15C3-1 (Uniform net Capital Rule) must provide certain information prior to executing investment trades with the City. The City's investments are uninsured, unregistered, and held by the custodial bank in the City's name.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City limits concentration of credit risk through diversification to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. The investment policy has established maximum exposure parameters for each investment type.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. To control this risk, the City limits the maturities of investments from five to ten years depending on the type of investment, unless the investment can be matched with a specific cash flow requirement.

Fair Value Measurement - When applicable, the City measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City has the ability to access;
- Level 2: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, some of the City's investments have been reported at amortized cost above.

Note 5 -Deposits and Investments (continued)

The following table summarizes the Plan's investments within the fair value hierarchy at September 30, 2021:

	Fair Value	Level 1	Level 2
Federal Home Loan Mortgage Corporation	\$ 3,994,510	\$ -	\$ 3,994,510
Federal Farm Credit Bank	2,025,124	-	2,025,124
Federal National Mortgage Association	3,000,073	-	3,000,073
Federal Home Loan Bank	7,963,148	-	7,963,148
Corporate Bonds	3,944,386	-	3,944,386
Municipal Bonds	2,133,411	-	2,133,411
United States Treasury Notes	20,152,481	20,152,481	-
	<u>\$ 43,213,133</u>	<u>\$ 20,152,481</u>	<u>\$ 23,060,652</u>

The investments were valued using the following approaches:

- U.S. Treasuries were valued using prices quoted in active markets by a third-party pricing service based on actual trades in the securities.
- U.S. Agencies (i.e., Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were valued using prices quoted in active markets by a third-party pricing service based on actual trades in very similar securities.
- Investment grade corporate and municipal bonds were valued by a third-party pricing service based on a combination of matrix pricing, actual observable trades in similar securities, and yield curve analysis.

External Investment Pool - With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days".

Note 5 -Deposits and Investments (continued)

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Note 6 - Capital Assets

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

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,394,065	\$ -	\$ -	\$ 6,394,065
Construction in progress	105,429	1,661,643	-	1,767,072
Residual interest in assets held by Broward County Sheriffs Office	489,626	-	-	489,626
Total capital assets, not being depreciated	6,989,120	1,661,643	-	8,650,763
Capital assets, being depreciated:				
Buildings	18,933,224	-	-	18,933,224
Improvement other than buildings	17,391,054	74,934	-	17,465,988
Machinery and equipment	7,939,308	354,933	560,611	7,733,630
Infrastructure	19,218,360	140,628	-	19,358,988
Total capital assets, being depreciated	63,481,946	570,495	560,611	63,491,830
Less accumulated depreciation for:				
Buildings	9,267,673	289,642	-	9,557,315
Improvement other than buildings	10,961,093	708,273	-	11,669,366
Machinery and equipment	5,787,977	526,810	539,308	5,775,479
Infrastructure	16,439,786	237,978	-	16,677,764
Total accumulated depreciation	42,456,529	1,762,703	539,308	43,679,924
Total capital assets, being depreciated, net	21,025,417	(1,192,208)	21,303	19,811,906
Governmental activities capital assets, net	\$ 28,014,537	\$ 469,435	\$ 21,303	\$ 28,462,669

In connection with an agreement with the Broward County Sheriff's Office ("BSO") to provide police services to the City (see Note 14), the City previously transferred certain vehicles and equipment with a book value of \$ 489,626 to BSO for its operation and use. These assets, which are included under capital assets as "Residual interest in assets held by Broward County Sheriff's Office", are not being depreciated since the City has a reversionary interest in the transferred assets.

The North Lauderdale Water Control District maintains property, equipment and infrastructure with a cost of \$ 4,471,404 and accumulated depreciation of \$ 1,672,002 as of September 30, 2021. Net property, equipment and infrastructure in the amount of \$ 2,799,402 are included in capital assets being depreciated.

City of North Lauderdale, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 6 - Capital Assets (continued)

Included in the buildings classification above, is a school building, which is currently being leased as discussed in further detail in Note 16. The cost of the building is \$ 7,412,016.

	Beginning Balance, as reclassified	Additions and Transfers	Retirements and Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 86,365	\$ -	\$ -	\$ 86,365
Construction in progress	-	68,251	-	68,251
Total capital assets, not being depreciated	<u>86,365</u>	<u>68,251</u>	<u>-</u>	<u>154,616</u>
Capital assets, being depreciated:				
Improvement other than buildings	364,152	-	-	364,152
Machinery and equipment	768,912	847,946	12,668	1,604,190
Infrastructure	28,829,031	-	-	28,829,031
Total capital assets, being depreciated	<u>29,962,095</u>	<u>847,946</u>	<u>12,668</u>	<u>30,797,373</u>
Less accumulated depreciation for:				
Improvement other than buildings	265,637	17,932	-	283,569
Machinery and equipment	400,551	71,587	12,668	459,470
Infrastructure	18,258,934	562,566	-	18,821,500
Total accumulated depreciation	<u>18,925,122</u>	<u>652,085</u>	<u>12,668</u>	<u>19,564,539</u>
Total capital assets, being depreciated, net	<u>11,036,973</u>	<u>195,861</u>	<u>-</u>	<u>11,232,834</u>
Business-type activities capital assets, net	<u>\$ 11,123,338</u>	<u>\$ 264,112</u>	<u>\$ -</u>	<u>\$ 11,387,450</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 346,852
Public safety	272,915
Public works, including depreciation of general infrastructure assets	754,202
Culture and recreation	274,512
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	<u>114,222</u>
Total depreciation expense, governmental activities	<u>\$ 1,762,703</u>
Business-type activities:	
Utilities	\$ 604,416
Stormwater	<u>47,669</u>
Total depreciation expense, business-type activities	<u>\$ 652,085</u>

Note 7 - Restricted Assets/Payable from Restricted Assets

Restricted assets include cash that is restricted for the payment of customer security deposits recorded in the Utilities Fund in the aggregate amount of \$ 771,338.

Note 8 - Long-Term Liabilities

At September 30, 2021, long-term liabilities consisted of the following for governmental and business-type activities:

Capital Leases - In February and March 2021, the City’s governmental funds entered into capital lease agreements with a third party for the acquisition of certain equipment totaling \$ 160,852. The leases are payable in varying monthly installments of principal and interest, at rates ranging from 4.0% to 4.5%. The leases mature in February and March 2026.

The City had the following changes in long-term liabilities for the year ended September 30, 2021 for governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Capital leases	\$ -	\$ 160,852	\$ 16,348	\$ 144,504	\$ 30,064
Compensated absences	<u>1,270,878</u>	<u>955,638</u>	<u>901,775</u>	<u>1,324,741</u>	<u>109,487</u>
 Total Long-Term Liabilities	 <u>\$ 1,270,878</u>	 <u>\$ 1,116,490</u>	 <u>\$ 918,123</u>	 <u>\$ 1,469,245</u>	 <u>\$ 139,551</u>

Capital lease debt service requirements to maturity, including interest are estimated as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 30,064	\$ 5,758
2023	31,416	4,407
2024	32,827	2,998
2025	34,301	1,521
2026	<u>15,896</u>	<u>186</u>
	 <u>\$ 144,504</u>	 <u>\$ 14,870</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

Capital Leases - In March 2021, the City’s Utility Fund entered into capital lease agreements with a third party for the acquisition of certain equipment totaling \$ 122,322. The leases are payable in varying monthly installments of principal and interest, at rates ranging from 4.3% to 4.5%. The leases mature in March 2026.

City of North Lauderdale, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 8 - Long-Term Liabilities (continued)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Capital leases	\$ -	\$ 122,322	\$ 11,245	\$ 111,077	\$ 22,843
Compensated absences	<u>150,720</u>	<u>113,848</u>	<u>111,455</u>	<u>153,113</u>	<u>11,154</u>
 Total Long-Term Liabilities	 <u>\$ 150,720</u>	 <u>\$ 236,170</u>	 <u>\$ 122,700</u>	 <u>\$ 264,190</u>	 <u>\$ 33,997</u>

Capital lease debt service requirements to maturity, including interest are estimated as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 22,843	\$ 4,383
2023	23,857	3,368
2024	24,915	2,308
2025	26,021	1,202
2026	<u>13,441</u>	<u>172</u>
	 <u>\$ 111,077</u>	 <u>\$ 11,433</u>

Note 9 - Defined Contribution Pension Plan

All permanent full-time employees are covered by a defined contribution retirement plan. Vesting requirements, as well as contribution amounts, are determined by group classification within the plan. The plan was established, and the provisions of the plan, including contribution rates, may be amended by Resolution of the City Commission. Non-vested plan forfeitures, classified as investments with plan agent, are restricted by the plan and may only be used toward the City's payment of its future contributions. The plan is administered by ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City's policy is to fund the annual pension costs in the annual budget. The City has no fiduciary responsibility for the plan and therefore does not report the balances or activities in its financial statements. At September 30, 2021 there were 99 active plan members. The City's contributions to the plan were either 14% or 25% of each eligible employee's regular base pay depending on group classification. Participating eligible employees are required to contribute 5% of their base pay.

The City's total payroll in fiscal year 2021 was approximately \$ 6,370,300 (excluding firefighters not covered by this plan). The City's contributions were calculated using wages subject to retirement plan contributions (covered payroll) in the amount of approximately \$ 5,346,000. The City and eligible employees made their respective contributions during the fiscal year. The amount contributed by the City for the fiscal year ended September 30, 2021 was approximately \$ 783,100. Eligible employees contributed approximately \$ 333,700 during fiscal year ended September 30, 2021.

Note 10 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. In January 1997, the City executed a Trust Agreement with its plan agent transferring plan assets into a trust account for the sole and exclusive benefit of City employees. Except for the plan provisions related to loans, the deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. ICMA Retirement Corporation administers the plan. Except for the plan provisions related to loans, the City has no fiduciary responsibility for the plan and, therefore, the City does not report the balances and activities in its financial statements.

Note 11 - Defined Benefit Pension Plan

General Information - The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Provisions relating to the FRS are also contained in Chapter 112, Florida Statutes that established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

On November 1, 2003, the City's full-time firefighters joined FRS. All of the City's full-time firefighters are eligible to enroll as members of the FRS. All rates, benefits and amendments are established by the State of Florida through its legislative body.

FRS Pension Plan

Plan Description - The FRS Pension Plan (Plan) is a state-administered retirement system that is a multiple-employer cost sharing defined benefit plan. The FRS has various classes of memberships. The City's firefighters fall under the Special Risk Class. All certified firefighters/paramedics and certified firefighters/emergency medical technicians are covered by this class.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS Pension Plan. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, by calling (877) 377-1737 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Employees enrolled in the Plan beginning July 1, 2001 through June 30, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

- For members initially enrolled in the Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Note 11 - Defined Benefit Pension Plan (continued)

- For members initially enrolled in the Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

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

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

Benefits Provided - Benefits are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

<u>Class, Initial Enrollment, and Years of Service</u>	<u>% Value</u>
Special Risk Class:	
Service from Dec 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan. The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3% per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3%. Each pension plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011 will not have a COLA after retirement.

Note 11 - Defined Benefit Pension Plan (continued)

Contributions - The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021 fiscal year were as follows:

Class	Percent of Gross Salary July 1, 2020 to June 30, 2021		Percent of Gross Salary July 1, 2021 to June 30, 2022	
	Employee	Employer	Employee	Employer
FRS, Special Risk	3%	22.73%	3%	24.17%

An additional administrative/educational fee of 0.06 percent is also paid by the City, which has not been included in the contribution rates reported above. The City contributed 100% of its statutorily required contributions for the current and preceding three years. The City's contributions to the Plan totaled \$ 831,766 for the fiscal year ended September 30, 2021. This excludes the Retiree Health Insurance Subsidy Program defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2021, the City reported a liability of \$ 1,646,822 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. At June 30, 2021, the City's proportionate share was .0218%, which was a decrease of .0024% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021 the City recognized pension expense (income) of \$ (29,041) related to the FRS Pension Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 282,268	\$ -
Change of assumptions	1,126,838	-
Net difference between projected and actual earnings on FRS Pension Plan investments	-	(5,745,350)
Changes in proportion and differences between City's FRS Pension Plan contributions and proportionate share of FRS Pension Plan contributions	287,597	(691,839)
City's FRS Pension Plan contributions subsequent to the measurement date.	234,186	-
Total	\$ 1,930,889	\$ (6,437,189)

Note 11 - Defined Benefit Pension Plan (continued)

The deferred outflows of resources related to pensions, totaling \$ 234,186, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2022	\$ (823,105)
2023	(980,449)
2024	(1,265,727)
2025	(1,589,823)
2026	(81,382)
Thereafter	-
Total	<u>\$ (4,740,486)</u>

Actuarial Assumptions - The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Inflation	2.40%
Salary increases including inflation	3.25%
	PUB2010 base table varies by member category and sex, projected generationally with Scale MP
Mortality	2018
Actuarial cost method	Individual Entry Age
Discount rate	6.80%
Long-term expected rate of return, net of investment expense	6.80%
Municipal bond rate (1)	N/A

(1) The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The following changes in actuarial assumptions occurred in 2021: The long-term expected rate of return remained the same at 6.80%. In 2020, the long-term expected rate of return was decreased from 6.90% to 6.80%. In 2019, the long-term expected rate of return was decreased from 7.00% to 6.90%. In 2018, the long-term expected rate of return was decreased from 7.10% to 7.00%. In 2017, the long-term expected rate of return was decreased from 7.60% to 7.10%.

The actuarial assumptions that determined the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Note 11 - Defined Benefit Pension Plan (continued)

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.2%

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

Sensitivity of the City's Proportionate Share of the Net Position Liability (Asset) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase (7.8%)</u>
City's proportionate share of net pension liability (asset)	\$ 7,364,700	\$ 1,646,822	\$ (3,132,682)

Retiree Health Insurance Subsidy Program

Plan Description - The Retiree Health Insurance Subsidy Program (HIS Program) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the HIS Program. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, by calling (877) 377-1737 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Note 11 - Defined Benefit Pension Plan (continued)

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$ 5. The payments are at least \$ 30 but not more than \$ 150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Program benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions - The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Program totaled \$ 64,685 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2021, the City reported a net pension liability of \$ 1,322,706 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. At June 30, 2021, the City's proportionate share was .01078%, which was an increase of .00074% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized a pension expense of \$ 117,599 related to the HIS Program. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,261	\$ (554)
Change of assumptions	103,935	(54,499)
Net difference between projected and actual earnings on HIS Program pension plan investments	1,379	-
Changes in proportion and differences between City's HIS Program contributions proportionate share of HIS Program contributions	119,709	(8,253)
City's HIS Program contributions subsequent to the measurement date.	16,828	-
Total	\$ 286,112	\$ (63,306)

Note 11 - Defined Benefit Pension Plan (continued)

The deferred outflows of resources related to pensions, totaling \$ 16,828, resulting from City contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 49,176
2023	31,756
2024	37,134
2025	41,196
2026	36,753
Thereafter	<u>9,963</u>
Total	<u>\$ 205,978</u>

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

Valuation date	July 1, 2020
Measurement date	June 30, 2021
Inflation	2.40%
Salary increases including inflation	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age
Discount rate	2.16%
Long-term expected rate of return, net of investment expense	N/A
Municipal bond rate (1)	2.16%

(1) In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference.

The following changes in actuarial assumptions occurred in 2021: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%. In 2020, the municipal rate used to determine the total pension liability was decreased from 3.5% to 2.21%. In 2019, the municipal rate used to determine total pension liability was decreased from 3.87% to 3.5%. In 2018, the municipal rate used to determine total pension liability was increased from 3.58% to 3.87%. In 2017, the municipal rate used to determine total pension liability was increased from 2.85% to 3.58%. In 2016, the municipal rate was decreased from 3.80% to 2.85%.

Note 11 - Defined Benefit Pension Plan (continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
City's proportionate share of net pension liability	\$ 1,529,176	\$ 1,322,706	\$ 1,153,550

Aggregate amounts for all plans -

	<u>FRS Pension Plan</u>	<u>HIS FRS Plan</u>	<u>Total</u>
Net pension liability	\$ 1,646,822	\$ 1,322,706	\$ 2,969,528
Deferred outflows of resources	\$ 1,930,889	\$ 286,112	\$ 2,217,001
Deferred inflows of resources	\$ 6,437,189	\$ 63,306	\$ 6,500,495
Pension expense (income)	\$ (29,041)	\$ 117,599	\$ 88,558

Note 12 - FRS - Defined Contribution Pension Plan

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

Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Special Risk Class), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member's accounts during the 2021 fiscal year were 14.00%.

Note 12 - FRS - Defined Contribution Pension Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance.

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of payroll and by forfeited benefits of Investment Plan members. The fee for the FRS Investment Plan was .06 percent.

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

The City's Investment Plan pension expense totaled \$ 57,484 for the fiscal year ended September 30, 2021.

Note 13 - Other Post-Employment Benefits

Pursuant to Section 112.0801, Florida Statutes, the City is required to offer eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The City does not provide retirees with any subsidy for this benefit.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated.

Plan Description:

The City provides a single employer defined benefit health care plan (OPEB plan). The plan allows its employees and their beneficiaries, at their own cost and until the attainment of age 65, to continue to obtain medical, dental, vision, and life insurance benefits upon retirement under the same fully insured plan that covers active employees. No explicit subsidy is provided to retirees. The benefits of the plan conform to Florida Statutes, which are the legal authority of the plan. The plan has no assets accumulated in a GASB-compliant trust. The plan does not issue a separate financial report and required supplementary information. There are no minimum required employer contributions.

Note 13 - Other Post-Employment Benefits (continued)

At September 30, 2021, the following employees were covered by benefit terms:

Inactive employee or beneficiaries currently receiving benefits	13
Inactive employee entitled to, not yet receiving benefits	-
Active employees	<u>146</u>
	<u><u>159</u></u>

Actuarial Assumptions

Significant actuarial assumptions used to calculate the total OPEB liability were as follows:

Measurement date	September 30, 2020
Actuarial valuation date	October 1, 2019
Actuarial assumptions:	
Discount rates	2.14% per year; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Salary increases	3% per year
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 6.50% for the 2019/20 fiscal year graded down by 0.50% per year to 5.00% for the 2022/23 and later fiscal years.
Age-related morbidity	Insurance premiums are assumed to increase with each year of age in accordance with the rates set forth in the Society of Actuaries report "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto (June, 2013). Rates set forth in Chart 2 (Group Costs by Age for 2009/10) were used to develop the morbidity rates prior to age 65 and the rates set forth in Table 4 (Development of Plan Specific Medicare Age Curve) were used to develop the morbidity rates after age 65.
Mortality basis	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-2020.
Retirement	Retirement is assumed to occur at age 60.
Health coverage election	50% of eligible employees are assumed to elect medical coverage upon retirement or disability; coverage is assumed to end at age 65.
Changes	Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum and the mortality improvement scale was updated from Scale MP-2017 to Scale MP-2020.

Note 13 - Other Post-Employment Benefits (continued)

Changes in Total OPEB Liability

Sources of changes in the total OPEB liability were as follows:

	<u>Total OPEB Liability</u>
Beginning balance	\$ 4,954,084
Changes due to:	
Service cost	675,172
Expected interest growth	118,185
Demographic gain/loss	(27,823)
Benefit payments and refunds	(214,290)
Assumption changes	<u>843,353</u>
Ending balance	<u>\$ 6,348,681</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate:

<u>1% Decrease (1.14%)</u>	<u>Current Discount Rate (2.14%)</u>	<u>1% Increase (3.14%)</u>
\$ 7,027,166	\$ 6,348,681	\$ 5,745,855

Sensitivity of the Total OPEB Liability Using Alternative Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease (5.50% decreasing to 4%)</u>	<u>Healthcare Cost Trend Rated (6.50% Graded Down to 5%)</u>	<u>1% Increase (7.50% Increasing to 6%)</u>
\$ 5,457,567	\$ 6,348,681	\$ 7,447,623

Note 13 - Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources

At September 30, 2021, the City reported deferred outflows/inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$ 3,069,077	\$ 343,956
Changes due to:		
Amortization payments	(379,788)	(38,451)
Demographic gain/loss	-	27,823
Assumption changes	843,353	-
Ending balance	<u>\$ 3,532,642</u>	<u>\$ 333,328</u>

Amounts reported as deferred inflows and outflows of resources will be recognized on OPEB expense as follows:

Year Ending September 30,	Amount
2022	\$ 341,337
2023	341,337
2024	341,337
2025	341,337
2026	341,337
Thereafter	<u>1,492,629</u>
Total	<u>\$ 3,199,314</u>

For the year ended September 30, 2021, the City recognized OPEB expense of \$ 920,404.

Note 14 - Commitments and Contingencies

Interlocal agreement: The Utilities Fund is a party to a large user agreement with Broward County (the "County") for wastewater disposal. The City is responsible for all construction, operation and maintenance of facilities up to the point of connection with the County system. Under the agreement, the City pays the County for wastewater transmission, treatment and disposal services on a monthly basis. The monthly charges include operation and maintenance, repair and replacement and debt service. The charges for operation and maintenance are based on actual flow and debt service charges are computed based on the ratio of reserved capacity of facility usage by the City to the total usage by all customers or users. The County imposes a penalty charge to customers exceeding their reserved treatment capacity for three consecutive months. During fiscal year 2003, the City purchased .4 MGD of additional sanitary sewer capacity from Broward County to avoid any such penalties. In addition, a surcharge, limited to a maximum of 10% on each monthly bill, is assessed in order to contribute to a repair and replacement fund maintained by the County. Expenditures totaled approximately \$ 2,966,000 related to the agreement for the fiscal year ended September 30, 2021.

Note 14 - Commitments and Contingencies (continued)

Agreement to provide police services: The City has an agreement with BSO to provide police services to the City through September 2021. In September 2021, the agreement was renewed for an additional five (5) year period. The agreement requires monthly payments with increases up to 5% and 9% per year, for certain categories of expenses, through the end of the agreement. Under the agreement, BSO has assumed the obligation for accrued compensated absences relating to police officers of the City as of the effective date of the agreement and will administer and make retirement plan contributions on behalf of such employees. See Note 6 for assets transferred to BSO under the agreement. Expenditures totaled approximately \$ 10,676,000 related to the agreement for the fiscal year ended September 30, 2021.

Agreement to provide utilities plant services: The City has an agreement with U.S. Water Services to provide operation and maintenance services for the City's Utilities plant and also to provide customer utility billing services. The agreement commenced January 1, 2014 for a term of five (5) years with an option for one (1) five (5) year renewal. The agreement provides for monthly payments with annual increases up to 5% per year and for the payment of certain categories of expenses. City expenditures totaled approximately \$ 1,642,000 related to the agreement for the fiscal year ended September 30, 2021.

Infrastructure projects: As of September 30, 2021, the City had ongoing infrastructure repair and maintenance projects, of which approximately \$ 5,375,000 had not been completed.

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

Note 15 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 1995, the City established an Insurance Internal Service Fund (the "Insurance Fund") to account for and finance its insurance costs and uninsured risks of loss. The City is financially responsible for a pro-rated portion of all claims incurred prior to February 28, 1995 as part of the Broward Risk Management Association risk pool. Under the current program provided by the Florida League of Cities, the Insurance Fund purchased first dollar commercial insurance coverage for worker's compensation claims. The City also purchases group health, dental, life and disability insurance coverage for its employees.

The Insurance Fund provides coverage up to a \$ 25,000 maximum for each general liability and \$ 2,500 for each property damage claim for the policy year ended September 30, 2021. The City purchases commercial insurance for claims in excess of coverage above the individual claim aggregate (presently \$ 1 million) and for all other risk losses.

Settled claims did not exceed this commercial coverage during the last three fiscal years.

Note 15 - Risk Management (continued)

All funds, except certain special revenue, debt service and capital projects funds, of the City participate in the program and make payments to the Insurance Fund based on management's estimate of amounts needed to pay the full cost of commercial insurance premiums, current year claims and payments to a reserve for catastrophe losses. The total net position balance was \$ 4,218,293 at September 30, 2021. A liability for claims incurred but not reported is recognized when it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the Insurance Fund's claims liability are as follows:

Fiscal Year Ended September 30,	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2019	\$ 215,394	\$ 6,727	\$ (9,560)	\$ 212,561
2020	212,561	7,200	(387)	219,374
2021	219,374	28,700	(9,514)	238,560

Note 16 - Operating Leases

On May 18, 2010, the City entered into a 10-year lease agreement with Somerset Academy, Inc., for the purpose of operating a charter school. The lease agreement, which expired June 30, 2020, had three additional five-year renewal options. On June 9, 2020, the City and Somerset Academy, Inc., agreed to exercise the initial two, five-year renewal options, for a ten-year renewal.

Minimum future rental payments on this lease as of September 30, 2021 are as follows:

Fiscal Year Ended September 30,	Annual Minimum Payments
2022	\$ 919,000
2023	986,000
2024	994,000
2025	1,003,000
2026	1,011,000
2027-2030	4,071,000
Thereafter	NONE

The annual rent shall be increased (but not decreased) by the percentage of change in the Consumer Price Index for all Urban Consumers for the Miami-Fort Lauderdale area. In addition, there are fixed increases in years 2024 through 2027. The increase is effective the following July 1st. The lessee has the option to purchase the property for the fair market value from the City at any time during the lease term and during any renewal periods thereafter, subject to consent from the City. For the fiscal year ended September 30, 2021, rental income received from the lease was approximately \$ 871,000.

Note 17 - Pronouncements Issued, But Not Yet Adopted

GASB Statement No. 87 - Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal year ending September 30, 2022.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for fiscal year ending September 30, 2022. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB Statement No. 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for fiscal year ending September 30, 2023. Earlier application is encouraged.

GASB Statement No. 92 - Omnibus 2020

The primary objective of this Statement was for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The requirements of this Statement are effective for fiscal year ending September 30, 2022. Earlier application is encouraged.

GASB Statement No. 93 - Replacement of Interbank Offered Rates

The primary objective for this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The Statement will be effective for fiscal year ending September 30, 2022.

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

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Issued in March 2020, this Statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangement (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The Statement will be effective for fiscal year ending September 30, 2023.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements

Issued in May 2020, the Statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The Statement will be effective for fiscal year ending September 30, 2023.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32

Issued in June 2020, the Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The Statement will be effective for fiscal year ending September 30, 2022.

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

City of North Lauderdale, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Beginning balance	\$ 4,954,084	\$ 1,875,404	\$ 1,428,116	\$ 1,296,587
Service Cost	675,172	463,266	175,401	152,290
Expected interest growth	118,185	80,208	57,076	47,405
Demographic experience	(27,823)	(35,978)	(232,802)	-
Benefit payments and refunds	(214,290)	(198,173)	(71,654)	(68,166)
Assumption changes	843,353	2,769,357	519,267	-
Ending balance	<u>\$ 6,348,681</u>	<u>\$ 4,954,084</u>	<u>\$ 1,875,404</u>	<u>\$ 1,428,116</u>
Covered payroll	8,740,642	7,923,805	7,082,248	7,089,467
Total OPEB liability as a percentage of covered payroll	72.63%	62.52%	26.48%	20.14%

Notes:

Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum and the mortality improvement scale was updated from Scale MP-2017 to Scale MP-2020.

Plan Assets. No assets are accumulated in a trust that meets all of the criteria of GASB No 75, paragraph 4, to pay benefits.

Information is only available for the years presented.

**City of North Lauderdale, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - Defined Benefit Pension Plan**

Florida Retirement System Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS Pension Plan net pension liability	0.021801062%	0.024165233%	0.022711581%	0.023110300%	0.023706399%	0.023071422%	0.020655326%	0.020794278%
City proportion share of the FRS Pension Plan net pension liability	\$ 1,646,822	\$ 10,473,568	\$ 7,821,552	\$ 6,960,948	\$ 7,012,194	\$ 5,825,552	2,667,912	1,268,757
City's covered payroll	\$ 3,817,156	\$ 3,486,722	\$ 2,984,586	\$ 3,160,692	\$ 3,066,064	\$ 2,825,316	2,246,501	2,012,145
City's proportionate share of the FRS Pension Plan net pension liability as a percentage of its covered payroll	43.14%	300.38%	262.06%	220.23%	228.70%	206.19%	118.76%	63.05%
FRS Pension Plan fiduciary net position as a percentage of total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Retiree Health Insurance Subsidy Program

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the HIS Pension Plan net pension liability	0.010783070%	0.010045223%	0.009551533%	0.009677062%	0.009619112%	0.009294624%	0.009336494%	0.009290828%
City proportion share of the HIS Pension Plan net pension liability	\$ 1,322,706	\$ 1,226,505	\$ 1,068,721	\$ 1,024,231	\$ 1,028,520	\$ 1,083,250	952,175	868,715
City's covered payroll	\$ 3,817,156	\$ 3,486,722	\$ 2,984,586	\$ 3,160,692	\$ 3,066,064	\$ 2,825,316	2,246,501	2,012,145
City's proportionate share of the HIS Pension Plan net pension liability as a percentage of its covered payroll	34.65%	35.18%	35.81%	32.41%	33.55%	38.34%	42.38%	43.17%
HIS Program fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Information is only available for the years presented.

**City of North Lauderdale, Florida
 Required Supplementary Information
 Schedule of Pension Contributions - Defined Benefit Pension Plan**

Florida Retirement System Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS Pension contributions	\$ 831,766	\$ 781,705	\$ 698,892	\$ 689,004	\$ 644,805	\$ 601,955	\$ 539,114	\$ 455,483
FRS Pension Plan contributions in relation to the contractually required contributions	(831,766)	(781,705)	(698,892)	(689,004)	(644,805)	(601,955)	(539,114)	(455,483)
FRS Pension Plan contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,896,731	\$ 3,572,278	\$ 3,026,058	\$ 3,142,626	\$ 3,065,005	\$ 2,938,839	\$ 2,948,160	\$ 2,077,184
FRS Pension Plan contributions as a percentage of covered payroll	21.35%	21.88%	23.10%	21.92%	21.04%	20.48%	18.29%	21.93%

Retiree Health Insurance Subsidy Program

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS Program contributions	\$ 64,685	\$ 59,300	\$ 50,232	\$ 52,168	\$ 50,879	\$ 48,785	\$ 40,250	\$ 31,827
HIS Program contributions in relation to the contractually required contributions	(64,685)	(59,300)	(50,232)	(52,168)	(50,879)	(48,785)	(40,250)	(31,827)
HIS Program contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,896,731	\$ 3,572,278	\$ 3,026,058	\$ 3,142,626	\$ 3,065,005	\$ 2,938,839	\$ 2,948,160	\$ 2,077,184
HIS Program contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.37%	1.53%

Note: Information is only available for the years presented.

City of North Lauderdale, Florida

Supplementary Information

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Street Maintenance Fund - This fund is used to account for street and sidewalk maintenance and rehabilitation programs.

Law Enforcement Fund - This fund is used to account for assets acquired pursuant to the "Florida Contraband Forfeiture Act." Proceeds may only be expected for law enforcement purposes that are not considered to be normal operating expenditures.

The Grants Special Revenue Fund - This fund is used to account for all Federal, State and local grants awarded to the City. As such, the fund is a self-balancing fund and does not accumulate a fund balance each year and all expenditures are offset by the applicable revenue from the granting agency.

City of North Lauderdale, Florida
Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Street Maintenance Fund</u>	<u>Law Enforcement Fund</u>	<u>Grants Fund</u>	
Assets:				
Cash and equity in pooled cash	\$ 621,712	\$ 199,060	\$ 132,720	\$ 953,492
Accounts receivable	64,170	-	72,788	136,958
Total assets	<u>\$ 685,882</u>	<u>\$ 199,060</u>	<u>\$ 205,508</u>	<u>\$ 1,090,450</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 21,265	\$ 1,000	\$ 153,479	\$ 175,744
Total liabilities	<u>21,265</u>	<u>1,000</u>	<u>153,479</u>	<u>175,744</u>
Fund Balances:				
Restricted for:				
Street maintenance	664,617	-	-	664,617
Law enforcement	-	198,060	-	198,060
Grants	-	-	52,029	52,029
Total fund balances	<u>664,617</u>	<u>198,060</u>	<u>52,029</u>	<u>914,706</u>
Total liabilities and fund balances	<u>\$ 685,882</u>	<u>\$ 199,060</u>	<u>\$ 205,508</u>	<u>\$ 1,090,450</u>

City of North Lauderdale, Florida
Supplementary Information
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
	Street Maintenance Fund	Law Enforcement Fund	Grants Fund	
Revenues:				
Intergovernmental	\$ 1,223,775	\$ -	\$ 275,643	\$ 1,499,418
Fines and forfeitures	-	31,162	-	31,162
Interest income	147	183	-	330
Total revenues	<u>1,223,922</u>	<u>31,345</u>	<u>275,643</u>	<u>1,530,910</u>
Expenditures:				
Current:				
Public works	615,010	-	-	615,010
Community development	-	-	278,522	278,522
Public safety	-	2,500	-	2,500
Debt:				
Principal retirement	5,807	-	-	5,807
Interest expense	1,143	-	-	1,143
Total expenditures	<u>621,960</u>	<u>2,500</u>	<u>278,522</u>	<u>902,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>601,962</u>	<u>28,845</u>	<u>(2,879)</u>	<u>627,928</u>
Other Financing Sources (Uses):				
Capital lease	<u>62,655</u>	<u>-</u>	<u>-</u>	<u>62,655</u>
Total other financing sources (uses)	<u>62,655</u>	<u>-</u>	<u>-</u>	<u>62,655</u>
Net change in fund balances	664,617	28,845	(2,879)	690,583
Fund Balances, Beginning	<u>-</u>	<u>169,215</u>	<u>54,908</u>	<u>224,123</u>
Fund Balances, Ending	<u>\$ 664,617</u>	<u>\$ 198,060</u>	<u>\$ 52,029</u>	<u>\$ 914,706</u>

City of North Lauderdale, Florida

Supplementary Information

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 City, on a cost reimbursement basis.

Vehicle Maintenance Fund - This fund is used to account for accumulation and allocation of costs associated with the acquisition and maintenance of the City's vehicle fleet and the maintenance of light and heavy equipment.

Information Technology Fund - This fund is used to account for the accumulation and allocation of costs associated with electronic data processing.

Insurance Fund - This fund is used to account for the accumulation and allocation of costs associated with, but not limited to, general liability, automobile, property and workers' compensation premiums.

City of North Lauderdale, Florida
Supplementary Information
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	<u>Vehicle Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Assets:				
Current Assets:				
Cash and equity in pooled cash	\$ 464,540	\$ 71,332	\$ 113,934	\$ 649,806
Investments	<u>1,003,520</u>	<u>2,010,298</u>	<u>4,342,919</u>	<u>7,356,737</u>
Total current assets	<u>\$ 1,468,060</u>	<u>\$ 2,081,630</u>	<u>\$ 4,456,853</u>	<u>\$ 8,006,543</u>
Capital Assets:				
Construction in progress	-	286,099	-	286,099
Improvements other than buildings	-	72,933	-	72,933
Machinery, equipment, furnishings and other	-	1,275,753	-	1,275,753
Less accumulated depreciation	<u>-</u>	<u>(885,357)</u>	<u>-</u>	<u>(885,357)</u>
Net capital assets	<u>-</u>	<u>749,428</u>	<u>-</u>	<u>749,428</u>
Total assets	<u>\$ 1,468,060</u>	<u>\$ 2,831,058</u>	<u>\$ 4,456,853</u>	<u>\$ 8,755,971</u>
Liabilities and Net Position:				
Liabilities:				
Current Liabilities:				
Accounts payable and other liabilities	\$ 2,271	\$ 12,429	\$ 238,560	\$ 253,260
Accrued compensated absences	<u>-</u>	<u>1,962</u>	<u>-</u>	<u>1,962</u>
Total current liabilities	<u>2,271</u>	<u>14,391</u>	<u>238,560</u>	<u>1,962</u>
Long-Term Liabilities:				
Accrued compensated absences	<u>-</u>	<u>66,834</u>	<u>-</u>	<u>66,834</u>
Total long-term liabilities	<u>-</u>	<u>66,834</u>	<u>-</u>	<u>66,834</u>
Total liabilities	<u>2,271</u>	<u>81,225</u>	<u>238,560</u>	<u>322,056</u>
Net Position:				
Investment in capital assets	-	749,428	-	749,428
Unrestricted	<u>1,465,789</u>	<u>2,000,405</u>	<u>4,218,293</u>	<u>7,684,487</u>
Total net position	<u>\$ 1,465,789</u>	<u>\$ 2,749,833</u>	<u>\$ 4,218,293</u>	<u>\$ 8,433,915</u>

City of North Lauderdale, Florida
Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2021

	<u>Vehicle Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ -	\$ 1,296,570	\$ 553,090	\$ 1,849,660
Total operating revenues	<u>-</u>	<u>1,296,570</u>	<u>553,090</u>	<u>1,849,660</u>
Operating Expenses:				
Personnel	-	459,878	-	459,878
Other operating expenses	140,543	602,919	758,754	1,502,216
Depreciation	-	114,222	-	114,222
Total operating expenditures	<u>140,543</u>	<u>1,177,019</u>	<u>758,754</u>	<u>2,076,316</u>
Operating income (loss)	<u>(140,543)</u>	<u>119,551</u>	<u>(205,664)</u>	<u>(226,656)</u>
Nonoperating Revenues (Expenses):				
Interest income	1,832	3,554	5,578	10,964
Insurance recovery	-	-	44,718	44,718
Intergovernmental	-	80,489	-	80,489
Total nonoperating revenues (expenses)	<u>1,832</u>	<u>84,043</u>	<u>50,296</u>	<u>136,171</u>
Change in net position	(138,711)	203,594	(155,368)	(90,485)
Net Position, Beginning	<u>1,604,500</u>	<u>2,546,239</u>	<u>4,373,661</u>	<u>8,524,400</u>
Net Position, Ending	<u>\$ 1,465,789</u>	<u>\$ 2,749,833</u>	<u>\$ 4,218,293</u>	<u>\$ 8,433,915</u>

City of North Lauderdale, Florida
Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021

	<u>Vehicle Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ -	\$ 1,296,570	\$ 553,090	\$ 1,849,660
Payments to suppliers	(150,966)	(631,450)	(739,568)	(1,521,984)
Payments to employees	-	(444,650)	-	(444,650)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	<u>(150,966)</u>	<u>220,470</u>	<u>(186,478)</u>	<u>(116,974)</u>
Cash Flows from Noncapital Financing Activities:				
Receipts from local government agencies	-	80,489	-	80,489
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>80,489</u>	<u>-</u>	<u>80,489</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	-	(286,099)	-	(286,099)
Insurance recovery	-	-	44,718	44,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(286,099)</u>	<u>44,718</u>	<u>(241,381)</u>
Cash Flows from Investing Activities:				
Purchase of investments	(501,235)	(502,767)	(797,521)	(1,801,523)
Sale of investments	-	-	942,216	942,216
Interest received	1,832	3,554	5,578	10,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	<u>(499,403)</u>	<u>(499,213)</u>	<u>150,273</u>	<u>(848,343)</u>
Net increase (decrease) in cash and equity in pooled cash	<u>(650,369)</u>	<u>(484,353)</u>	<u>8,513</u>	<u>(1,126,209)</u>
Cash and Equity in Pooled Cash, Beginning	<u>1,114,909</u>	<u>555,685</u>	<u>105,421</u>	<u>1,776,015</u>
Cash and Equity in Pooled Cash, Ending	<u>\$ 464,540</u>	<u>\$ 71,332</u>	<u>\$ 113,934</u>	<u>\$ 649,806</u>

City of North Lauderdale, Florida
Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
(Continued)
For the Year Ended September 30, 2021

	<u>Vehicle Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ (140,543)	\$ 119,551	\$ (205,664)	\$ (226,656)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	114,222	-	114,222
Increase (decrease) in liabilities:				
Accounts payable and other liabilities	(10,423)	(28,531)	19,186	(19,768)
Compensated absences	-	15,228	-	15,228
Total adjustments	<u>(10,423)</u>	<u>100,919</u>	<u>19,186</u>	<u>109,682</u>
Net cash provided (used) by operating activities	<u>\$ (150,966)</u>	<u>\$ 220,470</u>	<u>\$ (186,478)</u>	<u>\$ (116,974)</u>

City of North Lauderdale, Florida
 Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 Capital Projects Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 75,000	\$ 75,000	\$ 14,670	\$ (60,330)
Intergovernmental	2,718,410	2,718,410	114,966	(2,603,444)
Total	2,793,410	2,793,410	129,636	(2,663,774)
Expenditures:				
Public works	720,220	1,356,751	753,306	603,445
Parks and recreation	675,000	675,000	67,252	607,748
Contingency	1,998,190	1,998,190	-	1,998,190
Total expenditures	3,393,410	4,029,941	820,558	3,209,383
Excess (deficiency) of revenues over (under) expenditures	(600,000)	(1,236,531)	(690,922)	545,609
Other Financing Sources (Uses):				
Use of fund balance	-	636,531	-	(636,531)
Transfers in	600,000	600,000	600,000	-
Total other financing sources (uses)	600,000	1,236,531	600,000	(636,531)
Net change in fund balance	\$ -	\$ -	(90,922)	\$ (90,922)
Fund Balance, Beginning			11,840,012	
Fund Balance, Ending			\$ 11,749,090	

STATISTICAL SECTION

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

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
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These schedules contain information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.	
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Capital assets by function	S20

**City of North Lauderdale, Florida
Net Position by Components
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental										
Activities:										
Net investment in capital assets	\$ 29,336,243	\$ 29,370,533	\$ 28,437,257	\$ 29,479,670	\$ 28,289,783	\$ 27,952,548	\$ 27,872,339	\$ 27,930,636	\$ 28,014,537	\$ 28,318,165
Restricted	3,607,006	3,750,171	3,102,370	2,508,833	2,643,475	2,455,906	2,673,281	2,853,219	4,141,541	5,693,712
Unrestricted	37,162,673	38,855,033	40,993,868	39,955,045	43,608,846	48,235,719	50,602,568	55,454,301	57,969,635	60,956,331
Total governmental activities net position	\$ 70,105,922	\$ 71,975,737	\$ 72,533,495	\$ 71,943,548	\$ 74,542,104	\$ 78,644,173	\$ 81,148,188	\$ 86,238,156	\$ 90,125,713	\$ 94,968,208
Business-type										
Activities:										
Net investment in capital assets	\$ 14,083,183	\$ 14,305,201	\$ 13,238,794	\$ 12,779,308	\$ 12,632,221	\$ 11,990,542	\$ 11,369,400	\$ 10,780,920	\$ 11,123,338	\$ 11,276,373
Unrestricted	16,660,089	20,202,572	23,148,544	25,876,593	28,077,282	31,714,006	35,431,935	39,378,952	43,499,613	45,566,807
Total business-type activities net position	\$ 30,743,272	\$ 34,507,773	\$ 36,387,338	\$ 38,655,901	\$ 40,709,503	\$ 43,704,548	\$ 46,801,335	\$ 50,159,872	\$ 54,622,951	\$ 56,843,180
Primary Government:										
Net investment in capital assets	\$ 43,419,426	\$ 43,675,734	\$ 41,676,051	\$ 42,258,978	\$ 40,922,004	\$ 39,943,090	\$ 39,241,739	\$ 38,711,556	\$ 39,137,875	\$ 39,594,538
Restricted	3,607,006	3,750,171	3,102,370	2,508,833	2,643,475	2,455,906	2,673,281	2,853,219	4,141,541	5,693,712
Unrestricted	53,822,762	59,057,605	64,142,412	65,831,638	71,686,128	79,949,725	86,034,503	94,833,253	101,469,248	106,523,138
Total primary government net position	\$ 100,849,194	\$ 106,483,510	\$ 108,920,833	\$ 110,599,449	\$ 115,251,607	\$ 122,348,721	\$ 127,949,523	\$ 136,398,028	\$ 144,748,664	\$ 151,811,388

(1) The City's beginning net position was restated for the effect of adoption of GASB No. 68 and 71, the restatement decreased net position by (\$4,718,803).

(2) The City's beginning net position was restated for the effect of adoption of GASB No. 75, the restatement increased beginning net position by \$ 174,413.

**City of North Lauderdale, Florida
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 3,242,231	\$ 3,600,906	\$ 4,125,255	\$ 3,817,505	\$ 4,131,349	\$ 3,243,229	\$ 3,277,951	\$ 3,563,904	\$ 4,821,862	\$ 4,117,810
Public safety	13,442,631	14,084,825	14,694,392	14,709,447	15,933,483	16,303,184	17,278,440	18,428,800	19,480,855	18,354,559
Community development	1,918,200	2,163,929	2,393,815	2,672,229	2,710,887	2,339,440	3,127,596	2,810,500	3,210,311	4,178,267
Public works	3,932,227	5,341,344	5,142,223	4,912,282	5,443,427	5,261,889	8,225,783	7,538,774	5,974,212	6,570,210
Parks and recreation	3,955,195	4,017,915	4,227,353	4,279,431	4,620,787	4,802,940	4,880,094	4,984,801	4,517,059	5,138,878
Interest	623,976	195,189	170,199	144,006	116,555	87,784	57,632	26,029	2,343	3,390
Total governmental activities expenses	<u>27,114,460</u>	<u>29,404,108</u>	<u>30,753,237</u>	<u>30,129,900</u>	<u>32,956,488</u>	<u>32,038,466</u>	<u>36,847,496</u>	<u>37,352,808</u>	<u>38,006,642</u>	<u>38,363,114</u>
Business-type activities:										
Water and wastewater	8,522,861	8,146,215	9,702,130	9,836,738	10,452,429	10,291,080	10,830,623	11,645,852	10,259,875	11,087,450
Stormwater	630,768	748,361	880,443	862,338	829,416	975,223	898,841	901,975	886,163	1,123,983
Total business-type activities expenses	<u>9,153,629</u>	<u>8,894,576</u>	<u>10,582,573</u>	<u>10,699,076</u>	<u>11,281,845</u>	<u>11,266,303</u>	<u>11,729,464</u>	<u>12,547,827</u>	<u>11,146,038</u>	<u>12,211,433</u>
Total primary government expenses	<u>\$ 36,268,089</u>	<u>\$ 38,298,684</u>	<u>\$ 41,335,810</u>	<u>\$ 40,828,976</u>	<u>\$ 44,238,333</u>	<u>\$ 43,304,769</u>	<u>\$ 48,576,960</u>	<u>\$ 49,900,635</u>	<u>\$ 49,152,680</u>	<u>\$ 50,574,547</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 5,514,121	\$ 6,752,084	\$ 6,300,605	\$ 6,818,617	\$ 6,861,483	\$ 6,825,007	\$ 6,929,849	\$ 7,282,234	\$ 6,360,400	\$ 6,941,274
Public safety	4,616,682	4,233,652	3,895,699	3,897,660	4,857,471	4,591,936	5,141,606	5,235,057	5,463,109	5,644,504
Community development	854,039	912,723	869,502	1,169,361	1,256,543	1,668,909	1,829,095	1,811,370	1,498,495	1,829,509
Public works	-	585,468	619,799	1,480,707	674,820	626,954	622,529	1,126,714	1,132,000	1,129,459
Parks and recreation	420,433	439,309	510,667	596,460	581,489	618,530	587,196	606,504	256,782	265,278
Operating grants and contributions	686,303	2,588,430	1,872,935	2,015,663	2,137,553	1,669,300	2,516,979	2,449,163	3,592,007	3,089,613
Capital grants and contributions	116,124	62,421	-	103,261	-	-	-	86,675	249,596	114,966
Total governmental activities program revenues	<u>12,207,702</u>	<u>15,574,087</u>	<u>14,069,207</u>	<u>16,081,729</u>	<u>16,369,359</u>	<u>16,000,636</u>	<u>17,627,254</u>	<u>18,597,717</u>	<u>18,552,389</u>	<u>19,014,603</u>
Business-type activities:										
Charges for services:										
Water and sewer	11,664,425	11,333,236	11,655,427	12,121,274	12,474,499	13,096,724	13,562,922	13,705,531	12,816,447	13,137,332
Stormwater	730,767	723,343	732,435	730,508	715,438	1,046,130	1,196,784	1,161,208	1,233,379	1,143,363
Operating grants and contributions	-	-	-	-	-	-	2,792	-	363,796	-
Capital grants and contributions	-	600,388	-	-	-	-	-	-	548,152	105,799
Total business-type activities program revenues	<u>12,395,192</u>	<u>12,656,967</u>	<u>12,387,862</u>	<u>12,851,782</u>	<u>13,189,937</u>	<u>14,142,854</u>	<u>14,762,498</u>	<u>14,866,739</u>	<u>14,961,774</u>	<u>14,386,494</u>
Total primary government program revenues	<u>\$ 24,602,894</u>	<u>\$ 28,231,054</u>	<u>\$ 26,457,069</u>	<u>\$ 28,933,511</u>	<u>\$ 29,559,296</u>	<u>\$ 30,143,490</u>	<u>\$ 32,389,752</u>	<u>\$ 33,464,456</u>	<u>\$ 33,514,163</u>	<u>\$ 33,401,097</u>

**City of North Lauderdale, Florida
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (continued)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue:										
Governmental activities	\$ (4,906,758)	\$ (13,830,021)	\$ (16,684,030)	\$ (14,048,171)	\$ (16,587,129)	\$ (16,037,830)	\$ (19,220,242)	\$ (18,755,091)	\$ (19,454,253)	\$ (19,348,511)
Business-type activities	3,241,563	3,762,391	1,805,289	2,152,706	1,908,092	2,876,551	3,033,034	2,318,912	3,815,736	2,175,061
Total primary government net expense	\$ (11,665,195)	\$ (10,067,630)	\$ (14,878,741)	\$ (11,895,465)	\$ (14,679,037)	\$ (13,161,279)	\$ (16,187,208)	\$ (16,436,179)	\$ (15,638,517)	\$ (17,173,450)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property	\$ 7,154,480	\$ 6,789,514	\$ 7,197,457	\$ 7,463,714	\$ 8,126,482	\$ 8,948,443	\$ 9,640,147	\$ 10,560,846	\$ 11,389,772	\$ 12,347,101
Utility and other taxes	3,546,402	2,421,234	2,616,319	3,716,436	3,707,452	3,734,991	3,830,133	3,736,442	3,714,045	3,875,260
Franchise fee tax	2,509,174	2,373,523	2,233,873	2,605,797	2,603,229	2,743,815	2,743,555	2,881,043	2,804,191	2,850,009
Unrestricted grants and contributions	4,174,950	4,067,481	4,941,693	4,048,772	4,216,995	4,372,585	4,581,594	4,680,139	4,214,198	4,989,367
Interest income	205,817	22,325	192,222	303,942	295,715	239,107	485,820	1,975,621	1,201,684	100,392
Miscellaneous	-	25,759	58,287	38,366	235,812	100,958	100,039	10,968	17,920	28,877
Transfers	-	-	1,937	-	-	-	-	-	-	-
Total governmental activities	\$ 17,590,823	\$ 15,699,836	\$ 17,241,788	\$ 18,177,027	\$ 19,185,685	\$ 20,139,899	\$ 21,381,288	\$ 23,845,059	\$ 23,341,810	\$ 24,191,006
Business-type activities:										
Interest income	115,816	2,110	74,276	115,857	145,510	118,494	232,309	1,039,625	647,343	45,168
Total business-type activities	115,816	2,110	74,276	115,857	145,510	118,494	232,309	1,039,625	647,343	45,168
Total primary government	\$ 17,706,639	\$ 15,701,946	\$ 17,316,064	\$ 18,292,884	\$ 19,331,195	\$ 20,258,393	\$ 21,613,597	\$ 24,884,684	\$ 23,989,153	\$ 24,236,174
Change in Net Position:										
Governmental activities	\$ 2,684,065	\$ 1,869,815	\$ 557,758	\$ 4,128,856	\$ 2,598,556	\$ 4,102,069	\$ 2,161,046	\$ 5,089,968	\$ 3,887,557	\$ 4,842,495
Business-type activities	3,357,379	3,764,501	1,879,565	2,268,563	2,053,602	2,995,045	3,265,343	3,358,537	4,463,079	2,220,229
Total change in net position	\$ 6,041,444	\$ 5,634,316	\$ 2,437,323	\$ 6,397,419	\$ 4,652,158	\$ 7,097,114	\$ 5,426,389	\$ 8,448,505	\$ 8,350,636	\$ 7,062,724

City of North Lauderdale, Florida
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year Ended September 30	Tax Roll Year	Property Tax	Utility and Other Taxes	Franchise Fee Tax	Total
2012	2011	\$ 7,154,480	\$ 3,546,402	\$ 2,509,174	\$ 13,210,056
2013	2012	6,789,514	2,421,234	2,373,523	11,584,271
2014	2013	7,197,457	2,616,319	2,233,873	12,047,649
2015	2014	7,463,714	3,716,436	2,605,797	13,785,947
2016	2015	8,126,482	3,707,452	2,603,229	14,437,163
2017	2016	8,948,443	3,734,991	2,743,815	15,427,249
2018	2017	9,640,147	3,830,133	2,743,555	16,213,835
2019	2018	10,560,846	3,736,442	2,881,043	17,178,331
2020	2019	11,389,772	3,714,045	2,804,191	17,908,008
2021	2020	12,347,101	3,875,260	2,850,009	19,072,370

**City of North Lauderdale, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,769
Assigned	7,829,551	3,207,311	3,207,311	3,207,311	3,677,100	5,082,630	9,038,670	5,580,388	26,375,000	26,375,000
Unassigned	11,222,721	27,145,191	29,915,736	34,667,673	37,892,325	40,369,567	37,891,212	40,752,459	23,737,059	27,088,776
Total government activities net assets	\$ 19,052,272	\$ 30,352,502	\$ 33,123,047	\$ 37,874,984	\$ 41,569,425	\$ 45,452,197	\$ 46,929,882	\$ 46,332,847	\$ 50,112,059	\$ 54,073,545
All Other Governmental Funds:										
Restricted	\$ 3,607,006	\$ 3,750,171	\$ 3,102,370	\$ 2,508,833	\$ 2,643,675	\$ 2,455,906	\$ 2,673,281	\$ 2,853,219	\$ 4,141,541	\$ 5,083,943
Committed	162,866	88,186	88,851	89,477	89,515	50,870	32,320	13,413	-	-
Assigned	5,248,756	4,580,304	3,844,564	2,366,277	2,395,462	3,477,165	4,518,930	10,245,787	11,840,012	11,749,090
Total all other governmental funds	\$ 9,018,628	\$ 8,418,661	\$ 7,035,785	\$ 4,964,587	\$ 5,128,652	\$ 5,983,941	\$ 7,224,531	\$ 13,112,419	\$ 15,981,553	\$ 16,833,033

City of North Lauderdale, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 10,894,402	\$ 10,365,810	\$ 10,883,518	\$ 11,180,150	\$ 11,833,934	\$ 12,683,434	\$ 13,470,280	\$ 14,297,288	\$ 15,103,817	\$ 16,222,361
Franchise taxes	2,509,174	2,373,523	2,448,927	2,605,797	2,603,229	2,743,815	2,743,555	2,881,043	2,804,191	2,850,009
Licenses and permits	572,767	750,529	759,257	1,035,250	1,137,756	1,558,156	1,720,838	1,707,318	1,418,615	1,729,756
Intergovernmental	4,926,460	5,586,535	5,764,168	5,787,874	6,360,644	6,102,081	7,087,557	6,468,899	8,219,884	8,021,847
Charges for services	4,359,006	4,612,666	3,827,377	4,246,963	5,028,494	4,847,116	4,959,352	5,587,443	4,317,362	5,026,353
Special assessments	4,447,773	5,330,699	5,922,203	5,647,817	6,162,793	6,003,188	6,437,800	6,961,610	7,234,802	7,380,619
Fines and forfeitures	1,009,700	737,346	660,794	1,320,583	1,049,231	777,024	889,874	590,155	573,312	642,408
Interest income	181,535	20,542	190,372	302,076	283,438	228,935	464,077	1,812,569	1,201,684	100,392
Other revenues	712,580	1,494,161	823,474	2,055,379	1,158,247	1,186,614	1,213,466	1,284,382	1,654,205	1,259,622
Total revenues	29,613,397	31,271,811	31,280,090	34,181,889	35,617,766	36,130,363	38,986,799	41,590,707	42,527,872	43,233,367
Expenditures:										
General government	2,870,885	2,910,166	2,868,094	2,911,343	2,802,833	2,906,125	2,907,097	3,088,690	4,034,779	3,573,855
Public safety	13,886,431	13,946,203	14,658,311	14,820,887	15,437,503	15,634,072	16,412,656	17,020,814	17,722,582	19,710,091
Community development	1,930,200	2,157,239	2,368,781	2,244,279	2,711,150	2,362,485	3,127,522	2,782,998	3,081,340	3,944,025
Public works	3,287,397	4,471,555	3,897,288	3,945,954	4,520,053	4,520,250	7,303,497	6,619,771	5,106,931	6,536,261
Parks and recreation	3,850,456	3,858,987	3,976,262	4,083,792	4,483,137	4,536,221	4,541,384	4,628,618	4,100,656	4,797,283
Human Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	1,278,429	1,354,037	1,410,478	2,779,752	1,089,441	718,005	1,261,224	1,443,819	1,474,016	-
Debt service:										
Principal	4,180,538	508,875	533,334	558,968	585,834	613,992	643,503	674,432	349,276	16,348
Interest and other	634,547	206,268	181,810	156,175	129,309	101,152	71,641	40,712	9,946	3,390
Total expenditures	\$ 31,918,883	\$ 29,413,330	\$ 29,894,358	\$ 31,501,150	\$ 31,759,260	\$ 31,392,302	\$ 36,268,524	\$ 36,299,854	\$ 35,879,526	\$ 38,581,253
Excess of revenues over/ (under) expenditures	\$ (2,305,486)	\$ 1,858,481	\$ 1,385,732	\$ 2,680,739	\$ 3,858,506	\$ 4,738,061	\$ 2,718,275	\$ 5,290,853	\$ 6,648,346	\$ 4,652,114
Other Financing Sources (Uses):										
Capital leases	-	-	-	-	-	-	-	-	-	160,852
Transfers in	6,134,614	2,463,542	2,488,862	2,655,164	3,180,839	4,005,257	4,496,040	9,545,550	4,893,393	3,062,530
Transfers out	(6,134,614)	(2,463,542)	(2,486,925)	(2,655,164)	(3,180,839)	(4,005,257)	(4,496,040)	(9,545,550)	(4,893,393)	(3,062,530)
Total other financing sources (uses)	-	-	1,937	-	-	-	-	-	-	160,852
Net change in fund balance	\$ (2,305,486)	\$ 1,858,481	\$ 1,387,669	\$ 2,680,739	\$ 3,858,506	\$ 4,738,061	\$ 2,718,275	\$ 5,290,853	\$ 6,648,346	\$ 4,812,966
Debt service as a percentage of non-capital expenditures	15.71%	2.55%	2.51%	2.49%	2.33%	2.33%	2.04%	2.05%	1.04%	0.05%

(1) Increase due to defeasance of 2004 General Obligation Bonds.

City of North Lauderdale, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Tax Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Market Value		Total Assessed Value as a Percentage Actual Value
							Estimated Actual Market Value	Assessed Value	
2012	2011	\$ 1,401,570,920	\$ 57,928,630	\$ 505,508,668	\$ 953,990,882	7.7504	\$ 1,698,019,009	56.183%	
2013	2012	1,356,046,280	57,198,461	487,969,448	925,275,293	7.6078	1,644,958,884	56.249%	
2014	2013	1,399,967,990	61,898,558	478,036,649	983,829,899	7.6078	1,703,415,549	57.756%	
2015	2014	1,462,183,390	63,421,854	469,517,321	1,056,087,923	7.5000	1,776,884,496	59.435%	
2016	2015	1,539,363,010	64,151,122	472,672,718	1,130,841,414	7.5000	1,865,914,551	60.605%	
2017	2016	1,645,792,050	67,004,890	472,391,232	1,240,405,708	7.5000	1,992,045,311	62.268%	
2018	2017	1,765,076,040	68,529,127	480,655,801	1,352,949,366	7.4000	2,130,366,640	63.508%	
2019	2018	1,915,048,060	72,786,827	498,735,161	1,489,099,726	7.4000	2,308,530,663	64.504%	
2020	2019	2,049,809,430	73,606,488	518,467,133	1,604,948,785	7.4000	2,463,158,876	65.158%	
2021	2020	2,198,809,730	80,096,316	546,467,184	1,732,438,862	7.4000	2,644,277,086	65.517%	

Source: Broward County Property Appraiser Form DR-403.

Note: Property in the County is reassessed annually. The County assesses property at approximately 88% and 55% of actual value for real and personal property respectively. Estimated actual taxable value is calculated by dividing assessed value by those percentages. Tax rates are per \$ 1,000 of assessed value.

City of North Lauderdale, Florida
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years (rate per \$1,000 of assessed value)

Fiscal Year	Tax Roll Year	City of North Lauderdale					Overlapping Rates					Total Direct and Overlapping Rates
		Operating Millage	Debt Service Millage	Total City Mileage	Broward County Millage	Broward County School District Millage	Water Management District	North Broward Hospital District	Children's Services Council	Florida Inland Navigation District		
2012	2011	7.4066	0.3438	7.7504	5.5530	7.4180	0.4363	1.8750	0.4789	0.0345	23.5461	
2013	2012	7.6078	-	7.6078	5.5530	7.4560	0.4289	1.8564	0.4902	0.0345	23.4268	
2014	2013	7.6078	-	7.6078	5.7230	7.4800	0.4110	1.7554	0.4882	0.0345	23.4999	
2015	2014	7.5000	-	7.5000	5.7230	7.4380	0.3842	1.5939	0.4882	0.0345	23.1618	
2016	2015	7.5000	-	7.5000	5.7230	7.2740	0.3551	1.4425	0.4882	0.0320	22.8148	
2017	2016	7.5000	-	7.5000	5.6690	6.9063	0.3307	1.3462	0.4882	0.0320	22.2724	
2018	2017	7.4000	-	7.4000	5.6690	6.5394	0.3100	1.2483	0.4882	0.0320	21.6869	
2019	2018	7.4000	-	7.4000	5.6690	6.4029	0.2936	1.0855	0.4882	0.0320	21.3712	
2020	2019	7.4000	-	7.4000	5.6690	6.7393	0.2795	1.0324	0.4882	0.0320	21.6404	
2021	2020	7.4000	-	7.4000	5.6690	6.5052	0.2675	1.1469	0.4882	0.0320	21.5088	

**City of North Lauderdale, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2021			2012		
		Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
North Lauderdale 408 Owner LLC	Commercial	\$ 49,218,830	1	2.84%	-	-	-
Bel Cypress Creek LLC	Commercial	41,229,230	2	2.38%	-	-	-
Hampton Lakes Associates	Rental Apartments	38,501,330	3	2.22%	19,909,892	5	2.09%
Florida Power & Light Company	Public Utility Company	32,906,977	4	1.90%	17,042,277	7	1.79%
PRCP-Lauderdale LLC	Rental Apartments	29,550,000	5	1.71%	-	-	-
SCI Funeral Services of FL LLC	Commercial	27,340,610	6	1.58%	-	-	-
Answer Group Inc.	Call Service Center	24,983,540	7	1.44%	17,214,010	6	1.80%
One Park Plaza LLC	Rental Apartments	23,387,960	8	1.35%	-	-	-
Hampton Place Joint Venture	Rental Apartments	22,056,420	9	1.27%	22,598,426	4	2.37%
Village Mobile Home Park LLC	Mobile Home Park	20,651,880	10	1.19%	-	-	-
Wal-Mart Stores East LP	Commercial	-	-	-	14,372,510	9	1.51%
Sanctuary Cove Associates Ltd	Rental Apartments	-	-	-	12,872,147	10	1.35%
7900 Hampton Blvd LLC	Rental Apartments	-	-	-	39,117,002	1	4.10%
Granada at North Lauderdale LLP	Rental Apartments	-	-	-	23,954,685	3	2.51%
CH Realty III/Cypress LP	Rental Apartments	-	-	-	24,623,760	2	2.58%
WRPV XI Lakeview Lauderdale LLC	Rental Apartments	-	-	-	15,532,301	8	1.63%
Total		\$ 309,826,777		17.88%	\$ 207,237,010		21.73%

(1) These taxes are from the 2020 tax roll.
Source: Broward County Revenue Collector.

**City of North Lauderdale, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended September 30	Tax Roll Year	Total Tax Levy for Fiscal Year (1)(2)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of % of Levy		Amount	Percentage of Levy
2012	2011	\$ 7,412,732	\$ 7,102,133	95.81%	\$ 23,347	\$ 7,125,480	96.12%
2013	2012	7,051,660	6,766,167	95.95%	1,581	6,767,748	95.97%
2014	2013	7,507,105	7,195,876	95.85%	20,973	7,216,849	96.13%
2015	2014	7,971,958	7,463,714	93.62%	4,360	7,468,074	93.68%
2016	2015	8,484,311	8,122,122	95.73%	13,171	8,135,293	95.89%
2017	2016	9,318,608	8,935,273	95.89%	13,568	8,948,841	96.03%
2018	2017	10,054,003	9,626,579	95.75%	14,948	9,641,527	95.90%
2019	2018	11,034,954	10,545,898	95.57%	12,929	10,558,827	95.69%
2020	2019	11,905,771	11,376,843	95.56%	43,901	11,420,744	95.93%
2021	2020	12,821,595	12,303,200	95.96%	-	12,303,200	95.96%

(1) Source: Florida Department of Revenue DR-420s.

(2) Includes general and debt service funds net of an allowable discount of approximately 4% for early payment. However, not all collections include available early payment 4% discount.

City of North Lauderdale, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended September 30	Governmental Activities			Business-Type Activities			Total Primary Governmentment	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Improvement Bonds	Capital Leases	Water and Sewer Revenue Bonds	Capital Leases				
2012	(2) \$	\$	\$	\$	-	-	\$	0.65%	108.92
2013	-	4,468,213	-	-	-	-	4,468,213	0.58%	96.52
2014	-	3,959,339	-	-	-	-	3,959,339	0.50%	83.51
2015	-	3,426,005	-	-	-	-	3,426,005	0.42%	69.89
2016	-	2,867,037	-	-	-	-	2,867,037	0.33%	55.61
2017	-	2,281,203	-	-	-	-	2,281,203	0.24%	40.64
2018	-	1,667,211	-	-	-	-	1,667,211	0.15%	24.95
2019	-	1,023,708	-	-	-	-	1,023,708	0.05%	8.51
2020	-	349,276	-	-	-	-	349,276	0.00%	-
2021	-	-	144,504	-	111,077	-	255,581	0.03%	5.71

(1) See page S16 for Schedule of Demographics and Economic Statistics for personal income and population data.

(2) 2004 General Obligation Bonds were defeased during fiscal year 2012.

City of North Lauderdale, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands)	General Bonded Debt (2)	Less: Amounts Available in Debt Service Fund	Total	General Bonded Debt Outstanding	
						Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	41,832	\$ 953,991	\$ -	\$ -	-	0.00%	-
2013	42,413	925,275	-	-	-	0.00%	-
2014	42,312	983,830	-	-	-	0.00%	-
2015	42,829	1,056,088	-	-	-	0.00%	-
2016	43,232	1,130,841	-	-	-	0.00%	-
2017	44,064	1,240,406	-	-	-	0.00%	-
2018	44,408	1,352,949	-	-	-	0.00%	-
2019	44,841	1,489,100	-	-	-	0.00%	-
2020	45,207	1,604,949	-	-	-	0.00%	-
2021	45,549	1,732,439	-	-	-	0.00%	-

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

(1) Source: Local Government Financial Information Handbook.

(2) Includes all long-term debt pledged by the City's property taxes (General Obligation Bonded Debt).

City of North Lauderdale, Florida
Direct and Overlapping Governmental Activity Debt
As of September 30, 2021

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable to City of North Lauderdale	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Broward County	\$ 102,568,000 ⁽¹⁾	0.821%	\$ 842,583
Broward County School District	506,865,000 ⁽²⁾	0.765%	<u>3,877,835</u>
Subtotal, Overlapping Debt			<u>4,720,418</u>
City of North Lauderdale Direct Debt		⁽⁴⁾	\$ <u>-</u>
Total direct and overlapping debt			\$ <u><u>4,720,418</u></u>

(1) Source: Broward County Accounting Division.

(2) Source: School Board of Broward County Financial Reporting Division. As of June 30, 2020.

(3) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using net assessed valuation of the City and dividing it by the County's and the School District's net assessed valuation, as applicable.

(4) Paid from non-ad valorem revenue sources.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property tax payers should be taken into account.

**City of North Lauderdale, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year Ended September 30	Sewer Revenue Bonds						Coverage
	Water Charges and Other (1)	Less Operating Expenses (2)	Net Available Revenue	Principal	Interest		
2012	\$ -	\$ -	\$ -	\$ -	-	N/A	
2013	-	-	-	-	-	N/A	
2014	-	-	-	-	-	N/A	
2015	-	-	-	-	-	N/A	
2016	-	-	-	-	-	N/A	
2017	-	-	-	-	-	N/A	
2018	-	-	-	-	-	N/A	
2019	-	-	-	-	-	N/A	
2020	-	-	-	-	-	N/A	
2021	-	-	-	-	-	N/A	

(1) Total revenue of the Utilities Fund as reported in the Basic Financial Statements (inclusive of investment earnings).

(2) Total operating expenses of the Utilities Fund as reported in the Basic Financial Statements (exclusive of interest expense and depreciation).

**City of North Lauderdale, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended September 30	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Broward County Unemployment Rate (4)
2012	41,023	\$ 687,587	\$ 16,667	30.9	8,086	7.70%
2013	41,023	687,587	16,667	30.9	5	6.50%
2014	41,023	687,587	16,667	30.9	5	5.80%
2015	41,023	687,587	16,667	30.9	5	4.90%
2016	41,023	687,587	16,667	30.9	5	4.60%
2017	41,023	687,587	16,667	30.9	5	3.30%
2018	41,023	687,587	16,667	30.9	5	2.80%
2019	41,023	687,587	16,667	30.9	5	2.80%
2020	41,023	687,587	16,667	30.9	5	7.80%
2021	44,794	976,151	21,792	33.9	5	4.40%

(1), (2) Source: US Census Bureau (based on the 2000 and 2010 census for years 2012-2020).

(3) Source: School Board of Broward County.

(4) Source: Bureau of Labor Statistics.

(5) Information not available.

Note: Population, median age information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

**City of North Lauderdale, Florida
Principal Employers
Current Year and Nine Years Ago**

	2021			2012			
	Type of Business	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Broward County School Board	Government	34,218	1	3.39%	26,933	1	2.69%
Broward County Government	Government	12,787	2	1.27%	11,355	2	1.13%
Memorial Healthcare Systems	Healthcare	11,200	3	1.11%	10,700	3	1.07%
Broward Health	Healthcare	9,882	4	0.98%	8,207	4	0.82%
Nova Southeastern University	Education	6,234	5	0.62%	3,919	6	0.39%
FirstService Residential	Service	5,400	6	0.54%	-	-	-
Broward College	Education	4,723	7	0.47%	-	-	-
HEICO	Service	4,532	8	0.45%	-	-	-
Spirit Airlines	Carrier	3,790	9	0.38%	-	-	-
American Express	Financial	3,500	10	0.35%	4,846	5	0.48%
City of Fort Lauderdale	Government	-	-	-	2,487	10	0.25%
PRC	Business Services	-	-	-	3,000	7	0.30%
Kaplan Higher Education	Education	-	-	-	3,000	8	0.30%
The Answer Group	Service	-	-	-	2,800	9	0.28%
Total		96,266		9.56%	77,247		7.71%

*Information for the City of North Lauderdale not available. Information presented is for Broward County, Florida.
Source: Broward County Annual Comprehensive Financial Report for 2020.

**City of North Lauderdale, Florida
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

Function	September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legislative*	9	9	8	8	8	8	8	8	8	10
Administrative**	12	12	12	12	12	12	15	16	16	15
Public Works/Utilities	45	45	43	44	42	42	39	40	41	36
Parks & Recreation	25	25	25	26	26	25	25	25	26	25
Community Development	16	16	15	17	17	18	19	20	20	18
Police***	64	64	61	63	63	63	65	65	65	65
Fire/Rescue	45	45	43	43	44	43	43	43	43	45
Total	216	216	207	213	212	211	214	217	219	214

* Legislative includes City Commission, City Manager, City Clerk and City Attorney (Contract).

** Administrative includes Human Resources and Finance Departments and Information Technology Division.

***Police includes BSO (Contract).

City of North Lauderdale, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical arrests	1,569	1,610	1,567	1,613	1,052	857	864	765	561	433
Parking violations	132	34	65	42	6	12	9	16	31	45
Traffic violations	5,830	4,465	5,746	6,070	6,442	7,178	7,336	4,374	2,567	3,263
Fire:										
Number of calls answered	4,850	5,255	5,543	5,528	5,399	5,532	5,528	5,479	4,618	5,702
Inspections	630	682	1,293	1,440	1,249	1,252	1,503	1,198	1,254	1,433
Community development:										
Building permits issued	2,936	2,527	1,849	2,282	2,155	2,495	3,108	3,149	2,610	2,573
Culture and Recreation:										
Athletic programs (participants)	802	784	812	809	810	810	871	859	384	289
Youth camps (participants)	1,505	1,521	2,159	2,496	2,555	2,641	2,701	2,846	809	518
Club memberships	70	75	75	75	70	73	89	92	97	40
Facility rentals	859	871	894	862	870	881	918	901	104	53
Pool admissions	39,754	35,574	38,994	39,157	37,895	37,548	36,028	38,855	8,754	8,255
Water:										
Number of meters operating	8,198	8,291	8,360	8,340	8,226	8,254	8,290	8,332	8,274	8,388
Average daily consumption (in thousands of gallons)	2,031	2,010	2,177	2,073	2,180	2,220	2,230	2,204	2,980	2,321
Sewer:										
Average daily consumption (in thousands of gallons)	2,006	1,997	2,025	2,100	1,992	2,073	2,085	2,023	3,568	2,349

Note: Indicators not available for the general government function.

Source: Information obtained from various Departments within the City of North Lauderdale.

City of North Lauderdale, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Police stations (1)	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Highway and streets										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Number of street lights	1,329	1,329	1,329	1,329	1,353	1,353	1,353	1,353	1,353	1,353
Culture and Recreation:										
Number of parks (2)	18	18	18	18	18	18	18	18	18	18
Number of libraries (3)	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	58	58	58	58	58	58	58	58	58	58
Fire hydrants	776	789	795	795	796	796	796	776	776	776
Maximum daily capacity (in thousands of gallons)	7.48	7.48	7.48	7.48	7.48	7.48	7.48	7.48	7.48	7.48
Sewer:										
Sanitary sewers (miles)	56	56	56	56	56	56	56	56	56	56
Storm sewers (miles)	25	25	25	25	25	25	25	25	25	25
Maximum daily treatment capacity (in millions of gallons per day - MGD)	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20

Note: Indicators not available for the general government function.

(1) During fiscal year 2002, the City contracted with the Broward County Sheriff's Office to provide policing services on behalf of the City.

(2) The City has a 99 year lease agreement with Broward County for approximately 16.2 acres of Hamptons Pines Park, the land is adjacent to that owned by the City.

(3) Broward County Library-North Lauderdale Branch.

Source: Information obtained from various Departments within the City of North Lauderdale.

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, Members of
the City Commission and City Manager
City of North Lauderdale, 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 City of North Lauderdale, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
June 23, 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, Members of
the City Commission and City Manager
City of North Lauderdale, Florida

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 23, 2022

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

To the Honorable Mayor, Members of
the City Commission and City Manager
City of North Lauderdale, Florida

Report on the Financial Statements

We have audited the basic financial statements of City of North Lauderdale, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 23, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other 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; and Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 23, 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 annual financial audit report. There were no findings or recommendations made in the preceding annual 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. This information is disclosed in the notes to the financial statements, Note 1.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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 City 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, City Commission and applicable management, and is not intended to be and should not be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 23, 2022

City of North Lauderdale, 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	Water Control District	Housing Authority
Number of district employees compensated at 9/30/2021	-	-
Number of independent contractors compensated at September 2021	-	-
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): N/A	\$ -	\$ -
Budget variance report	Page 92	N/A

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

To the Honorable Mayor, Members of
the City Commission and City Manager
City of North Lauderdale, Florida

We have examined the City of North Lauderdale, Florida's (the "City") compliance with the requirements of Section 218.415 Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City's compliance with the specific requirements. Our responsibility is to express an opinion on the City's compliance with the specific 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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the 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 City's compliance with the specified requirements.

In our opinion, the City 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 the City Commission, management, 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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 23, 2022

CPA's + Trusted Advisors

**City of North Lauderdale, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2021**

Federal Agency / Pass-Through Grantor / Program Title	CFDA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Agency Name:				
Direct programs:				
United States Department of Health and Human Services Provider Relief Funds	93.498	- * \$	13,902 \$	-
Indirect programs:				
U.S. Department of Housing and Urban Development Passed through Broward County, Florida: Community Development Block Grants/Entitlement Grants	14.218	-	261,372	-
United States Department of Homeland Security Passed through the State of Florida Division of Emergency Management Disaster Grants - Public Assistance	97.036	Z0432	4,534	-
United States Department of Homeland Security Passed through the State of Florida Division of Emergency Management Hazard Mitigation Grant Hazard Mitigation Grant Hazard Mitigation Grant	97.039	H0142 H0135 H0116	22,632 114,966 525,839	- - -
		97.039 Total	<u>663,437</u>	<u>-</u>
Total Expenditures of Federal Awards		\$	<u>943,245</u> \$	<u>-</u>

* Denotes prior year revenue replacement grant

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of North Lauderdale, Florida (the "City"). 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 of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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.

Regarding Provider Relief Funds reported under CFDA 93.498, amount (including lost revenue) is based on the PRF reported to the U.S. Department of Health and Human Services.

Note 3 - Indirect Cost Rate

The City elected not to use the 10% de minimis indirect cost rate 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 City. In the opinion of management, all grant and contract expenditures are in compliance with the terms and conditions of the agreements and applicable federal/state laws and other applicable regulations.

City of North Lauderdale, 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 Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

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

Unmodified 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 or Cluster</u>
97.039	Department of Homeland Security - Hazard Mitigation Grant

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.



IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared MICHAEL SARGIS, who being duly sworn, deposes and says on oath that:

1. I am the Chief Executive Officer of the City of North Lauderdale which is a local governmental entity of the State of Florida;
2. The governing body of the City of North Lauderdale adopted Ordinance No. 03-06-1085 implementing an impact fee; and
3. To the best of my knowledge the City of North Lauderdale has complied with for the Fiscal Year Ending on September 30, 2021 and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

City Manager of the City of North Lauderdale

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 29th day of June, 2022.

Sandra M. Katanik
NOTARY PUBLIC
Print Name _____

Personally known X or produced identification _____



Type of identification produced: _____

My Commission Expires: _____





City of North Lauderdale
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