



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

— FISCAL YEAR ENDED SEPTEMBER 30, 2020 —

**PARKLAND** City of Parkland



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF PARKLAND, FLORIDA  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**



**Prepared By**  
**The Finance Department**  
**Chris Johnson, CPA, Finance Director**

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## **INTRODUCTORY SECTION**

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**CITY OF PARKLAND**  
**FINANCE and ADMINISTRATIVE**  
**SERVICES DEPARTMENT**

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Parkland, Florida 33067  
Office: (954) 753-5040 • Fax: (954) 341-5161  
[www.cityofparkland.org](http://www.cityofparkland.org)

March 31, 2021

Honorable Mayor,  
Members of the City Commission and  
Residents of the City of Parkland, Florida

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. The report has been prepared by the City's Finance Department, with the assistance of the independent auditors, Caballero Fierman Llerena & Garcia, LLP. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Parkland for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the City of Parkland. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial statements of the governmental activities and various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The report includes all governmental activities and funds of the City and, in accordance with generally accepted accounting principles, only those legally separate entities for which the City is financially accountable. While the Broward County Board of County Commissioners, Broward County School Board, South Florida Water Management District, Florida Inland Navigation District, Children's Services Council of Broward County, and North Broward Hospital District levy and collect taxes on property located within the corporate limits of the City, the City is not financially accountable for these entities. Therefore, financial information of these taxing authorities is not included in this report. Annual financial reports on these entities are available on request from each board, district or council.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A immediately follows the Independent Auditors' Report and provides a narrative introduction, overview and analysis of the basic financial statements.

## **Profile of the Government**

The City of Parkland, Florida (the "City") is located in northwest Broward County adjacent to the cities of Coral Springs, Coconut Creek and the Broward/Palm Beach County border. The City has been developed slowly and deliberately, reflecting the deep commitment of the residents, elected officials, management, and developers to the preservation of the pristine state of the region which includes the significant natural habitat of plants and wildlife. The population is 34,170 and the median age is 41.1. There are 10,442 dwelling units with 9,328 single family and 1,114 multifamily.

The City operates under a Commission-Manager form of government, comprised of five elected officials, the Mayor and four Commissioners. The Mayor is elected at-large and the Commissioners are elected by districts. The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission appoints the City Manager who is responsible for the daily operations and insuring all ordinances and resolutions are adhered to.

The City is viewed as a prestigious, semi-rural community and is a suburban part of Fort Lauderdale's Standard Metropolitan Statistical Area (SMSA). The City's highly rated schools and proximity to the Sawgrass Expressway and Florida's Turnpike, coupled with the natural beauty of the region help make the City a highly desirable residential area. Currently, a variety of residential developments are in place including single family and multi-family alternatives. Additional new residential developments are planned as the City continues to develop vacant land. There are four commercial properties totaling approximately 61 acres that have been developed: Parkland Commons, Parkland Village, The Waterways and Riverstone Shops. This added upscale commercial development will diversify the City's economic base. Commercial development comprises only 3.1% of total land use.

## **Economic Conditions and Outlook**

The COVID-19 pandemic has caused municipalities across the nation to face unprecedented adverse financial challenges. While Parkland has seen its share of closures, event and program cancellations, as well as unanticipated COVID-19 mitigation spending, our City has been less vulnerable to the negative effects of the pandemic. This is due to a strong foundation of single-family homes that comprises the vast majority of the City. Demand for existing homes is strong and home values are increasing. In addition, our strong local economy is supported by residential construction and permitted home improvements. By comparison to other cities that rely mainly on commercial revenue and/or tourism related taxes, the City is somewhat insulated from the decreases felt by tourism dependent cities. The City will continue to monitor the COVID-19 pandemic and its potential impact on the health of our local economy but we have the confidence that the FY 2021 budget will allow the City to continue allocating resources to strategic projects that will achieve the City Commission's goals and priorities. Parkland prides itself for prudent fiscal planning and sound, well-timed investments in capital infrastructure.

Parkland continues to be an affluent, upscale residential community with low density housing, outstanding recreational facilities, and excellent schools. The median value of a Parkland

home is approximately \$671,624. The median value is significantly higher than the median house price in Broward County of \$302,492.

Existing home sales volume in each of the last six years exceeded the 2005 peak year with 2020 at a significantly higher level of activity. The Florida's median price for existing home sales has slightly increased over the national median. Prior to 2020, Florida had only exceeded the national median one time since October 2008. The state's median price in January 2020 was \$270,560, while the national median price was \$269,039.

In the 2019 calendar year, single-family building permit activity increased at a slower rate of 2.9% over the prior year, which is lower than the 2018 annual growth rate of 13.8%. Despite the strong percentage growth rates in six of the last seven calendar years, the level is still low by historic standards, just over 63% of the long-run per capita level. The preliminary data for the 2020 calendar year is suggesting more robust growth than seen in 2019, despite the pandemic.

Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Over the next five years, Florida's population growth is expected to continually slow to 1.34%, but still average 1.4% for the entire period between 2021 and 2025. Almost all of Florida's population growth through 2030 will be from net migration.

For 2019, Florida's real growth slowed slightly, but remained above the national average (2.8% versus 2.2%). Florida's Real Gross Domestic Product (GDP) grew 3.0% in Fiscal Year 2018-19 was expected to grow 2.5% in fiscal year 2019-2020. Pre-pandemic, South Florida represented one-third of the State's GDP. The post-pandemic impact by county is still unknown as is its duration, but Miami Dade was the state's hardest hit county by most metrics. At the end of December, it was ranked fourth in the country for its total number of cases, and Broward was ranked thirteenth.

The Bureau of Labor Statistics releases local inflation rates every two months and the national inflation rate every month. This rate is calculated by the BLS using the Consumer Price Index. The CPI produces monthly data based upon changes in the prices paid by consumers for goods and/or services. South Florida's 2020 inflation rate has increased by 1.1% compared to 2019. The South Florida CPI increase is slightly lower than the national increase of 1.4%.

For the third quarter of 2020, Florida was ranked 5<sup>th</sup> in the country with personal income growth despite a decline of 4.8%. The state was better than the United States as a whole, which saw a decline of 10.0%. Parkland continues to show strong household income as the median family income for 2020 was \$154,844 compared to \$59,547 for Broward County.

For December 2020, the national unemployment rate was 6.4%. Florida's unemployment rate for the same period was 6.2%. Miami-Dade County had an unemployment rate of 7.3%, the second highest unemployment rate in the state. Broward County's unemployment rate at 6.6%, up from 2.5% a year ago. Palm Beach County's unemployment rate is 5.5%, which is up from 2.7% a year ago. While these unemployment rates are higher than last year, they are significantly lower than what was experienced during the economic shutdown due to COVID-19.

## **Local Economy**

### **Taxable Values**

- On July 1st the Broward County Property Appraiser's Office provided taxable values to all taxing authorities. The City had an increase of 6.9% or \$357 million in taxable value. This increase is a combination of new taxable value and current values increasing. This is the 10<sup>th</sup> consecutive year that taxable values have increased. We anticipate that future years will have similar growth due to new development.
- Parkland's quality of life will continue to make Parkland a very desirable place to live. The City is one of the few cities in Broward County that will experience new growth due to new development. The "Wedge" is a 1,949 acre wedge-shaped property that was transferred from Palm Beach County to Broward County. The City has annexed 1,132 acres and development is already underway. The Wedge, once developed, will have a projected approximately 1,100 new single family homes. This development is expected to bring in approximately \$1.8 million in new ad valorem revenue during the next five years.

## **Financial Strategy**

New home construction continues and real estate values in Parkland have increased. As a result of the City's continued dedication to fiscal responsibility and effective management through persistence, cooperation and creativity, the City is financially sound despite the ongoing pandemic. We are fiscally optimistic regarding the future. The 2021 budget is a road map of responsible growth and sustained services for our residents and businesses moving forward. This budget enables the City to continue its trajectory of growth and increasing economic stability while ensuring the character and elegance of Parkland are sustained. This budget is a clear reflection of responsible stewardship of public funds.

As mentioned, the City experienced an increase in taxable values and will continue to have growth with new development. Parkland is a growing community and we are anticipating adding nearly 1,100 new homes over the next few years. With this growth, change is inevitable and these changes have transformed the way Parkland operates. Growth and change, and their impact on the present and future of Parkland, are concerns of both the residents and the current administration. Parkland's Elected Officials have implemented various policies to maintain the City's existing character while dealing with the impacts from growth. This includes strategically funding enhancements/additions to public safety, City services, and infrastructure/equipment replacements.

Parkland continues to be in good financial health. In spite of rising costs, City staff have been able to provide high service levels to our residents. The General Fund has an adequate fund balance that can help insulate any potential economic downturn. With a solid financial foundation, the City can maintain excellent services to our residents while undertaking a steady amount of significant projects to improve our community. For FY 2021, the City is able to pay for capital projects, infrastructure investments and capital replacements using a "pay as we go" strategy. Additionally, the City is contributing to its infrastructure and capital replacement funds to ensure that needs of future maintenance of buildings and equipment purchases are met. In the future, the City will explore the appropriate use of low-cost debt/cash reserves to fund large capital projects.

The millage rate for 2021 is 4.2979 mills, a decrease of 2.3% from last year. Existing residents with a homestead exemption will pay approximately the same amount of ad-valorem taxes as they did in 2020. The City maintained the same staffing levels for both police and fire rescue services. Staffing levels for the City are budgeted at 103 full-time and 50 part-time positions. This includes the addition of three new full-time positions, IT Director, Engineer, and Document Imaging Technician.

The City is able to maintain its stabilization/operating reserve at twenty-five percent (25%) of the General Fund Operating Budget. This reserve is for unforeseen economic conditions and potential natural disasters (hurricanes). During FY 2017, the City utilized \$780,000 of this stabilization reserve to pay for Hurricane Irma debris removal costs. During FY 2018, the City utilized an additional \$850,000 of this stabilization reserve to finish paying Hurricane Irma debris removal costs. During FY 2020, the City received \$1,390,779 in reimbursements from FEMA. The stabilization reserve has been fully replenished from FEMA reimbursements.

We have manageable debt payments, well within the debt service limitation, and will continue to fund major capital projects with the appropriate mix of low-cost debt or by utilizing cash reserves. As part of our long-term capital planning and to take advantage of the prevalent low interest rates, the City plans to issue debt during fiscal year 2021. These debt proceeds will finance the development of the 36 Acre Park as well as other capital projects. We will continue to be financially sound with every budget that is balanced, spending within our means and being financially responsible to the citizens of Parkland.

### **Major Initiatives**

The City continues to fund capital improvement projects to maintain and improve City facilities. The most notable FY 2021 capital projects are as follows:

1. Pine Trails Park Field Improvements: This project consists of correcting drainage issues on multi-purpose fields 6-9 and baseball field D by regrading, installing a subsurface drainage system, and sodding.
2. Terramar Park Baseball Field Reconfiguration: This project consists of demolishing field 3 and installing two baseball/softball fields along with five batting cages.
3. Terramar Park Field, Parking Lot Expansion: This project consists of expanding the under sized multi-purpose fields to league regulation size as well as modifying the parking lot to accommodate.

### **Relevant Financial Policies**

In the development and evaluation of the City's accounting and financial reporting systems, consideration is given to the adequacy and accuracy of the internal accounting controls. Because the costs of a control should not exceed the benefits to be derived, these controls are designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded against loss from unauthorized use or disposition and that there are reliable financial records for the preparation of financial statements and for the accountability of those assets. The City has adopted comprehensive financial policies that enhance and supplement its system of internal accounting controls to safeguard the assets of the City and provides reasonable assurance of the proper recording of financial transactions. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

**Operating Budget Policy** The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. All funds are required to balance. Total anticipated revenues must equal the sum of budgeted expenditures for each fund. Current anticipated revenues must be sufficient to support current expenditures. The level of budgetary control is maintained by the City Manager at the departmental level within an individual fund. Any changes made outside the department level control must be approved by City Commission.

**Stabilization/Operating Reserves Policy** For Fiscal Year 2020, the City's policy is to maintain operating reserves at 25% of the General Fund operating budget, less any transfers and contingency amount. A variety of factors were considered in determining the appropriate operating reserve level. Major circumstances include economic stabilization for unforeseen economic conditions and potential natural disaster, especially hurricanes, which could affect the City. The City utilized \$1,630,000 of this reserve in FY 2017 and FY 2018 to fund debris removal costs associated with Hurricane Irma. As anticipated, this money has been fully reimbursed by FEMA. The City's stabilization/operating reserves are \$9,970,750, or just under 3 months of operating expenditures.

**Capital Improvement Program Policy** The City adopts an annual Capital Improvement Plan that is directly linked to the City's Strategic Plan. It is the City's policy to determine the most prudent financial method for funding its Capital Improvement Program. When possible, the City shall use cash reserves to pay for capital expenditures. In fiscal year 2020, impact fee revenues were primarily used to pay for the debt service related to the Western Fire Station and Pine Trails Park and to construct an addition to our existing Library. During Fiscal Year 2021, cash reserves and impact fee collections will be utilized to pay for all Capital Improvement Program expenditures. Additionally, for fiscal year 2021, existing cash reserves will be used to fund all fleet replacement and infrastructure replacement program expenditures.

**Cash Management and Investments Policy** The City follows its adopted investment policy when handling public funds. The intent of this policy is to 1) ensure the preservation of principal, 2) maintain sufficient cash flow to enable the City to meet its obligations, and 3) maximize the return on assets with acceptably low exposure to risk. The investment policy meets the requirements of Florida Statutes, Section 218.415.

Idle funds are centrally managed through the use of a pooled cash and investment account. The funds available for investment of this nature average approximately \$49 million for the year and provided interest income totaling approximately \$679,000. The City utilizes TD Bank and various Local Government Investment Pools, which were created under Florida Statute Chapter 218, Part IV, to promote the maximization of net interest income on invested surplus funds.

**Debt Management Policy** The City reviews its outstanding debt annually. The financing term of capital projects shall not exceed the average useful life of the project that is being financed. These projects shall be major projects and shall be financed only when unreserved fund balance is not available. For fiscal year 2020, the City is in compliance with its debt management policy. Interest rates have dropped to and are expected to remain at minimal levels for the foreseeable future as part of the efforts to reduce the economic impact of COVID-19.

## **Other Information**

**Independent Audit** In accordance with Section 218.32, Florida Statutes, the City engaged the services of the firm, Caballero Fierman Llerena & Garcia, LLP, to perform the independent audit of the City's accounts and records. The independent auditors' report is included in the Financial Section.

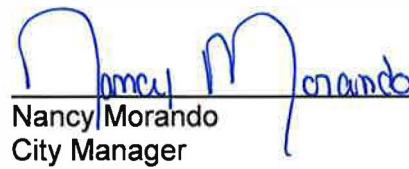
**Certificate of Achievement** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Parkland, Florida, for its comprehensive annual financial report for the fiscal year ended September 30, 2019.

In order to be awarded a Certificate of Achievement, a governmental must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for twenty-nine consecutive years including the fiscal year ended September 30, 2019. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

**Acknowledgments** The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Parkland's finances.

Respectfully submitted,

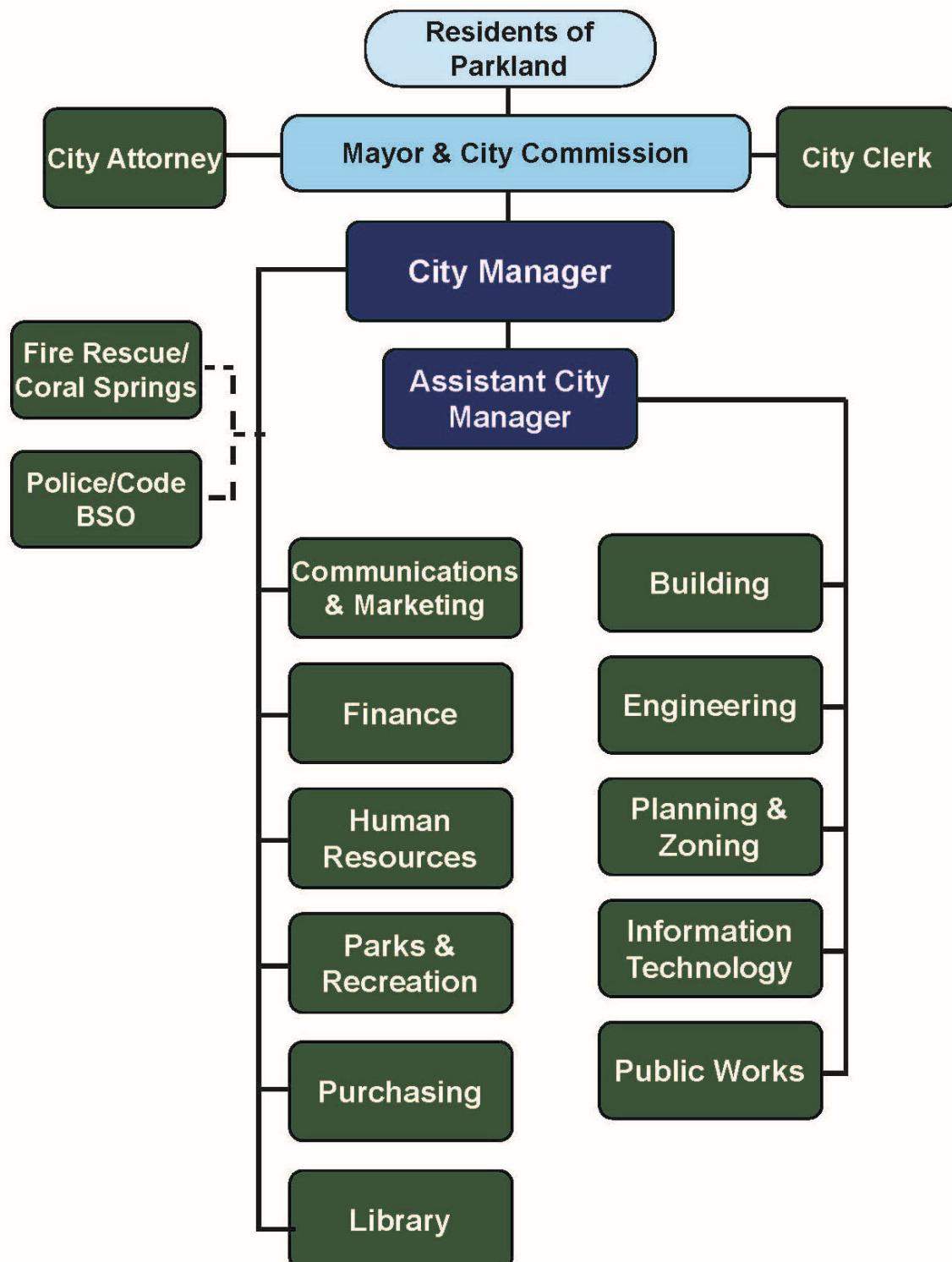


Nancy Morando  
City Manager

**CITY OF PARKLAND, FLORIDA**  
**LIST OF PRINCIPAL OFFICIALS**  
**SEPTEMBER 30, 2020**

<u>Title</u>	<u>Name</u>
Mayor	Christine Hunschofsky
Vice Mayor	Bob Mayersohn
Commissioner	Ken Cutler
Commissioner	Stacy Kagan
Commissioner	Richard Walker
City Manager	Nancy Morando
Assistant City Manager	Sowande Johnson
City Attorney	Anthony Soroka
City Clerk	Alyson Morales
Finance Director	Christopher Johnson
Purchasing Director	Anthony Cariveau
Director of Human Resources	Jacqueline Wehmeyer
Parks and Recreation Director	Christine Garcia
Director of Communications	Todd DeAngelis
Director of Public Works	William Evans
Building Official	William Tracy
Fire Chief-CSFD	Michael McNally
Planning & Zoning Director	Michele Mellgren
Police Chief-BSO	Chris Mulligan

**CITY OF PARKLAND**  
ORGANIZATIONAL CHART  
SEPTEMBER 30, 2020





Government Finance Officers Association

# **Certificate of Achievement for Excellence in Financial Reporting**

Presented to

**City of Parkland  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2019**

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission  
City of Parkland, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Parkland, Florida, (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Parkland, Florida's Police Officers Retirement Plan (the "Plan"), which represent 20%, 20%, and 15%, respectively, of the assets plus deferred outflows of resources, fund balance/net position, and revenues/additions of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows for the fiscal 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 Budgetary Comparison Schedules on pages 3-11 and 42-45, 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 schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also not a required part of the basic financial statements.

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miramar, Florida  
March 31, 2021

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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

The purpose of the financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions and draw conclusions about an entity. As management of the City of Parkland, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the additional information provided in the transmittal letter on pages i through vii at the beginning of this report as well as the financial statements and notes to financial statements that follow.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$127,734,245 (net position), as compared with \$118,506,660 for the previous fiscal year. Of this amount, \$51,815,604 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,227,585 during the current fiscal year. Capital assets increased approximately \$7.1 million due to the purchase of the Beasley property as well as completing the Library expansion and the Pine Trails turf replacement projects. Increases in tax revenues, utility service taxes, franchise fees, and intergovernmental revenues further contributed to the increase in the City's net position by approximately \$3 million. Additionally, the City's long-term debt decreased approximately \$980,000 due to ongoing annual debt service payments made during the current fiscal year.
- The City's governmental funds reported combined ending fund balances of \$62,786,708, an increase of \$1,236,853 in comparison with the prior fiscal year. Of this amount, approximately \$10,081 is non-spendable, \$11,322,064 is restricted, \$10,720,750 committed, \$15,688,517 is assigned and \$25,045,296 is unassigned.
- The total fair value of the City's cash and investments at September 30, 2020 was \$63,775,576 an increase of \$578,293 from the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$25,045,296 or 74% of total general fund expenditures.
- The City's long-term liabilities decreased by \$827,687 due to no new debt issuance and payments made on existing debt.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts: 1) Introductory Section 2) Financial Section 3) Statistical Section and 4) Compliance Section. Within the Financial Section, there is the Independent Auditors' Report, the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Other Financial Information.

**Government-wide financial statements.** The government-wide statements on pages 12 and 13 include the statement of net position and the statement of activities. They are designed to provide a broad overview of the City's financial position as a whole, similar to private sector financial statements. The statement of net position shows the total assets and deferred outflows of resources and liabilities and deferred inflows of resources for the City, with the difference reported as net position. Over time, increases or decreases in net position may be an indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes 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 for some items that will only result in cash flows in future fiscal periods. A good example of this is uncollected taxes and earned but unused compensated absences (annual leave).

Both of the 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, physical environment, culture and recreation, and development services.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the capital projects fund, and the parks & community improvements fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, capital projects fund, capital replacement fund, park & community improvements fund, government/library building fund, and public safety improvement fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Proprietary fund. The City maintains one type of proprietary fund known as an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Parkland's various functions. The City uses the internal service fund to account for its vehicle and computer replacement programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City adopts an annual appropriated budget for its proprietary fund, the capital replacement fund.

The proprietary fund financial statements can be found on pages 18 through 20.

Fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Fiduciary Fund represents the Police Officers' Retirement Plan, and can be found on pages 21 and 22.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 23 through 41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the budgetary comparison schedules. Required supplementary information can be found on pages 42 through 45 of this report.

Combining and Individual Fund statements and schedules. Combining statements referred to earlier in connection with non-major governmental is presented immediately following the required supplementary information. They can be found on pages 46 through 52.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Parkland, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$127,734,245 at the close of the fiscal year. The table below summarized the City's net position for the fiscal year ended September 30, 2020.

The largest portion of the City's net position (approximately 51%) reflects its net investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related outstanding debt used to acquire those assets (approximately \$8.7 million). The City uses these capital assets to provide services to its residents; therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

**City of Parkland, Florida**  
**Net Position**

	September 30, 2020	September 30, 2019	\$ Change	% Change
Current and other assets	\$ 65,221,244	\$ 64,620,860	\$ 600,384	1%
Capital assets	72,486,880	65,373,321	7,113,559	11%
Total assets	<u>137,708,124</u>	<u>129,994,181</u>	<u>7,713,943</u>	<u>6%</u>
Other liabilities	1,152,966	1,838,986	(686,020)	-37%
Long-term liabilities	8,767,772	9,595,459	(827,687)	-9%
Total liabilities	<u>9,920,738</u>	<u>11,434,445</u>	<u>(1,513,707)</u>	<u>-13%</u>
Deferred inflows of resource	53,141	53,076	65	0%
Net position:				
Net investment in capital assets	64,596,577	56,498,862	8,097,715	14%
Restricted	11,322,064	19,869,137	(8,547,073)	-43%
Unrestricted	51,815,604	42,138,661	9,676,943	23%
Total net position	<u>\$ 127,734,245</u>	<u>\$ 118,506,660</u>	<u>9,227,585</u>	<u>8%</u>

A portion of net position, approximately 9%, represents resources that are subject to external restrictions on how they may be used. The largest components of these resources are for building department expenditures, which can only be used to satisfy the obligations of the Building Department. Restricted net position for western fire station will be used to satisfy outstanding debt service obligations. The remaining balance of unrestricted net position of \$51,815,604 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in net position. The same situation held true for the prior fiscal year.

The largest component of current and other assets are cash and investments, which comprise approximately 98% of these assets. Cash and investments increased by \$578,293, from \$63,197,283 to \$63,775,576 as the City continues to experience increases in property values and tax collections. Capital assets (net) increased by \$7,113,559 as current year capital spending (for the purchase of the Beasley property and Library expansion completion) exceeded depreciation expense and current year disposals.

Approximately 12% of the total liabilities are attributable to current liabilities, down from 16% in the prior year. Net long-term liabilities, comprised of compensated absences payable and long-term debt, decreased by \$827,687 as long-term debt decreased by \$984,156 and compensated absences payable increased by \$156,469.

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

Governmental activities:

Governmental activities increased the City's net position by \$9,227,585, thereby accounting for the total growth in net position of the City. Key elements of the change are described below:

<b>City of Parkland, Florida</b> <b>Change in Net Position</b>					
	September 30, 2020	September 30, 2019	\$ Change	% Change	
<b>REVENUES:</b>					
Program revenues:					
Charges for services	\$ 8,038,189	\$ 14,994,228	\$(6,956,039)	-46%	
Operating grants and contributions	1,937,710	656,329	1,281,381	195%	
Capital grants and contributions	1,412,837	-	1,412,837	100%	
General revenues:					
Ad valorem taxes	22,641,111	21,253,041	1,388,070	7%	
Franchise and other taxes	6,561,987	6,304,539	257,448	4%	
Intergovernmental (unrestricted)	4,162,163	4,131,092	31,071	1%	
Interest income	696,875	568,419	128,456	23%	
Miscellaneous income	307,489	713,556	(406,067)	-57%	
Total revenues	<u>45,758,361</u>	<u>48,621,204</u>	<u>(2,862,843)</u>	<u>-6%</u>	
<b>EXPENSES:</b>					
General government	4,419,822	4,191,910	227,912	5%	
Public safety	18,795,900	16,914,796	1,881,104	11%	
Physical environment	6,116,720	5,366,558	750,162	14%	
Culture and recreation	3,742,989	4,260,393	(517,404)	-12%	
Development services	3,148,286	3,682,115	(533,829)	-14%	
Interest and other financing costs	307,059	343,535	(36,476)	-11%	
Total expenses	<u>36,530,776</u>	<u>34,759,307</u>	<u>1,771,469</u>	<u>5%</u>	
	<u>9,227,585</u>	<u>13,861,897</u>	<u>(4,634,312)</u>		
Net position at beginning of year	118,506,660	104,644,763	13,861,897		
Net position at end of year	<u>\$ 127,734,245</u>	<u>\$ 118,506,660</u>	<u>9,227,585</u>	<u>8%</u>	

Property tax collections increased \$1,388,070 from fiscal year 2019. This increase is attributed to the appreciating values of existing homes and new construction. The City of Parkland had an increase of 7.3% in taxable values, resulting in an increase in ad valorem revenue. The fiscal year 2020 millage rate was \$4.400 mills per \$1,000 of assessed value, which is the same as fiscal year 2019. This rate is well within the 10-mill maximum established by the State of Florida.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$62,786,708, an increase of \$1,236,853. Approximately 40% of this total amount constitutes unassigned fund balance, or \$25,045,296, which is available for spending at the City's discretion. The remainder is either restricted, committed, assigned or non-spendable, indicating it is not available for new spending.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the general fund was \$25,045,296, while total fund balance was \$43,428,143. 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. Unassigned fund balance represents approximately 74% of the total general fund expenditures, while total fund balance represents 128% of that same amount.

The fund balance of the City's general fund increased by \$6,314,349 during the current fiscal year. From an operating perspective, revenues exceeded expenditures by approximately \$10.1 million. A total of \$4,306,855 in transfers from general fund reserves were made to the capital projects and infrastructure replacement funds in order to fund capital and replacement projects with available cash and continue with pay-as-you-go financing. Key factors in the operations are listed below:

- Taxes were \$1,010,320 higher than anticipated due to new construction, population growth, and increase in the values of existing homes.
- Intergovernmental revenues were \$2,128,533 higher than anticipated due to Hurricane Irma reimbursements, population increases that led to increases in half-cent sales tax, state revenue sharing and motor fuel tax collections in fiscal year 2020.
- License and permit revenues were lower than anticipated by \$567,365 due to a slight slowdown in new single family home construction and a reduction in building permit fees.
- Charges for services were \$302,561 lower than anticipated due to City event and program cancellations as a result of the COVID-19 pandemic.
- Significant budget savings across all operating departments resulted in approximately \$3.8 million in savings:
- Culture and recreation was 29% less than budgeted due to event and program cancellations as a result of COVID-19.
- General government was 21% less than budgeted mainly due to lower personnel costs and lower other governmental expenditures.
- Development services was 11% less than budgeted due to budgeted building inspector and plans examiner positions that were not filled fully in fiscal year 2020.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Taxes were \$1,110,320 over budget due to new construction, population growth, and increasing existing home values. Licenses and permits were below budget by \$567,365, or 9%, due to a temporary slowdown in new single-family home construction and a reduction in building permit fees. As the local population continues to grow with the new housing development, intergovernmental revenues were over budget by \$2,128,533 due to an increase in half-cent sales tax collections, state revenue sharing proceeds, and motor fuel tax receipts. Charges for services were below budget by \$302,561, or 17% due to event and program cancellations as part of the stay-at-home orders to mitigate the spread of COVID-19.

Culture and recreation expenditures were below budget by \$997,424, or 29% due to program cancellations as a result of the pandemic. General government expenditures were below budget by \$1,017,583 or 21% due primarily to lower personnel costs and lower than anticipated general government costs. Development services were \$401,066, or 11% less than budgeted due to budgeted building inspector positions and plans examiner positions that were not filled fully in fiscal year 2020.

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

**Summary of Revenues and Expenditures – Budget and Actual**

**General Fund**

**For the Fiscal Year Ended September 30, 2020**

	Original Budget	Final Budget	Actual	Dollar Variance	Approximate Percent Variance
<b>Revenues</b>					
Ad Valorem taxes	\$22,468,117	\$22,468,117	\$22,641,111	\$ 172,994	1%
Franchise fees & local business tax	2,430,850	2,430,850	2,632,528	201,678	8%
Utility service taxes	3,350,000	3,350,000	3,985,648	635,648	19%
Licenses and permits	6,449,500	6,449,500	5,882,135	(567,365)	-9%
Intergovernmental	3,632,000	3,632,000	5,760,533	2,128,533	53%
Charges for services	1,801,583	1,801,583	1,499,022	(302,561)	-17%
Fines and forfeitures	210,000	210,000	165,478	(44,522)	-21%
Interest income	351,000	351,000	513,067	162,067	46%
Miscellaneous income	388,000	388,000	497,274	109,274	22%
<b>Total revenues</b>	<b>\$41,081,050</b>	<b>\$41,081,050</b>	<b>\$43,576,796</b>	<b>\$ 2,495,746</b>	<b>14%</b>
<b>Expenditures</b>					
General government	\$ 4,908,872	\$ 4,908,872	\$ 3,891,289	\$ 1,017,583	21%
Public safety	17,873,541	17,873,541	17,736,907	136,634	1%
Physical environment	5,558,197	5,558,197	4,910,781	647,416	12%
Culture and recreation	3,483,778	3,483,778	2,486,354	997,424	29%
Development services	3,503,307	3,503,307	3,102,241	401,066	11%
Debt Service	1,295,250	1,295,250	1,291,215	4,035	0%
Capital outlay	144,200	144,200	87,516	56,684	39%
<b>Total expenditures</b>	<b>\$36,767,145</b>	<b>\$36,767,145</b>	<b>\$33,506,303</b>	<b>\$ 3,260,842</b>	<b>9%</b>

**CAPITAL PROJECTS FUND**

The capital projects fund is used to account for the acquisition and construction of major capital facilities, as well as to account for financial resources to be used for the purchase of equipment and construction of major improvements to City facilities. At the end of the fiscal year, the fund balance of the capital projects fund was \$10,309,682, an increase of \$2,451,498 from the prior year. During fiscal year 2020, General Fund reserves of \$2,806,855 were transferred to the Capital Projects Fund to fund all existing capital projects on a pay-as-you-go basis.

The major expenditures in the capital projects fund were as follows:

- Library Re-Design and Expansion
- Traffic signalization
- The ADA Transition plan
- The Covered Bridge park design and development

**PARKS & COMMUNITY IMPROVEMENT FUND**

This special revenue fund is used to account for revenues and expenditures for capital improvements to the City parks and capital contributions to the community and City schools. At the end of the fiscal year, the fund balance of the parks & community improvement fund was \$700,250, a decrease of \$7,361,324 from the prior year due to the purchase of the Beasley property.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The City's investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$72,486,880 (net of accumulated depreciation). The investment includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, construction-in-progress and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Purchase of the Beasley property at a cost of \$7,126,203.
- Completion of the Library expansion project during fiscal year 2020. The total cost was approximately \$4.2 million.
- The Pine Trails Park field and artificial turf replacements. Approximately \$1 million was expended during fiscal year 2020.

Capital assets for the years ended September 30, 2020, and 2019, consisted of the following:

	<b>Capital Assets</b>		September 30, 2019	% Change						
	September 30, 2020									
<b>Governmental activities:</b>										
<b>Capital assets:</b>										
Land	\$ 21,674,605	\$ 14,548,402	49%							
Buildings	21,787,136	17,940,335	21%							
Improvements other than buildings	7,533,752	6,249,547	21%							
Machinery and equipment	6,718,960	6,324,903	6%							
Vehicles	3,219,831	3,028,725	6%							
Infrastructure	45,030,428	44,630,532	1%							
Construction in progress	2,533,496	5,296,424	-52%							
<b>Total capital assets</b>	<b>\$ 108,498,208</b>	<b>\$ 98,018,868</b>	<b>11%</b>							

Further data on the City of Parkland's capital assets can be found in Note 6 on page 34.

**DEBT ADMINISTRATION**

Long-term debt. At the end of the fiscal year, the City had total long-term liabilities of \$9,502,668. The notes payable and the revenue bonds are secured solely by specific revenue sources as detailed in the notes to the financial statements.

Additional information on the City's long-term debt can be found in Note 7 on page 35. All debt is related to governmental activities.

**Changes in Long-Term Liabilities**

	Balance			Balance		Due within One Year	
	October 1,			September 30,			
	2019	Additions	Retirements	2020			
Notes Payable	\$ 3,895,459	\$ -	\$ (545,156)	\$ 3,350,303	\$ 572,007		
Loan payable	4,979,000	-	(439,000)	4,540,000	451,000		
Compensated absences payable	721,000	561,008	(404,539)	877,469	91,000		
Governmental activity:							
Long-term debt	\$ 9,595,459	\$ 561,008	\$ (1,388,695)	\$ 8,767,772	\$ 1,114,007		

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

**LOCAL ECONOMY, ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The COVID-19 pandemic has had an adverse impact on to the local, state, and national economy, but especially on those that heavily rely on tourism, travel, and the hospitality industries. Prior to the pandemic, Florida's economy was doing well. For the 2019-2020 fiscal year, the state's real gross domestic product and personal income were expected to grow 2.5% and 5.1% respectively. They were both on track to meet this projection through the first half of fiscal year 2019-2020. For January and February 2020, the state recorded unemployment rates of 2.8%, the lowest since 1976. Due to the coronavirus outbreak, unemployment rate spiked to 13.8% in April 2020, surpassing the prior peak rate of 11.3% recorded in January 2010.

Nationwide, there are three most widely used indicators of government financial health. One such economic measure is State Gross Domestic Product. In data published by the University of Central Florida in November 2020, Florida's GDP will expand 1.5% from 2020-2023 after contracting by 2.4% in 2020 and rising by 4.9% in 2021.

Another factor frequently used to gauge the health of an individual state is personal income growth, which is primarily related to changes in salaries and wages. As of the end of the third quarter of 2020, Florida reported a decline in growth of 4.8% when compared to the prior quarter. The state was better than the nation as a whole, which saw a decline of 10%. As of the latest projections, real personal income growth is expected to average 4.9% during 2019-2020 and 2.3% for fiscal year 2020-2021 before declining 1.1% in 2021-2022.

Florida's not seasonally adjusted unemployment rate for December 2020 was 6.2%, which is 3.3% higher than the December 2019 not seasonally adjusted unemployment rate. Florida's unemployment rate was 0.2% lower than the national rate. Broward County reports a 6.6% unemployment rate in December 2020, which is higher than both state and national averages.

Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Over the next five years, Florida's population growth is expected to average 1.36%, from 2020 through 2025. Almost all of Florida's population growth through 2030 will be from net migration. The City of Parkland's population is expected to increase between 10-15% by 2022 with the completion of development in the annexed portions of the City.

The City of Parkland is experiencing rapid single-family home development. The number of single-family homes within the City is projected to increase approximately 10-20% through 2022. Florida's homeownership rate of 66.0% is currently near the lowest recorded rate during the 35-year history of the series. In contrast, Parkland's homeownership rate is approximately 84%.

In fiscal year 2020, the City had an increase of 7.3% in taxable values. For fiscal year 2021, the City had an increase of 6.9% or \$355 million in taxable value. This increase is a combination of new taxable values and current values increasing. This increase resulted in an additional \$930,000 in new ad valorem revenue. This is the 10<sup>th</sup> consecutive year that taxable values have increased. The Operating Millage Rate is \$4.2979 for fiscal year 2021, the City did not raise property taxes for 2021.

According to Zillow, the median home value in Parkland is \$671,624. Parkland home values have increased 6.3% over the past year. The median price of homes currently listed in Parkland is \$798,300. The median rent price in Parkland is \$4,000, which is higher than the Miami-Fort Lauderdale Metro median of \$2,000.

An increasing tax base due to increasing real estate values and new construction has enabled the City to accumulate a healthy fund balance and take on capital improvement projects all while keeping the millage rate low. The City is able to contribute to its infrastructure and capital replacement funds and has increased the stabilization fund reserve level. These contributions help prepare the City for upcoming equipment and infrastructure needs and any unforeseen circumstances including natural disasters. The City is preparing for the future, which includes the opportunities and challenges due to population growth. Spending is continuously analyzed in order to maximize resources, streamline and reduce costs and keep in line with the City's strategic goals.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to:

**City of Parkland  
Finance Department  
6600 University Drive  
Parkland, Florida 33067**

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## **FINANCIAL STATEMENTS**

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**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 40,459,341	
Investments	23,316,235	
Receivables - net		
Accounts	852,536	
Due from other governments	583,051	
Prepaid items	10,081	
Capital assets not being depreciated	24,208,101	
Capital assets being depreciated, net	48,278,779	
<b>Total assets</b>	<b>137,708,124</b>	
 <u>LIABILITIES</u>		
Accounts payable	495,540	
Accrued expenses	450,284	
Unearned revenue	65,201	
Deposits	138,915	
Other liabilities	3,026	
Noncurrent liabilities:		
Due within one year	1,114,007	
Due in more than one year	7,653,765	
<b>Total liabilities</b>	<b>9,920,738</b>	
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Business license tax	53,141	
 <u>NET POSITION</u>		
Net investment in capital assets	64,596,577	
Restricted for:		
Equestrian center	9,470	
Liberty park	200	
Library	554	
Country point	4,575	
Building department	7,637,217	
Waste containers	3,817	
Riverside Trail MUST grant	5,646	
Public safety building	755,272	
Western fire station	932,135	
Administrative building	1,081,443	
Library	131,588	
Park improvements	700,250	
Police forfeiture	59,897	
Unrestricted	51,815,604	
<b>Total net position</b>	<b>\$ 127,734,245</b>	

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Program Revenues				Total Governmental Activities
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b><u>Functions/programs</u></b>					
Governmental activities:					
General government	\$ 4,419,822	\$ 573,633	\$ 533,593	\$ -	\$ (3,312,596)
Public safety	18,795,900	6,867,554	-	-	(11,928,346)
Development services	3,148,286	152,862	13,338	-	(2,982,086)
Physical environment	6,116,720	-	1,390,779	1,412,837	(3,313,104)
Culture and recreation	3,742,989	444,140	-	-	(3,298,849)
Interest on long-term debt	<u>307,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(307,059)</u>
Total governmental activities	<u><u>\$ 36,530,776</u></u>	<u><u>\$ 8,038,189</u></u>	<u><u>\$ 1,937,710</u></u>	<u><u>\$ 1,412,837</u></u>	<u><u>\$ (25,142,040)</u></u>
General revenues:					
Ad valorem taxes					\$ 22,641,111
Franchise and taxes					2,576,339
Utility taxes					3,985,648
Intergovernmental (unrestricted)					4,162,163
Interest income					696,875
Gain on sale of capital assets					12,563
Miscellaneous income					<u>294,926</u>
Total general revenues					<u><u>34,369,625</u></u>
Change in net position					9,227,585
NET POSITION, beginning of year					<u>118,506,660</u>
NET POSITION, end of year					<u><u>\$ 127,734,245</u></u>

See notes to basic financial statements

**CITY OF PARKLAND, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**

	Major Funds			Total Nonmajor Funds	Total Governmental Funds
	General	Capital Projects	Park & Community Improvements		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,133,961	\$ 10,145,189	\$ 527,507	\$ 8,424,255	\$ 39,230,912
Investments	22,959,541	183,951	172,743	-	23,316,235
Accounts receivables - net	852,536	-	-	-	852,536
Due from other governments	583,051	-	-	-	583,051
Prepaid items	10,081	-	-	-	10,081
Total assets	<u>\$ 44,539,170</u>	<u>\$ 10,329,140</u>	<u>\$ 700,250</u>	<u>\$ 8,424,255</u>	<u>\$ 63,992,815</u>
<b>LIABILITIES</b>					
Accounts payable	400,460	\$ 19,458	\$	\$ 75,622	\$ 495,540
Accrued liabilities	450,284	-	-	-	450,284
Unearned revenue	65,201	-	-	-	65,201
Deposits	138,915	-	-	-	138,915
Other liabilities	3,026	-	-	-	3,026
Total liabilities	<u>1,057,886</u>	<u>19,458</u>	<u>-</u>	<u>75,622</u>	<u>1,152,966</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Business license tax	<u>53,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,141</u>
<b>FUND BALANCES</b>					
Non-spendable:					
Prepaid items	10,081	-	-	-	10,081
Restricted:					
Equestrian center	9,470	-	-	-	9,470
Liberty park	200	-	-	-	200
Library	554	-	-	-	554
Country point	4,575	-	-	-	4,575
Building department	7,637,217	-	-	-	7,637,217
Waste containers	-	3,817	-	-	3,817
Riverside Trail MUST grant	-	5,646	-	-	5,646
Public safety building	-	-	-	755,272	755,272
Western fire station	-	6,250	-	925,885	932,135
Administrative building	-	-	-	1,081,443	1,081,443
Library	-	-	-	131,588	131,588
Park improvements	-	-	700,250	-	700,250
Police forfeiture	-	-	-	59,897	59,897
Committed:					
Stabilization agreement	9,970,750	-	-	-	9,970,750
Insurance deductible	750,000	-	-	-	750,000
Assigned:					
Capital projects	-	10,293,969	-	5,394,548	15,688,517
Unassigned	<u>25,045,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,045,296</u>
Total fund balances	<u>43,428,143</u>	<u>10,309,682</u>	<u>700,250</u>	<u>8,348,633</u>	<u>62,786,708</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,539,170</u>	<u>\$ 10,329,140</u>	<u>\$ 700,250</u>	<u>\$ 8,424,255</u>	<u>\$ 63,992,815</u>

See notes to basic financial statements

**CITY OF PARKLAND, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**

Fund balances - total governmental funds (Page 16) \$ 62,786,708

Amounts reported for governmental activities in the statement of net position are different as a result of:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	108,498,208	
Less accumulated depreciation	<u>(36,011,328)</u>	72,486,880

Internal service funds are used by management to charge the costs of fleet management and self-insurance activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column of the statement of net position.

Net position	1,228,429	
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Long term debt	(7,890,303)	
Compensated absences	<u>(877,469)</u>	(8,767,772)

Net position of governmental activities (Page 14) \$ 127,734,245

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

	Major Funds			Total	Total
	<u>General</u>	<u>Capital Projects</u>	<u>Park &amp; Community Improvements</u>	<u>Nonmajor Funds</u>	<u>Governmental Funds</u>
<b>REVENUES:</b>					
Ad valorem taxes	\$ 22,641,111	\$ -	\$ -	\$ -	\$ 22,641,111
Franchise taxes	2,576,339	-	-	-	2,576,339
Utility service taxes	3,985,648	-	-	-	3,985,648
Local business tax	56,189	-	-	-	56,189
Permit and fees	5,882,135	-	-	-	5,882,135
Charges for services	1,499,022	29,282	23,349	412,016	1,963,669
Intergovernmental	6,099,873	-	-	-	6,099,873
Fines and forfeitures	165,478	-	-	-	165,478
Grants and contributions	-	1,412,837	-	-	1,412,837
Interest	513,067	73,162	26,530	73,977	686,736
Miscellaneous	497,274	27,124	-	-	524,398
<b>Total revenues</b>	<b>43,916,136</b>	<b>1,542,405</b>	<b>49,879</b>	<b>485,993</b>	<b>45,994,413</b>
<b>EXPENDITURES:</b>					
Current:					
General government	3,891,289	-	-	-	3,891,289
Public safety	18,076,247	-	-	-	18,076,247
Physical environment	4,910,781	-	-	-	4,910,781
Development services	3,102,241	-	-	-	3,102,241
Culture and recreation	2,486,354	-	-	-	2,486,354
Debt service:					
Principal retirement	984,156	-	-	-	984,156
Interest	307,059	-	-	-	307,059
Capital outlay	87,516	1,643,762	7,126,203	1,859,713	10,717,194
<b>Total expenditures</b>	<b>33,845,643</b>	<b>1,643,762</b>	<b>7,126,203</b>	<b>1,859,713</b>	<b>44,475,321</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>10,070,493</b>	<b>(101,357)</b>	<b>(7,076,324)</b>	<b>(1,373,720)</b>	<b>1,519,092</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance proceeds	5,198	-	-	-	5,198
Proceeds from sale of capital assets	12,563	-	-	-	12,563
Transfers in	532,950	2,806,855	-	1,454,000	4,793,805
Transfers out	(4,306,855)	(254,000)	(285,000)	(247,950)	(5,093,805)
<b>Total other financing sources (uses)</b>	<b>(3,756,144)</b>	<b>2,552,855</b>	<b>(285,000)</b>	<b>1,206,050</b>	<b>(282,239)</b>
<b>Net change in fund balances</b>	<b>6,314,349</b>	<b>2,451,498</b>	<b>(7,361,324)</b>	<b>(167,670)</b>	<b>1,236,853</b>
<b>FUND BALANCES, beginning of year</b>	<b>37,113,794</b>	<b>7,858,184</b>	<b>8,061,574</b>	<b>8,516,303</b>	<b>61,549,855</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 43,428,143</b>	<b>\$ 10,309,682</b>	<b>\$ 700,250</b>	<b>\$ 8,348,633</b>	<b>\$ 62,786,708</b>

See notes to basic financial statements

## CITY OF PARKLAND, FLORIDA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds (Page 16) \$ 1,236,853

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

Expenditures for capital outlays	10,977,847
Less current year depreciation	(3,550,037)
Amounts reported as capital outlay not included in capital assets (not capitalized)	<u>(50,660)</u>
Net adjustment	7,377,150

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position: (263,591)

The issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on long term debt 984,156

Internal service funds are used by management to charge the costs of certain activities to individual funds. Change in net position of the internal service fund is reported with government activities. 49,486

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

Compensated absences (156,469)

Change in net position of governmental activities (Page 13) \$ 9,227,585

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - INTERNAL SERVICE FUND - CAPITAL REPLACEMENT FUND**  
**SEPTEMBER 30, 2020**

	<u>ASSETS</u>	
Cash and cash equivalents		\$ 1,228,429
Total assets		<u>\$ 1,228,429</u>
	<u>NET POSITION</u>	
Unrestricted		\$ 1,228,429
Total net position		<u>\$ 1,228,429</u>

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND - INTERNAL SERVICE FUND**  
**CAPITAL REPLACEMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

NON-OPERATING REVENUES (EXPENSES):	
Capital assets expense	\$ (260,653)
Interest income	10,139
Total non-operating expenses	<u>(250,514)</u>
Transfers in	<u>300,000</u>
Change in net position	49,486
NET POSITION, beginning of year	<u>1,178,943</u>
NET POSITION, end of year	<u>\$ 1,228,429</u>

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - INTERNAL SERVICE FUND - CAPITAL REPLACEMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (260,653)
Transfer from other funds	300,000
Net cash provided by capital and related financing activities	<u>39,347</u>
 Cash flows from investing activities	
Interest income	10,139
Net cash provided by investing activities	<u>10,139</u>
 Net increase in cash and cash equivalents	49,486
 Cash and cash equivalents, beginning of year	<u>1,178,943</u>
 Cash and cash equivalents, end of year	<u>\$ 1,228,429</u>

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**POLICE OFFICERS RETIREMENT PLAN**  
**SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	\$ 167,414
Investment in external investment pool	<u>2,181,477</u>
Total assets	<u>2,348,891</u>

LIABILITIES AND NET POSITION

Accounts payable and accrued expenses	<u>2,590</u>
Total liabilities	<u>2,590</u>
Net position restricted for pensions	<u>\$ 2,346,301</u>

**CITY OF PARKLAND, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**POLICE OFFICERS RETIREMENT PLAN**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**ADDITIONS**

Contributions:

Employer	\$ 21,578
State of Florida	<u>339,340</u>
Total contributions	<u>360,918</u>

Investment income:

Net appreciation in fair value of investments	130,288
Less investment expenses	<u>5,381</u>
Net investment income	<u>124,907</u>
Total additions	<u>485,825</u>

**DEDUCTIONS**

Benefits	163,433
Other distributions	<u>202,751</u>
Administrative expense	<u>25,816</u>
Total deductions	<u>392,000</u>

Net increase 93,825

NET POSITION RESTRICTED FOR PENSIONS, beginning of year 2,252,298  
NET POSITION RESTRICTED FOR PENSIONS, end of year \$ 2,346,123

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**NOTES TO THE FINANCIAL STATEMENTS**

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**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Parkland, Florida (the “City”) was incorporated in 1963 under the laws of the State of Florida Chapter 166 and is a political subdivision of the State of Florida located in Broward County. The City operates under a Commission-Manager form of government, with its legislative function being vested in a five-member Commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The City provides a full range of municipal services as authorized by its charter.

**A. Financial Reporting Entity**

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

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

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for the fiduciary fund. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. As of September 30, 2020, the City had no business-type activities.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The accounts of the City are organized on the basis of funds, each of which is considered and accounted for as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of either fund category for the governmental and enterprise, combined or funds that management deems of public importance) for the determination of major funds. The nonmajor funds are combined and presented in a single column in the fund financial statements.

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). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The government-wide financial statements (i.e., the Statements of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the government. Fiduciary funds are excluded from the government-wide financial statements. The effect of interfund activity has been removed from these statements. Interfund services provided, if any, are not eliminated in the process of consolidating the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General Fund – the General Fund is the principal operating fund of the City and is used to account for all financial transactions except those that are required to be accounted for in another fund.

Capital Projects Fund – the Capital Projects Fund is used to account for the acquisition and construction of major capital facilities as well as to account for financial resources to be used for the purchase of equipment and the construction of major improvements to City facilities.

Parks & Community Improvements Fund – This special revenue fund is used to account for revenues and expenditures for capital improvements to the City parks and capital contributions to the community and Broward County schools located in the City.

Additionally, the City reports the following fund types:

Internal Service Fund – the Capital Replacement Fund is used to account for goods or services provided by one department to other departments of the City on a cost- reimbursement basis. The City operates one Internal Service Fund, which the City is primarily for equipment and vehicle purchases.

Fiduciary Trust Fund – the Fiduciary Trust Fund is used to account for assets held by the City as trustee for others. The City of Parkland Police Officers Retirement Plan, reported as a Fiduciary Trust Fund, is used to account for the activities of the City-sponsored Plan.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds' present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The accrual basis of accounting is followed in the Internal Service Fund and the Pension Trust Fund. Under this method of accounting, operating revenues and additions are recognized in the accounting period in which they are earned, while expenses and deductions are recognized in the period in which they are incurred. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the statement of net position.

All governmental fund types use the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within sixty days (60) after year end. Other taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term debt which are recognized as expenditures on the due date.

1. **Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, disclosures of contingent liabilities, deferred inflows of resources, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension obligations and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.
2. **Cash and Cash Equivalents** - Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased. Resources of all funds have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based upon the month end equity of fund balances of the respective funds.
3. **Investments** - All City investments are reported at fair value based on quoted prices as of the financial statement date. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.
4. **Accounts Receivable** - Accounts receivable of the General Fund consists of billed receivables for miscellaneous services. The City has not established a reserve for doubtful accounts relating to these accounts receivable because the City considers all balances to be collectable.
5. **Prepays** - Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed (i.e. the consumption method), rather than when purchased in both the governmental and proprietary funds.
6. **Capital Assets** - Capital Assets whether tangible or intangible, which include land, buildings, improvements other than buildings, machinery and equipment, vehicles, construction in progress, and infrastructure are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated work of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

6. Capital Assets (Continued) - The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the asset constructed. No such costs were capitalized during 2020.

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

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	5-25
Machinery and equipment	5-20
Vehicles	5-20
Infrastructure	10-50

7. Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City does not report any item that qualifies for reporting in this category.

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

Currently, the only item in this category is local business license tax collected in advance of \$53,141 reported in both the governmental funds and the government-wide statement of net position. This amount is deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

8. Unearned Revenues - Inflows that do not meet the criteria for revenue recognition, such as grants are classified as liabilities and recorded as unearned revenue in government-wide and the fund financial statements.
9. Unavailable Revenues - Unavailable revenue (deferred inflows of resources) is recorded for governmental fund receivables that are not both measurable and available. Currently, the City has no such revenues.
10. Compensated Absences - City employees are granted vacation, sick, and compensatory leave in varying amounts based on length of service. Upon separation in good standing, employees receive full reimbursement up to a maximum of 240 hours for accumulated vacation, up to 16 hours of compensatory hours, as well as reimbursement for sick hours at a rate of one hour of pay for every two hours accumulated up to a maximum of 520 hours.

Accumulated compensated absences are recorded as expenses in the government-wide financial statements when incurred. Expenditures for accumulated compensated absences have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

11. **Long-Term Obligations** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists primarily of notes, revenue bonds, and accrued compensated absences payable. Bonds payable are reported net of applicable bond premium or discount. Debt issue costs, even if withheld from net proceeds (if material) are recognized during the period in which the bonds are issued.
12. **On-Behalf Payments** - The City receives on-behalf payments from the State of Florida to be used for Police Officers' Retirement Plan contributions. On-behalf payments to the City totaled \$339,340 for the fiscal year ended September 30, 2020. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the GAAP basis government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.
13. **Net Position** - Net Position is classified and displayed in three components:
  - ***Net investment in capital assets***  
Consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, as well as any retainage payable and accounts payable that are attributable to the acquisition, construction, or improvement of those assets.
  - ***Restricted net position***  
Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
  - ***Unrestricted net position***  
All other net position that do not meet the definition of "restricted" or "net investment in capital assets.
14. **Fund Balance** - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.
  - ***Non-spendable***  
Amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.
  - ***Restricted***  
Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
  - ***Committed***  
Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance, which is the highest level of decision making authority.
  - ***Assigned***  
Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. In accordance with the City's fund balance policy, assignments can be made by formal action of the City Commission or the City Commission can delegate authority to the City Manager.
  - ***Unassigned***  
Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

15. **Net Position Flow Assumption** - Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the City's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

16. **Interfund Transactions** - Basic types of interfund transactions include transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund. In addition, interfund transactions include transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them. These transactions are recorded as transfers in and out. Lastly, interfund transactions include transfers to close funds.
17. **Encumbrances** - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. Encumbrances outstanding at year-end are included in next the year's budget; however, the General Fund typically does not have any encumbrances outstanding at year end.

**NOTE 2 – PROPERTY TAXES**

The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recorded as a receivable on November 1 of each year based upon the assessed value established by Broward County Property Appraiser as of the prior January 1.

The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. The assessed value as of January 1, 2019 upon which the 2020 fiscal year levy was based, was approximately \$5.375 billion. Taxes were levied at 4.4000 per \$1,000 for the fiscal year ended September 30, 2020.

Taxes become payable on November 1<sup>st</sup> each year and are discounted 1% for each month for payment prior to the following March 1<sup>st</sup>. All unpaid taxes become delinquent on April 1<sup>st</sup> and are subject to the issuance of Tax Sale Certificates on June 1<sup>st</sup>. Tax collections for the fiscal year ended September 30, 2020 were 96% of the tax levy, net of discounted allowed.

The City's tax revenue is first paid to the Broward County Tax Collector who remits to the City funds collected following a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**CITY OF PARKLAND**

1. Deposits - In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The City's deposits at year end are considered insured for custodial credit risk purposes.

As of September 30, 2020, the carrying amount of the City's deposits and bank balances was \$40,459,341. The City also had cash on hand of \$995.

Investments - The State Board of Administration is part of the Local Governments Surplus Funds Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Governments Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. The State Board of Administration administers the Florida PRIME, which is the Local Government Surplus Funds Trust Fund Investment Pool and consists of all money market appropriate assets.

The Florida Cooperative Liquid Assets Securities System (FLCLASS) has adopted an investment policy that limits the investment instruments of FLCLASS in accordance with the Florida's Investment of Local Government Surplus Funds Trust Fund. FLCLASS's investment advisory and administration and marketing services are provided by Public Trust Advisors, LLC.

At September 30, 2020, Florida PRIME and the FLCLASS were assigned an "AAAm" principal stability fund rating by Standard and Poor's. Florida PRIME and FLCLASS are considered a SEC 2a7-like fund, thus, the account balances should be considered its fair value.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the City's investment in the Florida PRIME and FLCLASS meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2020, was 48 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2020, is 63 days. As of September 30, 2020, the City of Parkland had \$7,956,926 invested in Florida PRIME. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The weighted average days to maturity (WAM) of FLCLASS at September 30, 2020, was 51 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of FLCLASS to interest rate changes. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of FLCLASS at September 30, 2020, is 82 days. As of September 30, 2020, the City of Parkland had \$5,126,850 invested in FLCLASS. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the Public Trust Advisors, LLC.

2. Credit Risk - The City has an investment policy that emphasizes the safety of principal while maintaining adequate liquidity to meet its needs. Investments are limited to the highest ratings by two of the nationally recognized statistical rating organizations (NRSRO) – (Standard & Poor's and Moody's Investment Services).

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**CITY OF PARKLAND (Continued)**

As of September 30, 2020, Florida PRIME was rated AAA by Standard and Poor's Ratings Services.

3. Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**POLICE OFFICERS RETIREMENT PLAN**

1. Investment Authorization - The Police Officers Retirement Plan's (the "Plan") investment policy is determined by the Board of Trustees. The policy identified by the Board is preserving the purchasing power of the Plan's assets to earn an above average real rate of return (after inflation) over the long-term while minimizing, to a reasonable extent, the short-term volatility of results. The Plan is authorized to invest in repurchase agreements; direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities; authorized investments purchased by or through the State Board of Administration or the Office of the State Treasurer; commercial paper issued in the United States by any corporation; banker's acceptances issued within the U.S.; nonnegotiable Certificates of Deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office and/or negotiable certificates of deposit issued in U.S. dollars by institutions; obligations of the agencies or instrumentalities of the federal government; money market mutual master trust funds; mortgage obligations guaranteed by the United States government and sponsored agencies or instrumentalities; corporate fixed income securities issued by any corporation in the United States; asset-backed securities issued in the United States; securities of state, municipal and county governments or their public agencies; commingled governmental investment trusts, no-load investment master trust funds, or no-load mutual master trust funds in which all securities held by the trusts or master trust funds are authorized investments; guaranteed investment contracts with insurance companies; investment agreements with other financial institutions; equity assets, including common stock, preferred stock and interest bearing obligations having an option to convert into common stock; Florida Municipal Investment Trust (FMIVT) Portfolios; and any other investment permitted by law. At September 30, 2020, the Plan's investments were as follows:

	<u>Fair Value</u>
Local Government Investment Pool:	
Florida Municipal Pension Trust Fund	<u>\$ 2,181,477</u>
Total investments	<u>\$ 2,181,477</u>

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the directions and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

All assets of the Plan are invested with the Florida Municipal Pension Trust Fund (FMPTF). The FMPTF was established in 1993 under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. All Plan assets with the FMPTF are included in the trust's Master Trust Fund and are administered by the Florida League of Cities, Inc. The Master Trust Agreement provides that the Master Trustees have the exclusive authority and discretion to manage and control the assets of the Master Trust Fund according to the provisions of the FMPTF Investment Policy, amended and restated as of June 4, 2015. The fund is stated at fair value and investments earnings are allocated to the participants in the fund based on their equity in this pooled investment account as provided by the FMPTF.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**POLICE OFFICERS RETIREMENT PLAN (Continued)**

The Plan is invested in the 50/50 Allocation Portfolio with the following balances:

	<u>Fair Value</u>	<u>Percent</u>
Broad Market High Quality Bond Fund	\$ 417,148	19.12%
Core Plus Fixed Income Fund	419,427	19.23%
Diversified Large Cap Equity Portfolio	649,656	29.78%
Diversified Small to Mid Cap Equity Portfolio	168,683	7.73%
International Equity Portfolio	305,452	14.00%
Core Real Estate	<u>221,111</u>	<u>10.14%</u>
	<u><u>\$ 2,181,477</u></u>	<u><u>100%</u></u>

Shares of the portfolios are neither insured nor guaranteed by any U.S. Government Agency, including the FDIC. At September 30, 2020, the Broad Market High Quality Bond Fund was rated AAf/S4 by Fitch Rating and had a weighted average maturity of 6.60 years. At September 30, 2020, the Core Plus Fixed Income Fund (not rated) had a weighted average maturity of 5.82 years.

2. 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. The investment policy of the Plan limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
3. Custodial Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial risk. The local government investment pool is not evidenced by securities that exist in physical or book entry form.
4. Credit Risk - For investments, 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.
5. 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 investment policy of the Plan contains limits on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

GASB Statement No. 72, Fair Value Measurement and Application, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Domestic equity securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based on quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2020. Securities which are not traded on a national securities exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings. (Level 1). This includes common stock, domestic equities, international equities, mutual fund equities and REITS. Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed and

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

collateralized securities, money market funds, mutual bond funds, corporate obligations, and international bond funds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based on the specifics of the investment type. The Pension Plans have investments in alternative asset classes including various real estate funds. These investments are valued at their respective net asset value (NAV) as of September 30, 2020. The fair value of the investment in the fund is valued at the net asset value of outstanding units held at the end of the period based on the fair value of the underlying investments. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors. The City of Parkland investments in the SBA Florida Prime, Florida Fixed Income Trust, Florida Class, and Florida Local Government Investment Trust are recorded at amortized cost.

City of Parkland

As of September 30, 2020, the City of Parkland had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Ratings</u>	<u>Maturity</u>	<u>Percentage of Distribution</u>
SBA Florida Investment	\$ 7,956,926	AAAm	63 days	100%
Florida Fixed Income Trust	5,131,980	AAAf/S1	127 days	100%
Florida Class	5,126,850	AAAm	82 days	100%
Florida Trust	5,100,479	AAAmff	27 days	100%
<b>Total</b>	<b>\$ 23,316,235</b>			

Police Officers Retirement Plan

The following table summarizes the Plan's investments within the fair value hierarchy at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value Measurements at Reporting date</u>				
	<u>Fair Value</u>	<u>Quoted Prices</u>	<u>in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs</u>	<u>Significant Unobservable Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Broad Market High Quality Bond Fund	\$ 417,148	\$ -	\$ 417,148	\$ -	
Core Plus Fixed Income Fund	419,427	-	-	-	419,427
Diversified Large Cap Equity Portfolio	649,656	-	649,656	-	
Diversified Small to Mid Cap Equity Portfolio	168,683	-	168,683	-	
International Equity Portfolio	305,452	-	305,452	-	
Core Real Estate	221,111	-	-	-	221,111
<b>Total Fair Value</b>	<b>\$ 2,181,477</b>	<b>\$ -</b>	<b>\$ 1,540,939</b>	<b>\$ 640,538</b>	

**Broad Market High Quality Bond Fund** – This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices are obtained from a pricing service, Interactive Data Corporation. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

**Core Plus Fixed Income Fund** – This fund invests in two underlying funds, the Franklin Templeton Global Multi-Sector Plus Fund, LP and the Pioneer Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of these funds are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

Diversified Large Cap Equity Portfolio – This portfolio invests mainly in domestic stocks and in a single underlying fund, the Intech U.S. Broad Enhanced Plus Fund, LLC (Intech Fund), shares of which are not publicly quoted.

The majority of the underlying securities have observable level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The value of the portfolio's shares of the Intech Fund investment is determined based on the net asset value provided by the Intech Fund, which was calculated in accordance with generally accepted accounting principles. While most of the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted.

Diversified Small to Mid-Cap Equity Portfolio – This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted.

International Equity Portfolio – This portfolio invests in two underlying funds, the Investec International Dynamic Equity Fund, LLC (Investec Fund) and the Wells Capital Management 525 Market Street Fund, LLC (Wells Fund), shares of which are not publicly quoted. Both Funds invest in stocks sold on U.S. and international exchanges, all of which have observable level 1 quoted pricing inputs. The value of the shares of the Investec Fund and the Wells Fund investment are determined based on the net asset value provided by the Funds, which was calculated in accordance with generally accepted accounting principles.

Core Real Estate Fund – This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invest in core real estate in the U.S. The value of the Morgan Stanley Fund investments was determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles.

**NOTE 5 – INTERFUND TRANSACTIONS**

Interfund transfers for the year ended September 30, 2020, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	532,950	4,306,855
Capital Projects Fund	2,806,855	254,000
Park & Community Improvements Fund	-	285,000
Non-Major Governmental Funds	1,454,000	247,950
Capital Replacement Fund	300,000	-
<b>Totals</b>	<b>\$ 5,093,805</b>	<b>\$ 5,093,805</b>

Impact fees previously collected were transferred to the General Fund to make debt service payments on the loan payable referenced in the long-term liabilities footnote. Transfers out of the General Fund were made to formally set aside General Fund reserves for the City's capital replacement and infrastructure replacement programs and to use General Fund reserves for capital project funding.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 6 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,548,402	\$ 7,126,203	\$ -	\$ 21,674,605
Construction in Progress	5,296,424	3,800,984	(6,563,912)	2,533,496
Total capital assets, not being depreciated	<u>19,844,826</u>	<u>10,927,187</u>	<u>(6,563,912)</u>	<u>24,208,101</u>
Capital assets, being depreciated:				
Buildings	17,940,335	4,128,296	(281,495)	21,787,136
Infrastructure	44,630,532	399,896	-	45,030,428
Machinery and equipment	6,324,903	504,787	(110,730)	6,718,960
Vehicles	3,028,725	246,728	(55,622)	3,219,831
Improvements other than buildings	6,249,547	1,284,205	-	7,533,752
Total capital assets, being depreciated	<u>78,174,042</u>	<u>6,563,912</u>	<u>(447,847)</u>	<u>84,290,107</u>
Less accumulated depreciation for:				
Buildings	3,981,116	505,121	(17,938)	4,468,299
Infrastructure	17,222,294	1,518,380	-	18,740,674
Machinery and equipment	5,214,580	556,551	(110,696)	5,660,435
Vehicles	1,897,573	279,267	(55,622)	2,121,218
Improvements other than buildings	4,329,984	690,718	-	5,020,702
Total accumulated depreciation	<u>32,645,547</u>	<u>3,550,037</u>	<u>(184,256)</u>	<u>36,011,328</u>
Total capital assets, being depreciated, net	<u>45,528,495</u>	<u>3,013,875</u>	<u>(263,591)</u>	<u>48,278,779</u>
Governmental activities, capital assets, net	<u><u>\$ 65,373,321</u></u>	<u><u>\$ 13,941,062</u></u>	<u><u>\$ (6,827,503)</u></u>	<u><u>\$ 72,486,880</u></u>

Provision for depreciation was charged to functions/programs of the government as follows:

General government	\$ 455,094
Public safety	477,937
Physical environment	1,086,124
Culture and recreation	1,530,882
Total depreciation expense - governmental activities	<u><u>\$ 3,550,037</u></u>

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities of the City's governmental activities for the fiscal year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 3,895,459	\$ -	\$ (545,156)	\$ 3,350,303	\$ 572,007
Loan payable	4,979,000	- -	(439,000)	4,540,000	451,000
Compensated absences	721,000	561,008	(404,539)	877,469	91,000
Governmental activity long-term liabilities	<u>\$ 9,595,459</u>	<u>\$561,008</u>	<u>\$(1,388,695)</u>	<u>\$ 8,767,772</u>	<u>\$1,114,007</u>

Compensated absences are typically liquidated in the General Fund.

Note Payable - In September 2005, the City issued a promissory note in the amount of \$10,000,000 to provide funds to refinance existing debt and to finance recreational facility improvements. This note requires quarterly payments of principal and interest of approximately \$179,860. The interest rate of the note is 4.64%. Payment of this note is secured by a pledge of the City's half cent sales tax, franchise, and utility tax revenues. Principal and interest paid for the current fiscal year was \$719,425 and the pledged half-cent sales taxes, franchise taxes, and utility taxes totaled \$8,568,076 for the year. At September 30, 2020, principal and interest to maturity in 2026 to be paid from pledged future revenues totaled \$3,597,125.

Future debt service requirements to amortize the Note Payable are as follows:

Fiscal Year			
Ending	Principal	Interest	Total
2021	572,007	147,417	719,425
2022	599,395	120,030	719,425
2023	628,095	91,330	719,425
2024	658,009	61,416	719,425
2025	689,675	29,750	719,425
2026	203,122	2,349	205,471
	<u>\$ 3,350,303</u>	<u>\$ 449,943</u>	<u>\$ 3,597,125</u>

Loan Payable - On October 7, 2013, the City entered into a 15-year loan agreement totaling \$7,000,000, with a fixed interest rate of 2.79%. The loan proceeds were used to construct capital improvements consisting of a fire station, improvements to Pine Trails Park, and such other capital projects as shall be approved by the City. This loan requires semi-annual interest payments as well as one annual principal payment, which will equal approximately \$572,000. The loan matures in October 2028.

Payment for the loan is from a pledge of all non-ad valorem tax revenues. Principal and interest paid for the current fiscal year was \$571,790 and pledged non-ad valorem tax revenues totaled \$23,353,302 for the year. At September 30, 2020, principal and interest to maturity in 2028 to be paid from pledged future revenues totaled \$5,133,210.

Future debt service requirements to amortize the loan are as follows:

Ending	Principal	Interest	Total
2021	451,000	120,375	571,375
2022	463,000	107,624	570,624
2023	476,000	94,525	570,525
2024	490,000	81,050	571,050
2025	503,000	67,197	570,197
2026-2029	<u>2,157,000</u>	<u>122,439</u>	<u>2,279,439</u>
	<u>\$ 4,540,000</u>	<u>\$ 593,210</u>	<u>\$ 5,133,210</u>

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 8 – SPECIAL ASSESSMENTS**

Fire Assessments - In 2005, the City instituted a fire assessment in order to assist the City in paying for the fire contract. Starting in 2006, the assessments were on the tax roll with Broward County. During the fiscal year ended September 30, 2020, the City collected approximately \$2,977,078 of fire assessments.

Solid Waste Assessments - The annual assessment for Solid Waste and Recyclable Materials management, collection and disposal services, facilities, and programs was levied on City properties for fiscal year commencing October 1, 2010 and future fiscal years. This levy is part of a franchise agreement and all fees collected are processed through the City. During fiscal year ended September 30, 2020, the City collected approximately \$374,945 in franchise revenue.

**NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN**

On February 22, 1989, the City Commission passed Ordinance No. 89-1 authorizing and establishing the first ICMA 401(a), a money purchase plan, which is a defined contribution pension plan. On March 1, 2000, the City Commission adopted two additional ICMA 401(a) plans for middle management and the City Manager. Ordinance 2000-04 authorized and adopted those Plans. Historically, the City Commission authorized amendments to contributions through the budget-adopting ordinance. In the case of the City Manager, contributions would be determined through contractual arrangements, which would be adopted by resolution of the City Commission.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. Substantially all permanent, full-time employees participate in this Plan.

City contributions and related earnings are 20% vested after one year of service and the remaining City contributions vest at 20% each year until fully vested after five years. Contributions made by an employee vest immediately. Employees must complete ICMA forms within 90 days of termination to elect the method by which they will receive their distribution of funds held in trust. In case of a death, the beneficiaries must complete forms for the distribution of funds held in trust. Upon death or retirement due to disability, the employee is immediately vested at 100%.

The total payroll for all employees and payroll for employees covered by the Plan for the current year were \$7,171,543 and \$5,572,954 respectively. During the year, the City was required to contribute 10% of each eligible general employee's gross earnings and 10% of management employee's gross earnings with a mandatory employee contribution of 8%. The City is also required to contribute 17% of the City Manager's salary. The City's contribution to the plan as of September 30, 2020, was \$568,323 which is 100% of the required contribution. Total forfeitures of \$11,422 were processed for the defined contribution plan during 2020.

**NOTE 10 – DEFINED BENEFIT PENSION PLAN**

Plan Description - The Police Officers Retirement Plan is a single-employer defined benefit pension plan created by the City in accordance with Florida Statutes, Chapter 185. The City established the Plan pursuant to City Ordinance Number 2004-09 (as amended) in February 2004. The Plan is administered by a board of trustees, which covers all police officers employed by the City or as a Broward County Deputy Sheriff who elected membership at the Plan adoption date.

Plan members with at least 10 years of credited service and age 55, or Plan members with at least 20 years of credited service, regardless of age, are eligible for normal retirement benefits. Plan members with at least 10 years of credited service and age 50 are eligible for early retirement benefits. In the case of early retirement, the participant's benefit is reduced by 3% for each year by which the participant's early retirement age precedes the normal retirement age. A participant becomes fully vested upon attainment of 10 years of credited service. Pursuant to City Ordinance Number 2011-11, the four (4) remaining members of the Plan were permitted to retire without any penalty for early retirement based on existing credited service as of June 15, 2011.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Plan Description (Continued) - The monthly retirement benefit is equal to the number of years of credited service multiplied by 3% of average monthly earnings. Average monthly earnings are determined based on earnings during the highest consecutive 5 years out of the 10 years immediately preceding the determination. Earnings include total cash remuneration, but limit overtime to 300 hours per year and exclude payments for extra duty or special detail work performed on behalf of a second party. At September 30, 2020, the Plan had three participants receiving service retirement benefits and one participant receiving disability retirement benefits. There were no actively employed participants.

Net Pension Liability - Management has evaluated the Net Pension Liability and has concluded that it is immaterial to the financial statements. Therefore, the Net Pension Liability and related disclosures have been excluded from these financial statements.

Funding Policy - Funding for the Plan consists of contributions from members, the City of Parkland, the Broward Sheriff's Office, and the State of Florida. Plan members are required to contribute 5% of their annual covered compensation. The City is required to contribute an amount determined by the Plan's actuaries at least once every three years. Additionally, the State of Florida makes contributions from locally authorized insurance premium surcharges. During the year ending September 30, 2020, the State of Florida contributed \$339,340 and the City contributed \$21,578 to the Plan.

The City's external auditors did not audit the financial statements of the Police Officers Retirement Plan, the fiduciary fund of the City. Other auditors were engaged, who audited the stand-alone financial report. Copies of the report can be obtained from the pension board by calling the Police Pension Administrator at (954) 720-8910.

Actuarial Methods and Significant Assumptions - Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the two most recent actuarial valuations are presented below:

	October 1, 2018	October 1, 2019
Valuation date		
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	5 years	5 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return *	6.50%	6.50%
* Includes inflation percentage of 3%		
Projected salary increases	N/A	N/A
Cost-of-living adjustments (COLA)	2.00%	2.00%

**NOTE 11 – DEFERRED COMPENSATION PLAN**

The City also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The Plan is available to all full-time employees and permits them to defer a portion of their salary until future years. Such deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under the provisions of IRC Section 457, the City modified its Plan documents and transferred all Plan assets to custodial accounts. In the opinion of City Management, this custodial account structure removes any presumption of fiduciary responsibility. Because City Management has little administrative involvement with the Plan and does not perform any investing functions for the Plan, the Plan assets are not included in the City's financial statements.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

Plan Description - The City provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries to continue to obtain health and dental benefits upon retirement. The normal retirement age for City employees is age 62. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Retirees of the City pay an amount equal to the actual premium for health insurance charged by the carrier, but there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. This implied subsidy constitutes other postemployment benefits (OPEB) as defined by GASB Pronouncements.

Funding Policy - The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year. The Plan has never had any employees that continued to obtain health and dental benefits upon retirement.

Total OPEB Liability – Management has evaluated the Total OPEB Liability and has concluded that it is immaterial to the financial statements. Therefore, the Total OPEB Liability and related disclosures have been excluded from the Financial Statements.

The Plan has never had any employees that continued to receive health and dental benefits upon retirement. The City has never (1) made payments of benefits directly to or on behalf of a retiree or beneficiary, (2) made premium payments to an insurer, or (3) irrevocably transferred assets to a trust, or equivalent arrangement, in which Plan assets are dedicated to providing benefits to retirees and beneficiaries in accordance with the terms of the Plan and are legally protected from creditors of the employer or plan administrator. Consequently, the City has never made a contribution in relation to the annual required contribution.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

Litigation - Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or liabilities, which may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

Grants - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.

Police Services Agreement - The City previously entered into an agreement with the Broward Sheriff's Office (BSO) to provide professional law enforcement services through September 30, 2009, with an option to renew for an additional five years through September 30, 2014, which the City exercised. This agreement was extended for another year to September 30, 2015, renewable for one five year term to September 30, 2019 which the City and BSO agreed to. Under this agreement BSO provides all necessary labor, supervision, equipment, vehicles, communication facilities, and supplies necessary for the purpose of performing the services. In accordance with the agreement, the City provides a police facility, major improvements and repairs for which are the City's responsibility. The contract was extended for two years effective October 1, 2019 with an option to renew for an additional three years through September 30, 2024.

BSO pays for all utility costs including, but not limited to, telephone, electric, and water services. For the year ended September 30, 2020, the City had expenditures of approximately \$9,412,423 relating to this agreement.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 13 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Emergency Medical and Fire Protection Services - Effective October 1, 2010, the City entered into a new interlocal agreement with the City of Coral Springs to provide emergency medical and fire protection services through September 30, 2015. The agreement was extended to September 30, 2020 and except for the expiration of the agreement, the agreement may only be terminated for cause by either part. The contract was extended for an additional five year term, effective October 1, 2020 through September 30, 2025. Under the terms of the agreement, Parkland shall provide spacing and housing for all necessary services and is responsible for major repairs as well as utility costs. The City of Coral Springs is responsible for maintaining the aforementioned facilities.

Baseline costs are \$5,432,808 for the fiscal year ended September 30, 2015, and annual increases will be determined based on the same percentage as the increases in the Coral Springs' Fire Fund personnel cost, benefit costs, and operating expenses, subject to certain limits. For the year ended September 30, 2020, the City paid costs of approximately \$7,913,615 relating to this agreement.

Encumbrances - Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though encumbered appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward, and the following year's appropriations are likewise encumbered. At September 30, 2020, the City had encumbrances of \$1,049,776 in the Capital Projects Fund, Capital Replacement Fund and the Infrastructure Replacement Fund which is primarily made up of construction commitments for various Citywide capital projects and vehicle/equipment replacements.

**NOTE 14 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of \$200,000 and \$300,000 for all claims relating to the same accident. During the year ended September 30, 2020, the City had coverage for property and automobile insurance up to a maximum of \$1,000,000 per occurrence. The City has not significantly reduced insurance coverage from coverage in the prior year. There were no settled claims which exceeded insurance coverage during the past five fiscal years.

**NOTE 15 – STABILIZATION AGREEMENT**

Many governments have formal arrangements to maintain amounts for budget or revenue stabilization, working capital needs, contingencies, or emergencies. The City has adopted a stabilization agreement that provides for an operating reserve of 20% of the General Fund operating budget less transfers and contingency. As of September 30, 2020, the General Fund reported fund balance committed to the stabilization agreement in the amount of \$9,970,750.

**NOTE 16 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

A brief description of new accounting pronouncements that might have a significant impact on the City's financial statements is presented below.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2)

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 16 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. This Statement is effective for the fiscal year ending September 30, 2020. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In June 2017, the GASB issued 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.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. This Statement is effective for the fiscal year ending September 30, 2021. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes of this government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. There is no impact to the City.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 16 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

will improve financial reporting and will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. There is no impact to the City.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The majority objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment. If a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Earlier application is encouraged. There is no impact to the City.

In May 2019, the GASB issued 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 reporting periods beginning after December 15, 2020.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency and authoritative literature by addressing practice issues that have been identified during implementation and applicable of certain GASB Statements. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements for all other provisions of this Statement are effective for reporting periods beginning after June 15, 2020.

**NOTE 17 – RISK AND UNCERTAINTIES**

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens continue to take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF PARKLAND, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Taxes				
Ad valorem taxes	\$ 22,468,117	\$ 22,468,117	\$ 22,641,111	\$ 172,994
Franchise taxes	2,390,000	2,390,000	2,576,339	186,339
Utility service taxes	3,350,000	3,350,000	3,985,648	635,648
Local business tax	40,850	40,850	56,189	15,339
Total taxes	<u>28,248,967</u>	<u>28,248,967</u>	<u>29,259,287</u>	<u>1,010,320</u>
Permits and fees				
Building permits	3,485,000	3,485,000	2,618,358	(866,642)
Other permits and fees	164,500	164,500	286,699	122,199
Fire assessments	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,977,078</u>	<u>177,078</u>
Total permits and fees	<u>6,449,500</u>	<u>6,449,500</u>	<u>5,882,135</u>	<u>(567,365)</u>
Intergovernmental revenues				
Half cent sales tax	2,025,000	2,025,000	2,006,089	(18,911)
State revenue sharing	752,000	752,000	879,340	127,340
FEMA reimbursement	-	-	1,390,779	1,390,779
Motor fuel tax	450,000	450,000	515,385	65,385
Alcoholic beverage license	2,500	2,500	5,085	2,585
Grants	31,000	31,000	207,591	176,591
Local shared revenues	<u>371,500</u>	<u>371,500</u>	<u>756,264</u>	<u>384,764</u>
Total intergovernmental revenues	<u>3,632,000</u>	<u>3,632,000</u>	<u>5,760,533</u>	<u>2,128,533</u>
Charges for services				
Ambulance transport fees	302,000	302,000	423,574	121,574
Summer camp fees	475,000	475,000	(31)	(475,031)
Other charges for services	<u>1,024,583</u>	<u>1,024,583</u>	<u>1,075,479</u>	<u>50,896</u>
Total charges for services	<u>1,801,583</u>	<u>1,801,583</u>	<u>1,499,022</u>	<u>(302,561)</u>
Fines and forfeitures				
Court fines	140,000	140,000	50,586	(89,414)
Violations of local ordinances	<u>70,000</u>	<u>70,000</u>	<u>114,892</u>	<u>44,892</u>
Total fines and forfeitures	<u>210,000</u>	<u>210,000</u>	<u>165,478</u>	<u>(44,522)</u>
Miscellaneous revenues				
Interest income	351,000	351,000	513,067	162,067
Rents	171,000	171,000	211,679	40,679
Contributions	63,000	63,000	122,428	59,428
Other income	<u>154,000</u>	<u>154,000</u>	<u>163,167</u>	<u>9,167</u>
Total miscellaneous revenues	<u>739,000</u>	<u>739,000</u>	<u>1,010,341</u>	<u>271,341</u>
Total revenues	<u>\$ 41,081,050</u>	<u>\$ 41,081,050</u>	<u>\$ 43,576,796</u>	<u>\$ 2,495,746</u>

**CITY OF PARKLAND, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>EXPENDITURES:</b>				
General government				
City Commission	\$ 301,751	\$ 301,751	\$ 273,057	\$ 28,694
City Manager	672,026	672,026	605,663	66,363
Finance	719,281	719,281	558,954	160,327
Legal services	379,200	379,200	218,624	160,576
City Clerk	358,867	358,867	297,128	61,739
Personnel	475,899	475,899	366,462	109,437
Purchasing	318,200	318,200	285,490	32,710
Computer support	596,084	596,084	545,198	50,886
Communications and Marketing	490,434	490,434	366,797	123,637
Other general	597,130	597,130	373,916	223,214
Total general government	4,908,872	4,908,872	3,891,289	1,017,583
Public safety				
Police/crossings guards	10,221,193	10,221,193	9,595,822	625,371
Fire rescue	7,968,948	7,968,948	8,128,380	(159,432)
Code enforcement	23,400	23,400	12,705	10,695
Total public safety	18,213,541	18,213,541	17,736,907	476,634
Physical environment				
Public works	5,558,197	5,558,197	4,910,781	647,416
Development services				
Building	2,844,599	2,844,599	2,515,540	329,059
Planning and zoning	244,033	244,033	216,736	27,297
Environmental services	414,675	414,675	369,965	44,710
Total development services	3,503,307	3,503,307	3,102,241	401,066
Culture and recreation				
Parks and recreation	2,825,226	2,825,226	1,941,876	883,350
Library	658,552	658,552	544,478	114,074
Total culture and recreation	3,483,778	3,483,778	2,486,354	997,424
Debt Service				
Principal	1,020,250	1,020,250	984,156	36,094
Interest and fiscal charges	275,000	275,000	307,059	(32,059)
Total debt service	1,295,250	1,295,250	1,291,215	4,035
Capital outlay	144,200	144,200	87,516	56,684
Total expenditures	37,107,145	37,107,145	33,506,303	3,600,842
Excess (deficiency) of revenues over (under) expenditures	3,973,905	3,973,905	10,070,493	6,096,588
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance proceeds	-	-	5,198	5,198
Proceeds from sale of capital assets	-	-	12,563	12,563
Contingency	(200,000)	(200,000)	-	200,000
Transfers in	532,950	532,950	532,950	-
Transfers out	(4,306,855)	(4,306,855)	(4,306,855)	-
Total other financing sources (uses)	(3,973,905)	(3,973,905)	(3,756,144)	217,761
Revenue over (under) expenditures and other financing sources (uses)	-	-	6,314,349	6,314,349
Net change in fund balance	-	-	6,314,349	6,314,349
FUND BALANCE, beginning of year			37,113,794	
FUND BALANCE, end of year			\$ 43,428,143	

**CITY OF PARKLAND, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - PARK & COMMUNITY IMPROVEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	23,349	\$ 23,349
Interest	- -	- -	<u>26,530</u>	<u>26,530</u>
Total revenues	- -	- -	<u>49,879</u>	<u>49,879</u>
<b>EXPENDITURES:</b>				
Capital outlay	7,125,000	7,125,000	7,126,203	(1,203)
Total expenditures	<u>7,125,000</u>	<u>7,125,000</u>	<u>7,126,203</u>	<u>(1,203)</u>
Excess of revenues under expenditures	<u>(7,125,000)</u>	<u>(7,125,000)</u>	<u>(7,076,324)</u>	<u>51,082</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Use of fund balance	7,410,000	7,410,000	- -	(7,410,000)
Transfers out	(285,000)	(285,000)	(285,000)	- -
Total other financing sources	<u>7,125,000</u>	<u>7,125,000</u>	<u>(285,000)</u>	<u>(7,410,000)</u>
Net change in fund balance	- -	- -	<u>(7,361,324)</u>	<u>(7,358,918)</u>
FUND BALANCE, beginning of year			<u>8,061,574</u>	
FUND BALANCE, end of year			<u>\$ 700,250</u>	

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
**SEPTEMBER 30, 2020**

## **NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

Budgets and Budgetary Data - The City adopts an annual operating budget, which is employed as a management control device, for the General Fund, Capital Projects Fund and the Park and Community Improvements Fund. These budgets, as adopted or amended during the year by the City Commission, are prepared on a modified-accrual basis, excluding on-behalf payments from the State for Police Officers pension. During the year, all legal requirements with regard to budget adoption were met.

### Process of Adoption

1. On or about August 1, the City Manager submits a proposed operating budget for the coming fiscal year to the City Commission.
2. During August, the City Commission holds workshops, which are open to the public, to review the proposed budget and determine the tentative budget.
3. During September, two public hearings are held for the purpose of presenting to and receiving input from citizens on the tentative budget and the proposed millage rate. At the second hearing, the annual budget is adopted, and the taxes are levied.

Period of Appropriation - Unless encumbered by a purchase order, budgeted appropriations lapse at the end of each fiscal year. For budgetary control purposes, encumbrances are rolled over and adjusted to next year's budget.

Supplemental Appropriations - If during the fiscal year revenues in excess of the original budgeted amounts become available, the City Commission may make supplemental appropriations.

Level of Control - The adoption of the budget by the City Commission constitutes the legal appropriation of the amounts specified therein as expenditures from the appropriate governmental fund. The amount of the appropriation cannot be exceeded unless the City Commission has approved a supplemental appropriation. Budgetary control of expenditures is maintained at the departmental level. A departmental budget cannot be exceeded without the approval, by motion, of the City Commission at a public meeting. The City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change.

## **NOTE 2 – BUDGET RECONCILIATION**

Budget Reconciliation - The General Fund budget excludes on-behalf payments from the State for Police Officers pension. As a result the General Fund revenues and expenditures reported in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual differ from the revenues and expenditures reported on the GAAP basis. The differences are reconciled as follows:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis	\$ 43,576,796	\$ 33,506,303
On-behalf payments for pension benefits	339,340	339,340
GAAP Basis	<u>\$ 43,916,136</u>	<u>\$ 33,845,643</u>

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## **COMBINING FINANCIAL STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Government Library Building Fund - This fund is used to account for the revenue and expenditure for the collection of impact fees for government buildings and the library.

Public Safety Improvement Fund - This fund is used to account for the revenue and expenditure for the collection of fire and police impact fees.

Law Enforcement Fund - This fund is used to account for revenues derived from the enforcement from the Florida Contraband Act. Expenditures are restricted to the purchase of law enforcement equipment.

Pine Tree Road Fund - This fund is used to account for the City's use of reserves that will be used to fund road construction.

### CAPITAL PROJECTS FUND

Infrastructure Replacement Fund - This fund is used to fund future capital expenditures as they relate to City facilities.

**CITY OF PARKLAND, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**

	Special Revenue Funds				Capital Project Fund		Total
	Government Library Building	Public Safety Improvement	Law Enforcement	Pine Tree Road	Infrastructure Replacement	Governmental Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,213,031	\$	\$	\$	\$	\$	
	<u>\$ 1,213,031</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Total assets					\$ Nonmajor	\$	
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$	\$ 1,016,268	\$	\$	\$	
	<u>-</u>	<u>\$</u>	<u>1,016,268</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Total liabilities	1,681,157					8,424,255	
<b>FUND BALANCES</b>							
Restricted	1,681,157	59,897		4,453,902		8,424,255	
Public safety building	-	755,272	-	4,453,902	-	-	
Western fire station	-	925,885	-	-	75,622	75,622	
Administrative building	-	-	-	-	75,622	75,622	
Library	1,081,443	-	-	75,622	-	755,272	
Police forfeiture	-	-	59,897	-	-	925,885	
Assigned	131,588					131,588	
Capital projects	-						
Unassigned	-					59,897	
	<u>1,681,157</u>	<u>59,897</u>	<u>131,588</u>	<u>4,453,902</u>	<u>8,424,255</u>	<u>59,897</u>	
Total fund balances	\$ 1,213,031	\$	\$ 1,016,268	\$	\$	\$	
	<u>\$ 1,213,031</u>	<u>\$</u>	<u>\$ 1,016,268</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Total liabilities and fund balances	-	-	1,016,268		5,394,548		
	<u>-</u>	<u>-</u>	<u>1,016,268</u>	<u>4,378,280</u>	<u>8,348,633</u>	<u>-</u>	
	1,681,157	59,897		4,378,280		8,424,255	
	<u>1,681,157</u>	<u>59,897</u>	<u>4,378,280</u>	<u>4,453,902</u>	<u>8,424,255</u>	<u>4,453,902</u>	

**CITY OF PARKLAND, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Government Library Building	Public Safety Improvement	Law Enforcement	Pine Tree Road	Infrastructure Replacement	
<b>REVENUES:</b>						
Impact Fees	\$ 258,230	\$ 152,335	\$ 1,451	\$ -	\$ -	\$ 412,016
Interest income	11,311	16,250	515	8,788	37,113	73,977
Total revenues	<u>269,541</u>	<u>168,585</u>	<u>1,966</u>	<u>8,788</u>	<u>37,113</u>	<u>485,993</u>
<b>EXPENDITURES:</b>						
Current:						
Capital outlay	333,705	-	-	-	1,526,008	1,859,713
Total expenditures	<u>333,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,526,008</u>	<u>1,859,713</u>
Excess (Deficiency) of revenues over expenditures	<u>(64,164)</u>	<u>168,585</u>	<u>1,966</u>	<u>8,788</u>	<u>(1,488,895)</u>	<u>(1,373,720)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	1,454,000	1,454,000
Transfers out	(11,400)	(236,550)	-	-	-	(247,950)
Total other financing sources (uses)	<u>(11,400)</u>	<u>(236,550)</u>	<u>-</u>	<u>-</u>	<u>1,454,000</u>	<u>1,206,050</u>
Net change in fund balance	<u>(75,564)</u>	<u>(67,965)</u>	<u>1,966</u>	<u>8,788</u>	<u>(34,895)</u>	<u>(167,670)</u>
<b>FUND BALANCE, beginning of year</b>	<u>1,288,595</u>	<u>1,749,122</u>	<u>57,931</u>	<u>1,007,480</u>	<u>4,413,175</u>	<u>8,516,303</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 1,213,031</u>	<u>\$ 1,681,157</u>	<u>\$ 59,897</u>	<u>\$ 1,016,268</u>	<u>\$ 4,378,280</u>	<u>\$ 8,348,633</u>

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET VS ACTUAL - GOVERNMENT LIBRARY BUILDING FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>REVENUES:</b>				
Impact Fees	\$ 11,400	\$ -	\$ 258,230	\$ 258,230
Interest	-	-	11,311	11,311
Total revenues	<u>11,400</u>	<u>-</u>	<u>269,541</u>	<u>269,541</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	371,125	333,705	37,420
Total expenditures	<u>-</u>	<u>371,125</u>	<u>333,705</u>	<u>37,420</u>
Excess of expenditures under revenues	<u>11,400</u>	<u>(371,125)</u>	<u>(64,164)</u>	<u>306,961</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(11,400)	(11,400)	(11,400)	-
Use of Fund Balance	-	382,525	-	(382,525)
Total other financing sources	<u>(11,400)</u>	<u>371,125</u>	<u>(11,400)</u>	<u>(382,525)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(75,564)</u>	<u>(75,564)</u>
<b>FUND BALANCE, beginning of year</b>			<u>1,288,595</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 1,213,031</u>	

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET VS ACTUAL - PUBLIC SAFETY IMPROVEMENT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Impact Fees	\$ -	\$ -	\$ 152,335	\$ 152,335
Interest	-	-	16,250	16,250
Total revenues	-	-	168,585	168,585
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues under expenditures	-	-	168,585	168,585
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(236,550)	(236,550)	(236,550)	-
Use of Fund Balance	236,550	236,550	-	(236,550)
Total other financing sources (uses)	-	-	(236,550)	(236,550)
Net change in fund balance	-	-	(67,965)	(67,965)
<b>FUND BALANCE, beginning of year</b>			1,749,122	
<b>FUND BALANCE, end of year</b>			<u>\$ 1,681,157</u>	

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET VS ACTUAL - PINE TREE ROAD**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 8,788	\$ 8,788
Total revenues	_____ -	_____ -	8,788	8,788
Excess of revenues under expenditures	_____ -	_____ -	8,788	8,788
<b>OTHER FINANCING SOURCES (USES):</b>				
Reserve for future capital projects	(1,000,000)	(1,000,000)	-	1,000,000
Use of Fund Balance	<u>1,000,000</u>	<u>1,000,000</u>	-	(1,000,000)
Total other financing sources	_____ -	_____ -	-	-
Net change in fund balance	_____ -	_____ -	8,788	8,788
FUND BALANCE, beginning of year			1,007,480	
FUND BALANCE, end of year			<u>\$ 1,016,268</u>	

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET VS ACTUAL - INFRASTRUCTURE REPLACEMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 37,113	\$ 37,113
Total revenues	<u>-</u>	<u>-</u>	<u>37,113</u>	<u>37,113</u>
<b>EXPENDITURES:</b>				
Capital outlay	1,171,000	2,438,900	1,526,008	912,892
Total expenditures	<u>1,171,000</u>	<u>2,438,900</u>	<u>1,526,008</u>	<u>912,892</u>
Excess of expenditures under revenues	<u>(1,171,000)</u>	<u>(2,438,900)</u>	<u>(1,488,895)</u>	<u>950,005</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Reserve for future capital projects	(29,000)	(29,000)	-	29,000
Transfers in	1,200,000	1,454,000	1,454,000	-
Use of Fund Balance	<u>-</u>	<u>1,013,900</u>	<u>-</u>	<u>(1,013,900)</u>
Total other financing sources	<u>1,171,000</u>	<u>2,438,900</u>	<u>1,454,000</u>	<u>(984,900)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(34,895)</u>	<u>(34,895)</u>
<b>FUND BALANCE, beginning of year</b>			<u>4,413,175</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 4,378,280</u>	

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET VS ACTUAL - CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Impact Fees	\$ -	\$ -	\$ 29,282	\$ 29,282
Grants and contributions	350,000	350,000	1,412,837	1,062,837
Interest	10,000	10,000	73,162	63,162
Miscellaneous income	<u>5,000</u>	<u>5,000</u>	<u>27,124</u>	<u>22,124</u>
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>1,542,405</u>	<u>1,177,405</u>
<b>EXPENDITURES:</b>				
Capital outlay	4,759,000	12,306,739	1,643,762	10,662,977
Total expenditures	<u>4,759,000</u>	<u>12,306,739</u>	<u>1,643,762</u>	<u>10,662,977</u>
Excess of expenditures under revenues	<u>(4,394,000)</u>	<u>(11,941,739)</u>	<u>(101,357)</u>	<u>11,840,382</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,806,855	2,806,855	2,806,855	-
Transfers out	-	(254,000)	(254,000)	-
Use of Fund Balance	<u>1,587,145</u>	<u>9,388,884</u>	<u>-</u>	<u>(9,388,884)</u>
Total other financing sources	<u>4,394,000</u>	<u>11,941,739</u>	<u>2,552,855</u>	<u>(9,388,884)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>2,451,498</u>	<u>2,451,498</u>
FUND BALANCE, beginning of year			<u>7,858,184</u>	
FUND BALANCE, end of year			<u>\$ 10,309,682</u>	

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## **STATISTICAL SECTION**

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**CITY OF PARKLAND, FLORIDA**  
**STATISTICAL SECTION**

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

**Contents**

**Page**

<b>Financial Trends</b>	<b>53-56</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>57-60</b>
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>61-63</b>
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in future.	
<b>Demographic and Economic Information</b>	<b>64-65</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	<b>66-68</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the City provides and the activities it performs.	

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

**CITY OF PARKLAND, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 34,295,287	\$ 36,118,346	\$ 36,676,563	\$ 31,478,364	\$ 41,552,038	\$ 48,976,994	\$ 51,201,128	\$ 52,661,539	\$ 56,498,862	\$ 64,596,577
Restricted:										
Park Improvement	177,998	182,362	1,285,805	1,243,055	5,266,106	6,295,980	5,965,401	5,400,612	8,061,574	700,250
Law enforcement	25,632	26,943	36,657	32,239	33,208	34,286	67,042	67,547	57,931	59,897
Capital projects	711,944	1,881,886	3,432,366	6,574,539	8,000,934	9,506,569	11,504,054	12,003,472	11,749,632	10,561,917
Unrestricted	<u>18,444,892</u>									
Total governmental activities net position	\$ 53,655,753	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
The City has no business-type activities.	18,345,576	21,221,272	30,621,031	25,287,659	26,037,038	28,736,525	34,511,593	42,231,452	51,815,604	
	56,555,113	62,652,663	69,949,228	80,139,945	90,850,867	97,474,150	104,644,763	118,599,451	127,734,245	

**CITY OF PARKLAND, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRAUL BASIS OF ACCOUNTING)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses:</b>									
Governmental activities:									
General government	\$ 2,128,059	\$ 2,423,958	\$ 3,154,084	\$ 2,821,337	\$ 3,119,581	\$ 4,040,265	\$ 4,258,265	\$ 4,145,227	\$ 4,419,822
Public safety	10,693,529	10,910,156	11,663,587	12,230,519	13,111,805	14,033,730	14,778,705	16,914,796	18,795,900
Physical environment	3,440,729	4,054,575	3,264,799	3,212,767	3,630,027	4,333,530	4,733,130	3,682,115	6,116,720
Culture and recreation	3,088,740	2,750,940	2,832,387	4,714,246	10,075,787	3,202,154	3,736,757	5,331,399	3,742,989
Development services (1)	1,217,932	1,297,404	3,429,707	3,063,435	2,958,094	3,334,913	3,537,070	4,249,444	3,148,286
Interest expense and other financing costs	385,701	363,632	580,248	516,288	473,745	362,811	252,950	343,535	307,059
Total governmental activities	<u>20,954,690</u>	<u>21,800,665</u>	<u>24,924,812</u>	<u>26,558,592</u>	<u>33,369,039</u>	<u>29,307,403</u>	<u>31,296,877</u>	<u>34,666,516</u>	<u>36,530,776</u>
Program revenues:									
Governmental activities:									
Charges for services:									
General government	285,636	571,066	1,027,458	871,283	789,136	972,295	820,239	691,115	573,633
Public safety	5,479,703	7,095,095	8,818,702	7,754,663	7,455,482	8,497,121	8,544,208	10,111,759	6,867,554
Physical environment	460,788	831,893	953,500	666,003	885,796	906,160	528,608	-	-
Culture and recreation	590,292	1,817,767	1,898,225	6,829,076	11,948,052	-	1,033,260	3,966,596	444,140
Development Services	127,275	122,272	89,310	95,918	96,120	72,940	31,790	224,758	152,862
Operating grants and contributions	70,644	120,986	262,946	281,578	301,867	296,265	310,732	-	1,937,710
Capital grants and contributions	80,905	22,951	325,567	121,854	200,000	200,000	-	-	-
Total governmental activities	<u>7,095,243</u>	<u>10,582,030</u>	<u>13,375,708</u>	<u>16,620,375</u>	<u>21,676,453</u>	<u>10,944,781</u>	<u>11,268,837</u>	<u>14,994,228</u>	<u>11,388,736</u>
program revenues									
Net expense/revenue:									
Governmental activities	<u>(13,859,447)</u>	<u>(11,218,635)</u>	<u>(11,549,104)</u>	<u>(9,938,217)</u>	<u>(11,692,586)</u>	<u>(18,362,622)</u>	<u>(20,028,040)</u>	<u>(19,672,288)</u>	<u>(25,142,040)</u>
Total governmental activities									
net expense	<u>\$ (13,859,447)</u>	<u>\$ (11,218,635)</u>	<u>\$ (11,549,104)</u>	<u>\$ (9,938,217)</u>	<u>\$ (11,692,586)</u>	<u>\$ (18,362,622)</u>	<u>\$ (20,028,040)</u>	<u>\$ (19,672,288)</u>	<u>\$ (25,142,040)</u>
General revenues and other changes in net position:									
Governmental activities:									
Taxes:									
Ad valorem taxes	\$ 11,274,022	\$ 11,519,275	\$ 12,224,931	\$ 12,928,495	\$ 14,637,301	\$ 16,246,790	\$ 17,702,458	\$ 21,253,041	\$ 22,641,111
Franchise taxes	344,222	336,151	346,923	370,408	405,797	445,824	1,075,645	2,558,804	2,576,339
Utility service taxes	2,762,394	2,885,688	3,010,550	3,120,422	3,188,455	3,261,991	3,569,425	3,745,735	3,985,648
Intergovernmental (Unrestricted)	2,129,297	2,393,759	2,806,658	3,054,018	3,205,331	3,473,106	3,975,403	4,787,421	4,162,163
Interest income	38,386	32,361	34,928	37,565	69,391	133,246	292,623	486,196	696,875
Net increase/(decrease) in the fair value of investments	71,559	32,669	-	-	-	-	-	-	-
Miscellaneous	138,927	116,282	421,679	618,026	897,233	367,901	583,099	469,519	307,489
Total governmental activities									
general revenues	<u>16,758,807</u>	<u>17,316,185</u>	<u>18,845,669</u>	<u>20,128,934</u>	<u>22,403,508</u>	<u>23,928,858</u>	<u>27,198,653</u>	<u>33,300,716</u>	<u>34,369,625</u>
Change in net position									
Governmental activities	<u>2,899,360</u>	<u>6,097,550</u>	<u>7,296,565</u>	<u>10,190,717</u>	<u>10,710,922</u>	<u>5,566,236</u>	<u>7,170,613</u>	<u>13,628,428</u>	<u>9,227,585</u>
Total primary government	<u>\$ 2,899,360</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

(1) 2008 was the initial year this activity has been reported separately

6,097,550      7,296,565      10,190,717      10,710,922      5,566,236      7,170,613      13,628,428      9,227,585

**CITY OF PARKLAND, FLORIDA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable:										
Assessments Receivable	\$ 6,296	\$ 6,296	\$ 5,495	\$ 5,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Receivable	13,012	12,719	12,056	12,295	-	-	-	-	-	-
Prepays	47,203	55,584	25,069	126,197	125,699	148,997	188,612	195,950	116,399	10,081
SBA - Fund B	32,008	277,434	151,589	-	-	-	-	-	-	-
Restricted for:										
Equestrian Center	9,470	9,470	9,470	9,470	9,470	9,470	9,470	9,470	9,470	9,470
Liberty Park	200	200	200	200	200	200	200	200	200	200
Library	554	554	554	554	554	554	554	554	554	554
Country Point	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575
Building Department	433,615	1,314,789	2,077,406	4,379,523	5,242,507	6,366,570	7,845,786	7,970,307	8,681,403	7,637,217
Committed to:										
Stabilization Agreement	4,160,010	4,540,000	4,914,761	5,112,499	6,737,500	7,144,000	6,956,500	7,285,060	8,021,786	9,970,750
Insurance Deductible	-	-	-	607,500	607,500	607,500	607,500	625,000	750,000	750,000
Capital Replacement Fund	-	300,000	-	-	-	-	-	-	-	-
Infrastructure Replacement Fund	-	300,000	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's budget	522,350	408,101	235,883	-	-	-	-	-	-	-
Unassigned	<u>10,160,028</u>									
Total General Fund	<u>\$ 15,389,321</u>	<u>\$</u>	<u>\$</u>							
All other governmental funds:										
Nonspendable:										
Prepays	\$ 11,419,404	\$ 13,555,680	\$ 18,746,644	\$ 15,407,021	\$ 12,368,950	\$ 14,036,964	\$ 16,127,124	\$ 19,529,407	\$ 25,045,296	\$ -
SBA - Fund B	238,853	18,649,126	20,992,738	29,004,952	28,135,026	26,650,816	29,650,161	32,218,240	37,113,794	43,428,143
Restricted for:										
M.U.S.T. grant	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646
Impact Fees	34,066	100,887	443,411	1,026,404	1,484,427	1,868,189	2,257,800	2,387,034	1,288,595	1,213,031
Public Safety	14,436	44,862	119,800	216,409	309,436	372,580	472,036	606,709	707,645	755,272
Western Fire Station	205,565	397,086	767,487	927,941	940,302	874,968	904,170	1,015,160	1,047,727	932,135
Waste containers	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817
Park improvements	177,998	182,362	1,285,805	1,243,055	5,266,106	6,295,980	5,965,401	5,400,612	8,061,574	700,250
Law enforcement	25,632	26,943	36,657	32,239	33,208	34,286	67,042	67,547	57,931	59,897
Assigned to:										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Capital projects	<u>2,459,364</u>									
Total all other governmental funds	<u>\$ 3,163,377</u>	<u>\$</u>	<u>\$</u>							
	1,684,008	5,815,212	2,346,397	4,690,214	6,313,495	9,432,462	13,263,126	15,688,517		
	424,146	4,346,631	9,270,723	10,389,339	14,145,680	15,989,407	18,918,987	24,436,061	19,358,565	

**CITY OF PARKLAND, FLORIDA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues:</b>										
Ad valorem taxes	\$ 10,916,305	\$ 11,274,022	\$ 11,519,275	\$ 12,224,931	\$ 12,928,495	\$ 14,637,301	\$ 16,246,790	\$ 17,702,458	\$ 21,253,041	\$ 22,641,111
Franchise fees	347,935	344,222	336,151	346,923	370,408	405,797	445,824	1,075,645	2,558,804	2,576,339
Utility service taxes	2,757,831	2,762,394	2,885,688	3,010,550	3,120,422	3,188,455	3,261,991	3,569,425	3,745,735	3,985,648
Licenses and permits	3,562,201	4,445,864	5,875,205	7,661,933	6,545,376	6,284,905	7,604,539	7,347,817	8,270,677	5,938,324
Intergovernmental revenues	2,715,327	2,452,615	2,653,163	3,161,394	3,202,974	3,707,198	3,969,371	4,054,875	4,787,422	6,099,873
Charges for services	1,191,657	1,895,663	4,035,466	4,782,814	8,981,019	14,278,572	3,487,679	3,331,818	6,526,856	1,963,669
Fines and forfeitures	412,480	421,259	320,512	275,590	619,068	536,382	348,126	206,395	196,694	165,478
Interest income	43,989	37,860	31,840	34,262	36,984	68,936	132,196	289,791	564,106	686,736
Unrealized gain (loss) on investments	44,649	71,559	32,669	-	-	-	-	-	-	-
Miscellaneous revenues	703,036	344,666	476,628	510,776	943,982	971,960	433,120	912,936	669,270	524,398
Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>22,695,410</b>	<b>24,050,124</b>	<b>28,166,597</b>	<b>32,009,173</b>	<b>36,748,728</b>	<b>44,079,506</b>	<b>35,929,636</b>	<b>38,491,160</b>	<b>48,572,605</b>	<b>45,994,413</b>
										1,412,837
<b>Expenditures:</b>										
<b>Current:</b>										
General government	1,948,035	1,861,771	2,125,871	2,310,565	2,515,002	-	3,834,848	3,933,683	3,740,692	3,891,289
Public safety	10,048,868	10,624,950	10,879,120	11,471,581	11,996,487	12,800,102	13,668,460	14,449,274	16,549,096	18,076,247
Physical environment	2,913,972	2,669,135	3,227,308	3,205,260	3,204,609	3,630,027	4,333,530	4,733,130	5,327,036	4,910,781
Development services	1,105,335	1,240,803	1,272,056	1,660,370	2,193,531	2,090,599	2,423,084	2,536,533	2,705,674	3,102,241
Culture and recreation	1,930,453	2,021,496	1,650,700	1,705,994	1,860,107	2,121,556	1,953,093	2,196,981	2,441,734	2,486,354
Contingency	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,421,478	3,489,675	2,284,321	3,719,696	10,984,222	8,067,210	3,375,626	3,605,624	5,848,735	10,717,194
Contribution to other government	-	-	-	875,000	1,780,000	6,974,000	-	-	-	-
<b>Debt service:</b>										
Principal retirement	519,429	539,654	562,544	579,800	984,851	2,668,931	920,198	927,021	947,761	984,156
Interest and fiscal charges	410,853	391,910	370,109	450,562	516,288	521,396	371,269	364,021	343,535	307,059
<b>Total expenditures</b>	<b>20,298,423</b>	<b>22,839,394</b>	<b>22,372,029</b>	<b>25,978,828</b>	<b>36,035,097</b>	<b>38,873,821</b>	<b>30,880,108</b>	<b>32,746,267</b>	<b>37,904,263</b>	<b>44,475,321</b>
<b>Excess of revenues over (under) expenditures</b>	<b>2,396,987</b>	<b>1,210,730</b>	<b>5,794,568</b>	<b>6,030,345</b>	<b>713,631</b>	<b>5,205,685</b>	<b>5,049,528</b>	<b>5,744,893</b>	<b>10,668,342</b>	<b>1,519,092</b>
<b>Other financing sources(uses):</b>										
Insurance proceeds	42,556	65,083	6,801	211,538	35,059	44,682	55,294	21,935	23,146	5,198
Proceeds from sale of capital assets	250	6,364	3,125	2,023	-	25,264	40,850	30,830	21,140	12,563
Issuance of debt	-	-	-	6,995,000	-	-	-	-	-	-
Transfers in	-	1,000,000	3,334,066	832,950	7,332,950	7,332,950	5,056,950	6,082,568	8,251,712	4,793,805
Transfers out	-	-	-	)	(7,832,950)	(7,635,550)	(5,359,550)	(6,382,568)	(8,551,712)	(5,093,805)
<b>Total other financing sources (uses)</b>	<b>42,806</b>	<b>71,447</b>	<b>(290,074)</b>	<b>6,905,961</b>	<b>(464,941)</b>	<b>(232,654)</b>	<b>(206,456)</b>	<b>(247,235)</b>	<b>(255,714)</b>	<b>(282,239)</b>
<b>Net change in fund balances</b>	<b>\$ 2,439,793</b>	<b>\$ (3,634,066)</b>	<b>\$ (1,135,550)</b>							
<b>Debt service as a percentage of noncapital expenditures</b>	4.92%	4.79%	4.64%	4.60%	6.16%	10.41%	4.72%	4.44%	4.03%	3.82%
	1,282,177	5,504,494	12,936,306		4,973,031	4,843,072	5,497,658	10,412,628	1,236,853	
				248,690						

**CITY OF PARKLAND, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<u>Year</u>	Residential	Commercial	Industrial	Personal and Other	Total	Direct Tax	Estimated Actual	Estimated Actual Value
	<u>Property</u>	<u>Property</u>	<u>Property</u>	<u>Property</u>	<u>Value</u>			as a % of Net
2011	2,712,847,310	93,077,570	632,170	88,049,200	2,894,606,250	4.0198	2,894,606,250	100%
2012	2,802,659,230	84,591,400	1,717,300	85,538,200	2,974,506,130	4.0198	2,974,506,130	100%
2013	2,980,927,570	88,277,670	1,838,200	81,893,360	3,152,936,800	3.9999	3,152,936,800	100%
2014	3,197,700,040	84,723,850	4,531,580	89,456,420	3,376,411,890	3.9900	3,376,411,890	100%
2015	3,554,975,760	81,721,890	822,600	134,282,580	3,771,802,830	3.9890	3,771,802,830	100%
2016	4,005,372,640	87,516,560	1,329,260	114,495,170	4,208,713,630	3.9870	4,208,713,630	100%
2017	4,382,456,800	90,253,710	1,242,900	110,046,170	4,583,999,580	3.9800	4,583,999,580	100%
2018	4,756,241,210	105,517,710	1,331,410	114,264,110	4,977,354,440	3.9780	4,977,354,440	100%
2019	5,372,922,135	109,126,580	1,100,160	115,739,770	5,598,888,645	4.4000	5,598,888,645	100%
2020	5,445,820,430	110,752,250	1,210,170	162,453,983	5,720,236,833	4.4000	5,720,236,833	100%

**CITY OF PARKLAND, FLORIDA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

<u>Year</u>	Overlapping Rates									<u>Total</u>	
	<u>City Direct</u>	<u>Broward County</u>	<u>Broward School District</u>	<u>Children's Service Council of Broward County</u>	<u>Management District</u>	South			<u>Broward Hospital District</u>		
						<u>Florida Water</u>	<u>Florida Inland Navigation District</u>	<u>North Broward</u>			
2011	4.0198	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750			20.2069	
2012	4.0198	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750			19.8155	
2013	3.9999	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564			19.8189	
2014	3.9900	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554			19.8821	
2015	3.9890	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939			19.6508	
2016	3.9870	5.7230	7.2740	0.4882	0.3551	0.0320	1.4425			19.3018	
2017	3.9800	5.6690	6.9063	0.4882	0.3307	0.0320	1.3462			18.7524	
2018	3.9780	5.6690	6.5394	0.4882	0.3100	0.0320	1.2483			18.2649	
2019	4.4000	5.6690	6.7393	0.4882	0.3100	0.0320	1.0324			18.6709	
2020	4.4000	5.4999	6.4140	0.4882	0.2675	0.0320	1.1469			18.2485	

Note: All rates are per \$1,000 of assessed taxable value.

**CITY OF PARKLAND, FLORIDA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	Fiscal Year					
	2020		Percentage of Total		2011	
	Taxable Assessed	<u>Value</u>	Rank	Taxable Assessed	<u>Value</u>	Rank
Keystone Bell Fund Cir APT	\$ 71,295,000	1	2.01%			
5999 University Drive LLC Senior Housing	\$ 52,000,000	2	1.46%			
New Market-Parkland LLC	28,811,000	3	0.81%			
Lucky Star Holdings	14,182,000	4	0.40%			
BREM Parkland LP	12,358,000	5	0.35%			
Riverstone Plaza, LLC	12,085,000	6	0.34%			
Parkland Centerline LLC	7,849,000	7	0.22%			
Jacur Parkland Town Center LLC	6,116,200	8	0.17%			
Parkland Golf & Country Club	4,704,000	9	0.13%			
Allegro at Parkland	4,623,000	10	0.13%			
Toll FL V, LLC				60,496,170	1	1.72%
Winners Circle Realty				39,845,110	2	1.13%
WCI Communities				28,624,910	3	0.81%
WRI HR Parkland, LLC				18,086,350	4	0.51%
Quality Properties Asset				14,130,550	5	0.40%
Barclay Millennium, LLC				12,540,000	6	0.36%
Brem Parkland LP				12,300,000	7	0.35%
Florida Power & Light Co.				9,322,985	8	0.26%
Lennar Homes				7,323,680	9	0.21%
Total	<u>\$ 214,023,200</u>	<u>6.02%</u>		<u>\$ 202,669,755</u>	<u>5.75%</u>	

Source: Broward County Property Appraiser's Office

**CITY OF PARKLAND, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal <u>Year</u>	Taxes <u>Levied</u>	Collected Within the Fiscal Year of the Levy		Collections in Subsequent <u>Years</u>		Total Collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
2011	11,343,950	10,540,193	92.91%	376,112	10,916,305	96.23%	
2012	11,741,741	10,994,504	93.64%	279,519	11,274,023	96.02%	
2013	12,002,786	11,265,089	93.85%	254,187	11,519,275	95.97%	
2014	12,712,539	12,224,931	96.16%	312,047	12,536,978	98.62%	
2015	13,560,959	12,928,495	95.34%	220,210	13,148,705	96.96%	
2016	15,182,579	14,637,301	96.41%	314,144	14,951,445	98.48%	
2017	16,900,257	16,246,791	96.13%	270,398	16,517,189	97.73%	
2018	18,438,575	17,702,458	96.01%	259,731	17,962,189	97.42%	
2019	22,422,044	21,253,041	94.79%	323,737	21,576,778	96.23%	
2020	24,590,545	22,641,111	92.07%	395,058	23,036,168	93.68%	

**CITY OF PARKLAND, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal <u>Year</u>	Government Activities			Percentage of	
	Notes <u>Payable</u>	Revenue <u>Bonds</u>	Total <u>Government</u>	Personal <u>Income</u>	Per <u>Capita</u>
2011	7,745,218	2,260,000	10,005,218	0.8844%	417.55
2012	7,320,564	2,145,000	9,465,564	0.8038%	388.08
2013	6,878,021	2,025,000	8,903,021	0.7789%	357.95
2014	13,418,389	1,905,000	15,323,389	1.3165%	599.13
2015	12,558,370	1,804,926	14,363,296	1.1008%	546.69
2016	11,669,439	-	11,669,439	0.8122%	414.87
2017	10,749,316	-	10,749,316	0.6686%	363.32
2018	9,798,090	-	9,798,090	0.5260%	311.29
2019	8,813,791	-	8,813,791	0.4421%	269.19
2020	7,890,303	-	7,890,303	0.3602%	231.33

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

Population data provided by the City of Parkland Planning Department.

**CITY OF PARKLAND, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**SEPTEMBER 30, 2020**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Parkland</u>	<u>Amount Applicable to Parkland</u>
<b>Overlapping debt:</b>			
Broward County	\$ 104,269,120	(1)	2.37%
Broward District Schools	<u>1,650,743,124</u>	(2)	<u>2.37%</u>
Subtotal overlapping debt	1,755,012,244		41,659,866
<b>Direct debt:</b>			
City of Parkland	<u>7,890,303</u>	100%	<u>7,890,303</u>
Subtotal direct debt	<u>7,890,303</u>		<u>7,890,303</u>
Total direct and overlapping debt	<u>\$ 1,762,902,547</u>		<u>\$ 49,550,169</u>

Notes:

The Broward County Property Appraiser's Office provided total assessed taxable values to provide a basis for the ratio on assessed taxable values.

(1) Source: Budget Office, Broward County, Florida

*Consolidated Fund Summary*

(2) Source: School Board, Broward County, Florida

*Existing Debt Service Obligations*

**CITY OF PARKLAND, FLORIDA**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal <u>Year</u>	Note Payable				
	Half-Cent Sales	Utility Service	Debt Service		<u>Coverage</u>
	<u>Tax</u>	<u>Tax</u>	<u>Principal</u>	<u>Interest</u>	
2011	1,255,344	1,644,623	519,430	410,852	3.12
2012	1,318,974	1,671,899	539,654	391,909	3.21
2013	1,428,297	1,774,608	562,544	370,109	3.43
2014	1,534,077	1,963,836	579,800	450,562	3.39
2015	1,647,166	2,069,606	984,851	516,288	2.48
2016	1,739,181	2,193,455	2,668,931	(1) 514,395	1.24
2017	1,874,226	2,299,642	920,198	371,269	3.23
2018	2,036,948	3,569,425	927,021	364,021	4.34
2019	2,161,055	3,745,735	947,761	343,535	4.57
2020	2,006,089	3,985,648	984,156	307,059	4.64

Note: (1) The City paid off its Florida Municipal Loan Council obligation in FY 2016

**CITY OF PARKLAND, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

Calendar Year	<u>Population (3)</u>	Personal Income (Thousands of Dollars)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (5)
2011	23,962	1,131,247	47,214	38.4	8.6%
2012	24,391	1,177,671	48,285	40.0	6.7%
2013	24,872	1,142,975	45,958	38.8	5.3%
2014	25,576	1,163,972	45,521	39.0	4.7%
2015	26,273	1,304,857	49,671	38.4	4.8%
2016	28,128	1,436,768	51,076	39.5	4.5%
2017	29,586	1,607,832	54,337	40.7	3.2%
2018	31,476	1,862,640	59,169	41.1	2.9%
2019	32,742	1,993,539	60,890	40.3	2.6%
2020	34,109	2,190,544	64,220	41.1	2.8%

Source:

- (1) U.S. Census Bureau - data.census.gov
- (2) Information is unchanged from prior year. No updated information available.
- (3) Planning & Zoning - Bureau of Economic and Business Research
- (4) U.S. Department of Labor - Metropolitan Area - December 2009
- (5) State of Florida - LAUS

**CITY OF PARKLAND, FLORIDA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	2020			2011		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>
Broward County Public School	504	1	*	583	1	*
Aston Gardens	190	2	*	185	3	*
City of Parkland	151	3	*	99	4	*
BJ's Wholesale Club	150	4	*	110	2	*
Publix Supermarket	145	5	*	66	5	*
Total	<u>1,140</u>		=	<u>1,043</u>		=

\* Percentage of total City employment information not available.

\*

\*

**CITY OF PARKLAND, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program:										
General government:										
Mayor and Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager	3.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0	6.0	4.0
City Clerk	2.0	2.0	2.0	1.0	2.0	2.0	2.0	3.0	3.0	3.0
Communications and Marketing	-	-	-	-	-	-	-	-	-	3.0
Finance	4.5	5.5	5.0	5.0	5.0	5.0	6.0	6.0	6.0	5.0
Human Resources	-	2.0	2.0	2.0	2.5	3.0	5.5	4.0	5.0	3.0
Planning	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Engineering	-	1.5	3.0	4.0	4.0	3.0	4.0	4.0	4.0	4.0
Information technology	1.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Public safety*:										
Police protection	36.5	36.5	38.5	38.5	40.0	41.0	43.0	43.0	43.0	43.0
Fire rescue and EMS	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Protective inspections	6.5	6.5	10.0	13.5	19.5	18.5	15.5	15.5	15.5	19.0
Crossing Guards	7.5	7.5	7.0	7.0	10.0	9.0	9.0	10.0	10.0	10.0
Physical environment:										
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Environmental Resources	1.0	1.0	1.0	-	-	-	-	-	-	-
Public Works	31.5	40.5	38.0	40.0	42.5	48.0	49.0	48.5	48.5	52.5
Culture and recreations:										
Parks and recreation	17.0	10.0	5.5	5.0	5.0	6.0	11.0	14.0	14.0	15.0
Library	6.0	6.5	6.5	6.0	6.0	6.0	6.0	6.0	6.0	7.0
<b>Total</b>	<b>156.5</b>	<b>163.5</b>	<b>162.5</b>	<b>168.0</b>	<b>183.5</b>	<b>188.5</b>	<b>198.0</b>	<b>201.0</b>	<b>203.0</b>	<b>210.5</b>

\* Police, Fire and EMS is provided through contract. Crossing Guards is provided through contract since 2018.

**CITY OF PARKLAND, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program:										
General government:										
Building permits issued	3,088	3,980	4,997	12,627	12,890	11,756	11,991	8,223	9,841	8,830
Building inspections conducted	12,273	17,545	24,764	43,277	55,204	45,725	45,301	43,646	46,595	34,112
Business licenses issued	326	362	409	299	429	388	443	456	266	165
Residential certificates of occupancy	85	138	259	380	634	584	464	414	406	370
Police:										
Physical arrests	653	402	173	163	140	137	104	119	225	250
Parking violations	58	72	111	47	22	37	8	4	1	-
Traffic violations	5,122	6,781	6,339	6,720	5,595	11,748	6,961	4,310	4,939	6,500
Calls for service	9,376	9,287	8,378	9,460	15,378	17,723	21,201	16,141	18,287	13,154
Fire:										
Emergency response	1,134	1,127	1,146	1,119	1,227	1,190	1,111	1,283	1,319	1,325
Fire calls	40	24	25	38	33	27	18	30	22	23
Response time < 8 min.	87.6%	90.0%	91.3%	93.0%	92.5%	92.6%	94.1%	91.4%	93.4%	95.5%
Other public works:										
Street resurfacing (in miles)	-	1.00	1.00	-	-	-	-	-	-	-
Potholes repaired	660	1,064	1,007	1,140	523	741	550	368	880	1,182
Engineering permits issued	52	34	50	40	48	52	28	22	31	31
Inspections performed	306	459	362	3,200	4,467	4,159	5,427	4,379	4,680	4,212
Parks and recreation:										
Pavilion reservations	246	266	188	184	280	224	258	261	261	194
Special events held	60	61	60	69	56	50	49	41	40	22
Camp participants	911	916	867	1,024	1,032	993	1,191	1,654	1,654	1,654
Library:										
Number of books owned	41,756	41,823	39,681	38,419	40,100	43,479	45,682	47,908	50,303	47,892
Number of programs offered	487	476	532	381	595	571	650	663	574	319
Number of books checked out	88,382	86,678	88,223	100,925	107,739	114,660	125,007	124,127	114,217	93,467
City Clerk:										
Research documents	112	107	132	72	86	102	110	191	149	200
Certification of notarization	178	177	260	162	76	71	144	72	80	60
Resolutions and ordinances	143	148	176	170	193	147	127	128	138	55
Passport services	536	611	409	499	473	723	107	-	-	-
Finance:										
Checks/direct deposits issued	5,017	4,789	5,290	5,399	5,593	6,054	6,108	6,202	6,080	5,729
Purchase orders issued	222	266	250	176	194	233	180	212	200	336
Computer support	1,132	1,042	1,357	1,379	1,449	1,187	1,314	1,125	1,091	1,198
Planning and zoning:										
Number of planning petitions processed	51	79	68	45	59	65	47	26	28	33

**CITY OF PARKLAND, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	30	30	30	30	30	30	30	30
Other public works:										
Streets (miles) *	18.05	18.05	18.05	18.05	18.05	18.05	18.05	18.05	18.05	18.05
Street lights	328	328	328	328	385	385	385	467	473	473
Traffic signals	3	3	3	3	4	4	6	6	6	6
Parks and recreation:										
Acreage	210	210	210	210	210	210	210	210	210	234
Playgrounds	7	7	7	7	7	7	7	7	7	7
Community centers	1	1	1	1	1	1	1	1	1	1
Soccer/football fields	11	11	11	11	15	15	15	15	15	15
Basketball courts	7	7	7	7	7	9	9	9	9	9
Tennis courts	7	7	7	7	7	19	19	19	19	19
Baseball/softball fields	14	14	14	14	14	18	18	18	18	18
Dog park	-	1	1	1	1	1	1	1	1	1

\* Street mileage is only streets maintained by the Public Works Department and does not include sections of University Drive and Trails End Road

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**COMPLIANCE SECTION**

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**INDEPENDENT AUDITORS' 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**

Honorable Mayor and Members of the City Commission  
City of Parkland, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Parkland, Florida, (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Parkland, Florida Police Officers Retirement Plan, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia LLP  
Miramar, Florida  
March 31, 2021

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Commission  
City of Parkland, Florida

### **Report on Compliance for the Major Federal Program**

We have audited the City of Parkland, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditors' 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the 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 program for the year ended September 30, 2020.

### **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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

#### **Purpose of this Report**

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

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miramar, Florida  
March 31, 2021

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant / Contract Number	Total Federal Expenditures
<b><i>CDBG - Entitlement Grants-Cluster</i></b>			
Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	CDBG45YR	<u>\$ 6,457</u>
<i>Total Department of Housing and Urban Development</i>			<u>6,457</u>
<b><i>Other Programs</i></b>			
Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4337DR	<u>1,390,779</u>
<i>Total Department of Homeland Security</i>			<u>1,390,779</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<b><u>\$ 1,397,236</u></b>

The accompanying notes are an integral part of this schedule.

**CITY OF PARKLAND, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of the City under programs of the federal government for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the 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). 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CONTINGENCY**

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

**NOTE 4 - INDIRECT COST RECOVERY**

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*  
Internal control over financial reporting:  
    Material weakness(es) identified?  Yes  No  
    Significant deficiencies identified?  Yes  None reported  
    Noncompliance material to financial statements noted?  Yes  No

**Federal Awards Programs**

Internal control over major federal awards programs:  
    Material weakness(es) identified?  Yes  No  
    Significant deficiencies identified?  Yes  None reported  
Type of auditors' report issued on compliance for major federal awards programs: *Unmodified Opinion*  
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

<u>CFDA No.</u>	<u>Federal Awards Program</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low risk auditee for audit of federal awards programs?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**CITY OF PARKLAND, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III - MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS**

None.



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

Honorable Mayor and Members of the City Commission  
City of Parkland, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Parkland, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 31, 2021. Our report includes a reference to other auditors. Other auditors audited the financial statements of the City of Parkland, Florida Police Officers Retirement Plan.

### **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 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); and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirement**

We have issued our Independent Auditors' 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 Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 31, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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. The City was incorporated on July 10, 1963 under chapter 166 of the Florida Statutes. The City has no component units.

### **Financial Condition and Management**

Section 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 identification of 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. This assessment was performed as of the fiscal year end.

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. This assessment was performed as of the fiscal year end.

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.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, and members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miramar, Florida  
March 31, 2021



## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES

Honorable Mayor and Members of the City Commission  
City of Parkland, Florida

We have examined the City of Parkland, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of management, the Mayor, the City Commission, others within the City and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miramar, Florida  
March 31, 2021



**CITY OF PARKLAND  
FINANCE and ADMINISTRATIVE  
SERVICES DEPARTMENT**

6600 University Drive  
Parkland, Florida 33067  
Office: (954) 753-5040 • Fax: (954) 341-5161  
[www.cityofparkland.org](http://www.cityofparkland.org)

**IMPACT FEE AFFIDAVIT**

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

1. I am the Chief Financial Officer of **the City of Parkland**, which is a local governmental entity of the State of Florida;
2. **The City of Parkland** adopted (Ordinance No. 2020-007) implementing an impact fee; and
3. **The City of Parkland** has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
Christopher Johnson, CPA

STATE OF FLORIDA  
COUNTY OF **Broward County**

SWORN TO AND SUBSCRIBED before me this 31 day of March, 2021.

  
NOTARY PUBLIC  
Print Name Stephanie J. Frohman

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

