

The City of

LAUDERDALE LAKES

FLORIDA

*Our City
Our Story*
#LAUDERDALELAKES



MISSION

The City of Lauderdale Lakes Provides Innovative and Excellent Municipal Services in an effective and efficient manner.



VISION

The City of Lauderdale Lakes A Vibrant, Connected, Diverse, and Safe Community



VALUES

Respect,
Integrity,
Openness,
Honesty.



We Care

Comprehensive Annual Financial Report
For The Year Ended September 30, 2018

Prepared By:
City of Lauderdale Lakes, Florida
Financial Services Department





Lauderdale Lakes

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Lauderdale Lakes

INTRODUCTORY SECTION



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We Care
Est. 1961

May 22, 2019

To the Mayor, Vice-Mayor, and City Commissioners of Lauderdale Lakes, Florida

As mandated by both local ordinances and state statutes, the Comprehensive Annual Financial Report (the "CAFR") of the City of Lauderdale Lakes, Florida (the City), for the Fiscal Year ended September 30, 2018, is hereby submitted. In accordance with the philosophy shared by city management, this report provides full disclosure of financial information in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Additionally, an audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

MANAGEMENT RESPONSIBILITY

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with City Management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects. The CAFR serves as an essential document which provides a detailed account of the City's financial condition at the specified point in time. The Annual Report is presented in a manner designed to set forth the financial position and results of the City's operations as measured by the financial activity of various funds. The included disclosures will also provide the reader with an understanding of the City's financial affairs.

INTERNAL CONTROLS

Internal controls have been designed to provide reasonable, but not absolute, assurance about the achievement of the City's objectives in reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. An internal control framework has been established to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

AUDIT PROCESS

The City's financial statements have been audited by HCT Certified Public Accountants and Consultants, LLC. The goal of the auditor was to provide reasonable assurance that the financial statements, for fiscal year ended September 30, 2018, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and financial decision made by management; and evaluating the overall financial statement presentation. The independent auditors, based on their audit, rendered an unmodified opinion that the financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. In addition, the independent audit of the City's financial statements was designed to meet the federal and state mandated "Single Audit" Act which was created to meet the special needs of federal and state agencies. The standards governing Uniform Guidance Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements relating to the administration of federal and state awards. For fiscal year ended September 30, 2018, the City did not meet the spending threshold and thus single audit reports have not been included in a separate report.

Management's Discussion & Analysis (MD&A): The MD&A provides the reader of the City's financial statements with an overview of our current financial condition. The information contained in the MD&A is presented in greater detail than the information in this Letter of Transmittal. The MD&A can be found on pages 4-14 in the CAFR.

INTRODUCTION TO THE ANNUAL FINANCIAL REPORT

The Annual Financial Report is divided into three sections:

- **Introductory Section:** This section contains the letter of transmittal, a list of principal officials as of September 30, 2018, and the City's organizational chart.
- **Financial Section:** This section includes the independent auditor's report management discussion and analysis, the basic financial statements and notes that provide an overview of the City's financial position and operating results, required supplementary information and the combining statements of non-major funds and other schedules.
- **Statistical Section:** This section contains unaudited financial data and debt statistics which are generally presented in a multiyear format. The statistical section is included in the year ended September 30, 2018 report.

PROFILE OF THE GOVERNMENT

On June 22, 1961, the City of Lauderdale Lakes was incorporated by the Florida State Legislature. The City operates under the Mayor/City Commission/City Manager form of government. The Mayor presides over the City Commission meetings *and* is recognized as the head of the municipal government for ceremonial purposes. Effective November 2016, the composition of the commission changed from five Commissioners to four and a Mayor with equal voting rights. The terms of office are four year terms for the Mayor and the City Commissioners. The City Manager is appointed by the City Commission. The City Manager is the Chief Administrative Officer (CAO) of the City which is responsible for achieving the City's goals and objectives. Also, the City Manager handles the appointment and supervision of the City's Department Directors.

The City of Lauderdale Lakes provides a full range of municipal services that include public safety services through a contract with the Broward Sheriff's Office (BSO), development services, public works, parks and human services, and social services including an Alzheimer's Care Center. From an operational perspective, the City is responsible for managing services to include solid waste and recycling services; storm water services; maintenance and repair of streets, bridges, and street lighting; building inspections; business tax (formerly Occupational Licensing); and planning and zoning regulations. The administrative offices established to provide support services to all departmental functions are as follows: City Clerk; City Manager; Financial Services including Information Technology and Purchasing; and Human Resources and Risk Management.

The City of Lauderdale Lakes Community Redevelopment Agency (the CRA) was created by the Mayor and City Commission on September 26, 2000 by adopting a resolution defining and establishing the Agency in accordance with Section 163.357 of the Florida Statutes under the Community Redevelopment Act of 1969. The CRA's board of directors is the City Commission. The purpose of the CRA is to promote redevelopment by improving the uses and taxable values of property within the designated community redevelopment area. The CRA is a special revenue fund of the City of Lauderdale Lakes; therefore, it has been included as a component unit and integral part of the attached financial statements.

During Fiscal Year 2018, the CRA Micro Business Loan Program was established to provide up to \$7,500 for machinery and equipment to improve the economic conditions of businesses within the CRA area. In Fiscal Year 2018, funds totaling approximately \$12,774 were awarded to two program recipients. In alignment with the CRA's corridor revitalization efforts, the Commercial Facade Improvement Program was established to provide a match for commercial property improvements. Over \$150,000 was awarded in Fiscal Year 2018 to the owners of an Industrial Park to support the recruitment of businesses in emerging industries.

The CRA is moving full speed ahead with its redevelopment efforts. An agreement between American Land Ventures and the Lauderdale Lakes Community Redevelopment Agency was executed to acquire the CRA's 19-acre site for the development of single-family homes called Cassia Estates. This project will also complement the City's vision for homeownership opportunities.

The CRA continues to work in collaboration with Broward County on the construction and installation of new bus shelters throughout the CRA area. After a ten year span of time, this project will result in the construction of 40

new and renovated bus shelters. CRA worked in collaboration with the City for the 31st Avenue Roadway Improvement Project to add pedestrian safety sidewalks from 39 Street to 44th Street, lighting features and landscaping for an estimated cost of \$1.4 million. The Northwest 31 Avenue Corridor is a key focal point in the CRA Redevelopment Plan. Continued funds will be contributed to the improvement NW 31 Avenue and adjacent roadways in the future. The CRA reached 100 business owners to conduct counseling sessions/site visits, expand its network of business partners and participate in business events. The CRA will continue to support training, development and activities.

FINANCIAL REPORTING

Based on the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, a primary government is financially accountable for the organizations that make up its legal entity. In addition, the primary government is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Nonetheless, the primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The annual budget is the foundation of the City's financial planning and control. Annual budgets are adopted for the General Fund, Fire Rescue Fund, Grants Fund, Community Redevelopment Fund, Law Enforcement Trust Fund, Minor Home Repair Fund, Transportation Fund, Alzheimer Care Fund, and Debt Service Fund. Public workshops and hearings are held throughout the entire budget process to obtain input from the residents. The City Manager gives directives to Department Directors to develop and submit proposed departmental budgets within the appropriate annual guidelines. Budgetary control is maintained at the departmental and fund level, with the financial services department providing support to departments with their budget. The City Manager reviews each proposal with the Directors and prepares a proposed budget that is delivered to the Commission. The Commission holds budget workshops to discuss and amend the City Manager's proposed budget. During the first required Special Budget Public Hearing the Commission adopts a proposed budget, approves the proposed millage rates, and approves final special assessment rates. A second required Budget Public Hearing is then held to adopt a final budget and approve final millage rates. The City's budget goes into effect October 1 and covers the fiscal year, which ends the following September 30th.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

The City of Lauderdale Lakes continued to develop strategies to strengthen its economic condition by focusing on the development of existing businesses and recruitment of new businesses. The business community is comprised of businesses catering to diverse business needs. The City's top five businesses include: Florida Medical Center, Walmart Supercenter, St. John's Nursing Center, Palms Care Center and Phoenix Management Services. Other diverse businesses in the City include: Burlington Coat Factory, ALDI Food Market, Banking Services – Bank United, Chase Bank, SunTrust and Bank of America, and a variety of specialty stores. The City's future economic development strategy calls for the recruitment of national retailers, expansion of existing businesses and establishment of new businesses will create sustainable jobs in the City of Lauderdale Lakes.

The City's Business Resource Center (BRC) continued to serve as an impetus for business growth and

development. The center offers job readiness training and workforce development programming for the betterment of the entire City. City residents and businesses alike have been able to take advantage of job and business opportunities in retail sales, medical services, tourism, construction, state/county/city government, communications and financial services. To date, the overall impact of the BRC's programming has generated positive direct and indirect results for the City's economy.

The City experienced an increase in property values as compared to previous years. One of the positive attributes of the City of Lauderdale Lakes relates to the increased number of commercial properties that are being acquired, along with residential developments that are on the horizon. Such attributes provided for the enhancement of essential city services and programs that were modified or discontinued in the previous fiscal year. The augmented revenue has left the City of Lauderdale Lakes and Community Redevelopment Agency in a position to make positive budget adjustments and to meet the community's needs.

LONG-TERM FINANCIAL PLAN

The City of Lauderdale Lakes, with the leadership of the Mayor and Commissioners have developed a strategic framework. This framework will allow the City going forward to apply its resources to the priorities of the organization in a strategic manner. The development, approval and execution of the City's annual Budget is essentially a year round process that involves understanding of the financial forecasts and legislative impacts, reviewing the impacts of property valuations and aligning the Commission's priorities and direction. The City's various services are broken down into strategic operational areas that include Public Safety, Infrastructure, Growth Management, Cultural and Recreation, and Management Services. The most efficient organizations are those that have their strategic operational areas aligned with the Vision. Here in the City of Lauderdale Lakes our strategic framework creates alignment of the City's various perspectives with the associated strategic objectives. Financial planning serves as a valuable tool to assist the City Commission and City Management in making sound fiscal decisions, particularly as it pertains to debt service.

The City has aggressively reduced its outstanding obligations particularly as it relates to the Broward Sheriff's Office (BSO). The City is also approaching the end of a 5 Year City/BSO police and fire rescue services agreement and is expected to continue these services.

The City also adopted financial goals and objectives by which to measure the City's overall performance and financial recovery from poor economic conditions. The City Commission and City Management continued to review and evaluate the budgetary line items and give consideration to the elimination or reduction of expenditures to manage accumulated debt. The City Administration continues to make recommendations to immediately reduce and manage expenses across the board, including personnel costs and contractual services. In fiscal year 2018, the City maintained the increased level of charges for services to meet anticipated soundness and stability which resulted in positive changes in City's financial condition, although the City continues to have financial challenges along with rest of the Nation.

MAJOR INITIATIVES AND CAPITAL PROJECTS

During fiscal year 2018, the City continued to effectively deal with its financial challenge. The achievements are as follows:

- Roof replacement for Vincent Torres Memorial Park;

- Renovations and roof replacement to the Building Services Building;
- Provided monthly budget reports to keep the Mayor, City Commission, City Management and external stakeholders updated on the City's financial condition;
- Achieved a balance budget as of year ended September 30, 2018;
- Continued the implementation of the adopted Strategic Plan goals, objectives, initiatives and performance measures;
- Adopted and approved a "Five-Year Capital Improvement Plan.

INDEPENDENT AUDIT

In accordance with Florida Statutes 218.39, the City has engaged the firm of HCT Certified Public Accountants and Consultants, LLC to perform the independent audit of the City's financial statement. The Independent Certified Public Accountant's report is included in the financial section of this Comprehensive Annual Financial Report.

AWARDS

The Government Finance Officers Association for the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

This report could not have been prepared without the dedication and efficiency of the entire staff of the Financial Services Department. The Financial Services Team continues to implement new procedures to improve the integrity of the City's accounting records and to complete the City's annual report in a responsible manner.

The Mayor, Vice-Mayor, City Commissioners, City Manager, and City Management Team are to be recognized for the important role they have played in overseeing and supporting the improvement of the City's fiscal and financial operations.

Respectfully submitted,



Phil Alleyne, P.E.
City Manager

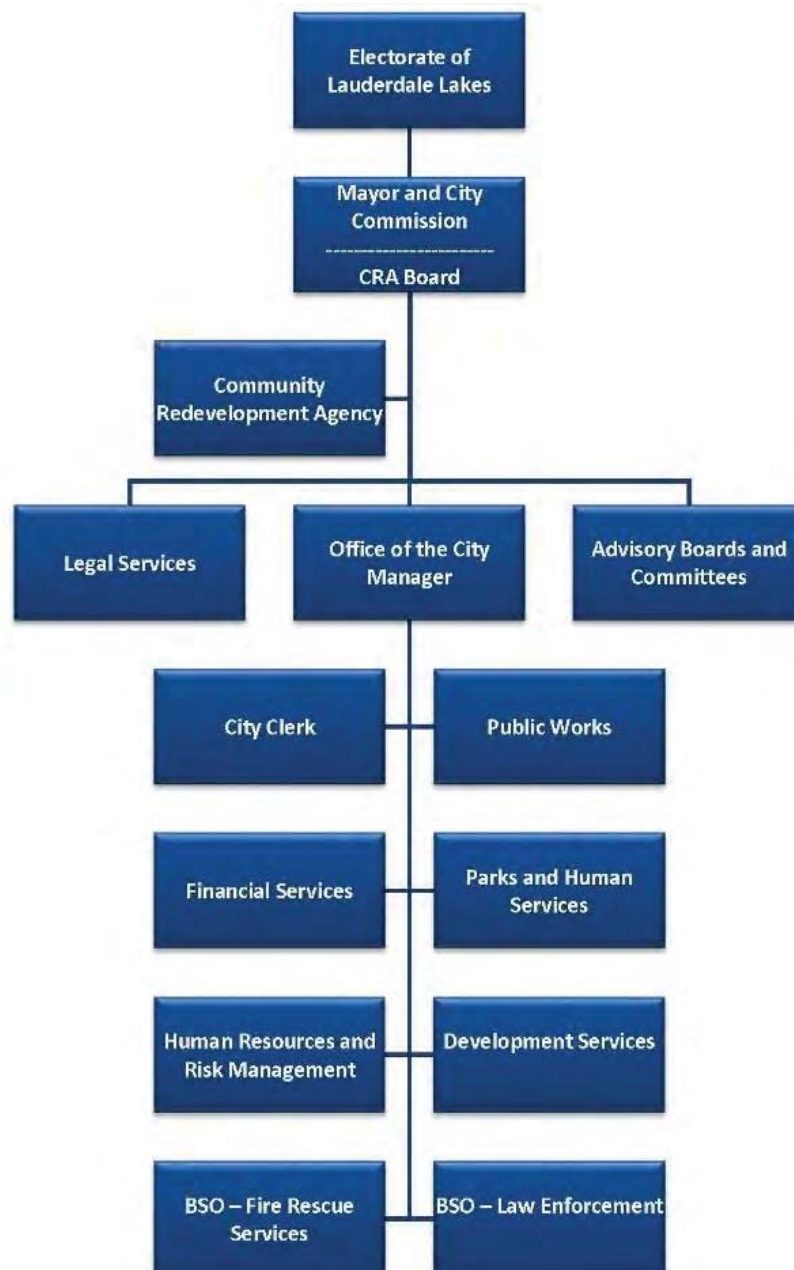


Margaret Dalley-Johns, CPA
Financial Services Director



Lauderdale Lakes

ORGANIZATIONAL CHART





Lauderdale Lakes

Commission/City Manager Form of Government

MAYOR

Hazelle Rogers

VICE MAYOR

Sandra Davey

COMMISSIONERS

Beverly Williams

Marilyn Davis

Veronica Edwards Phillips

CITY MANAGER

Phil Alleyne, P.E. City Manager

CITY ATTORNEY

Sidney Calloway, Esquire

DEPARTMENT OF FINANCIAL SERVICES

Margaret Dalley-Johns, CPA, Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Lauderdale Lakes
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO



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Lauderdale Lakes

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida (the 'City') as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Florida Retirement System Pension Plan (included in the general fund), which represents, .49%, 7.02% and .59%, respectively of the assets, net position and revenues of the Fiduciary Funds. 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 City of Lauderdale Lakes, Florida is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the 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, *Rule of the Auditor General*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules relating to pensions and other post-employment benefits on pages 4-14 and 44-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lauderdale Lakes' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements is 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 22, 2019



Lauderdale Lakes

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

As management of the City of Lauderdale Lakes, Florida (the "City"), we offer the readers of this narrative representation of the City's financial performance for the fiscal year ended September 30, 2018. The Management Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR) is designed to:

1. Provide an overview of the City's financial activities
2. Identify changes in the City's financial position
3. Identify any material deviations from the financial plan (the approved budget)
4. Identify any individual fund issues or concerns

We encourage readers to review the transmittal letter on pages i through vi which discusses other relevant items that impact the overall financial condition of the City. Management of the City has prepared the CAFR in accordance with the current principles and standards for financial reporting established by Governmental Accounting Standards Board (GASB) Statement No. 34.

Financial Highlights

The following are the highlights of financial activity for the fiscal year ended September 30, 2018:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$ 50,061,102 (net position).
- The City's governmental net position increased by \$ 529,193 mainly due to maintaining revenues categorized as charges for services and similar activity in the City's overall expenses from the prior year.
- As of the close of fiscal year 2018, the City's governmental funds reported combined ending fund balance of \$ 15,755,559. Per GASB Statement No. 54, the fund balances are classified approximately as follows: 1) \$ 1,453,807 non-spendable, 2) \$2,705,798 is restricted, 3) \$ 500,000 committed, 4) \$ 1,703,921 is assigned and 5) \$ 9,392,033 is unassigned.
- The City's governmental activities reflected \$ 31,389,001 in expenses and \$ 31,918,194 million in revenues and transfers. The City's governmental revenues exceeded expenses, providing a \$ 529,193 increase in net position.
- The business-type activities for the City reflected \$ 4,009,461 in expenses and transfers out against \$ 3,858,294 recognized in revenues that resulted in a \$ 151,167 decrease in net position.
- The Community Redevelopment Agency (the "CRA") fund revenues exceeded its expenditures by \$ 424,151. The CRA remained current with all debt obligations and received payment from the City in the amount of \$210,000 in accordance with a forbearance agreement.

In fiscal year 2018, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This new accounting standard requires governments providing other postemployment benefits (OPEB) to recognize their long-term obligation for OPEB benefits as a liability and to more comprehensively compare and measure the annual cost of OPEB benefits.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

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, highways and streets, social services, culture and recreation, and economic and physical environment. The business-type activities consist of stormwater services, solid waste/recycling services and building services.

The City is known as the primary government with a legally separate Community Redevelopment Agency for which the City is financially accountable. This blended component unit functions, for all practical purposes, as a department and special revenue fund of the City that has been included as an integral part of the primary government.

The government-wide financial statements are presented on pages 17 and 18 of this report. The remaining statements are fund financial statements that focus on individual parts of the City government by reporting the City's operations in more detail.

Fund financial statements: A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City establishes funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental funds

Governmental funds are reported in the fund financial statements. These funds encompass the same functions reported as governmental activities in the government-wide financial statements; however, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two financial perspectives may provide insight into the long-term impact of short-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives. Individual fund financial data for each of these non-major governmental funds is provided in the form of combining statements on pages 75 and 76 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements are presented on pages 19 through 22 of this report.

Proprietary Funds

The proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are further classified as enterprise funds. The enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide financial statements. Services are provided to customers external to the City for stormwater services, solid waste/recycling services and building services. The basic enterprise fund financial statements are presented on pages 23 through 25 of this report.

Notes to the basic financial statements: The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, a separate section is included with combining statements that provide details about the non-major governmental funds, each of which is added together and presented in a single column in the basic financial statements.

The accompanying notes to the financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 27 through 55 of this report.

Other supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes the budgetary comparison schedules of major funds and information about the other post-employment health care benefits (OPEB) and pension benefits.

Required supplementary information can be found on pages 57 through 70 of this report.

Government-Wide Financial Analysis

Summary of net position: The overall net position of the City increased in 2018. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six (6) basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- 1) Net results of activities will impact (increase/decrease) current assets and unrestricted net position.
- 2) Borrowing for capital will increase current assets and long-term debt.
- 3) Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. Additionally, an increase in invested capital assets and an increase in related debt will not change the net investment in capital assets
- 4) Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- 5) Principal payment on debt will reduce current assets, reduce long-term debt, decrease unrestricted net position, and increase net investment in capital assets.
- 6) Reduction of capital assets through depreciation will reduce capital assets and net investment in capital assets.

Net position may serve as a useful indicator of the City's financial position. The City's total net position as reflected on the Statement of Net Position was \$ 50,061,102 at the close of this fiscal year. This was an increase of approximately .8% compared to last year's net position of \$ 49,683,076.

The largest portion of the City's net position reflects its 61% investment in capital assets (e.g.; land, building, and equipment), less any related debt used to acquire those assets that are still outstanding. Capital assets are used to provide services to citizens; and thus, they are not available for future spending. The City's investment in its capital assets is reported net of related debt. The resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business -Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 16,934,617	\$ 16,417,973	\$ 6,214,970	\$ 7,900,037	\$ 23,149,587	\$ 24,318,010
Capital asset (net)	41,405,745	42,739,910	5,676,904	5,110,102	47,082,649	47,850,012
Total assets	58,340,362	59,157,883	11,891,874	13,010,139	70,232,236	72,168,022
Total deferred outflow of resources	271,058	229,503	72,054	60,171	343,112	289,674
Current and other liabilities	4,068,214	3,330,752	566,194	1,493,891	4,634,408	4,824,643
Long term liabilities	15,559,222	17,626,136	234,190	262,397	15,793,412	17,888,533
Total liabilities	19,627,436	20,956,888	800,384	1,756,288	20,427,820	22,713,176
Total deferred inflows of resources	71,789	47,496	14,638	13,948	86,427	61,444
Net Position:						
Net Investment in capital assets	23,695,008	25,525,446	5,676,904	5,011,036	29,371,912	30,536,482
Restricted	2,536,149	4,244,989	-	-	2,536,149	4,244,989
Unrestricted (deficit)	12,681,038	8,612,567	5,472,003	6,289,038	18,153,041	14,901,605
Total net position	\$ 38,912,195	\$ 38,383,002	\$ 11,148,907	\$ 11,300,074	\$ 50,061,102	\$ 49,683,076

Statement of activities: There are different types of factors that can positively or negatively impact other operations. Some factors that may impact the revenues are as follows: 1) Economic Conditions; 2) City Commission authority to increase and decrease rates; 3) Changing patterns in intergovernmental and grant revenues; and 4) market impacts on investment income.

Other factors that may impact the expenses are presented below: 1) Introduction of new programs; 2) inflation, any increase of commodities such as chemicals, supplies, fuels and parts; and 3) changes in service demand levels.

For the Year Ended September 30, 2018:

1. Economic conditions can reflect a growing, stable or declining overall economic environment and those conditions can have a significant impact on the underlying drivers of ad valorem taxes, non-ad valorem assessments, sales and use taxes, fees and other revenues derived from the community, as well as those received from other governments.
2. Changes in tax, assessment and fee rates by the City's Governing Board directly affect the most fundamental revenue streams and have the most immediate impact of all changes.
3. Changing patterns in grant and state revenue sharing calculations may cause significant deviations to City intergovernmental revenues and put added pressure on City-generated revenues.
4. Budget management requires that budget expenditures are in line with budget revenues at the end of the fiscal year.

Some other basic impacts are responsible for potential changes in annual expenses:

1. Introduction of new programs can have substantial impact on department/program expenses by requiring new personnel, capital and operating funds. In addition, the enhancement and/or modification of existing programs also requires increased staffing and operational costs that exceeds the actual budgeted resources.
2. Changes in service levels impacts expenses by changing the levels of already appropriated expenses.
3. Salary/contract pricing increases can contribute to increased expenses. Most contracts entered into by the City have provisions for increases, either automatic or negotiated each year.

While inflation generally appears to be moderate, it impacts the prices the City pays for commodities, supplies, fuels, parts and miscellaneous services etc.

The three primary governmental revenues as reflected on the Statement of Activities are comprised of property taxes, charges for services and unrestricted intergovernmental revenues for fiscal year 2018. For fiscal year 2018, property taxes of \$10,667,706 represents 35% of revenues while charges for services of \$ 8,628,102 comprise 29% of revenues and intergovernmental revenues of \$ 4,055,425 comprised 13% of revenues. Other major sources of revenues include \$ 3,042,613 in franchise and other taxes or 10%; \$ 2,626,888 from utility taxes or 10% and program grants/contribution comprise 3% or \$ 1,049,483.

City of Lauderdale Lakes, Florida
Management's Discussion and Analysis
September 30, 2018

The following table that appears below reflects the City's revenues and expenses for fiscal year 2018 compared to fiscal year 2017, with the resulting change in net position:

	Governmental Activities		Business -Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 8,628,102	\$ 8,122,841	\$ 3,844,671	\$ 4,280,438	\$ 12,472,773	\$ 12,403,279
Operating grants and contributions	930,533	929,008	-	-	930,533	929,008
Capital grants and contributions	118,950	288,770	7,820	651,953	126,770	940,723
General revenues:						
Property taxes and tax increments	10,667,706	9,900,666	-	-	10,667,706	9,900,666
Sales, use and motor fuel taxes	636,299	631,005	-	-	636,299	631,005
Franchise and other taxes	3,042,613	3,080,739	-	16,491	3,042,613	3,097,230
Utility taxes	2,626,888	2,496,090	-	-	2,626,888	2,496,090
Unrestricted:						
Intergovernmental revenue	4,055,425	3,882,506	-	-	4,055,425	3,882,506
Investment earnings	202,043	132,611	-	-	202,043	132,611
Miscellaneous	262,072	264,921	5,803	10,840	267,875	275,761
Total revenues	<u>31,170,631</u>	<u>29,729,157</u>	<u>3,858,294</u>	<u>4,959,722</u>	<u>35,028,925</u>	<u>34,688,879</u>
Expenses:						
General government	5,938,015	4,826,016	-	-	5,938,015	4,826,016
Public safety	17,393,101	15,156,837	-	-	17,393,101	15,156,837
Economic and physical environment	3,721,221	3,297,310	-	-	3,721,221	3,297,310
Social services	844,719	879,170	-	-	844,719	879,170
Culture and recreation	2,117,167	1,904,385	-	-	2,117,167	1,904,385
Highways, streets and transportation	691,785	674,085	-	-	691,785	674,085
Interest on long-term debt	682,993	714,382	-	-	682,993	714,382
Storm water	-	-	1,421,378	1,172,606	1,421,378	1,172,606
Solid waste /recycling	-	-	1,122,802	1,076,912	1,122,802	1,076,912
Building services	-	-	717,718	640,555	717,718	640,555
Total expenses	<u>31,389,001</u>	<u>27,452,185</u>	<u>3,261,898</u>	<u>2,890,073</u>	<u>34,650,899</u>	<u>30,342,258</u>
Increase in net position before transfers	(218,370)	2,276,972	596,396	2,069,649	378,026	4,346,621
Transfers	<u>747,563</u>	<u>761,023</u>	<u>(747,563)</u>	<u>(761,023)</u>	<u>-</u>	<u>-</u>
Increase in net position	529,193	3,037,995	(151,167)	1,308,626	378,026	4,346,621
Net position, October 1	38,383,002	35,345,007	11,300,074	9,991,448	49,683,076	45,336,455
Net position, September 30	<u>\$ 38,912,195</u>	<u>\$ 38,383,002</u>	<u>\$ 11,148,907</u>	<u>\$ 11,300,074</u>	<u>\$ 50,061,102</u>	<u>\$ 49,683,076</u>

Governmental activity: When compared with fiscal year 2017, there was an increase in property taxes of \$ 767,040 or 8%, due to an increase in assessed valuation of property within the City, even though there was no change in the operating millage rate of 8.50 mills.

Governmental expenses are largely concentrated in one function, public safety, which comprises Police and Fire Rescue Services (provided by the Broward Sheriff's Office). Public safety expenses totaling \$ 17,393,101 and \$ 15,156,837, represents 55% of total governmental expenses in 2018 and 2017, respectively.

Business-type activity: Revenues earned by business-type activities are primarily concentrated in one source, charges for services of \$ 3,844,671. This represents the fees charged for each of the City's enterprise funds; stormwater of \$ 1,897,139 solid waste/recycling of \$ 1,285,520 and building services of \$ 662,012. The City must examine all rates and fees to ensure that these funds operate at full cost recovery.

During fiscal year 2018 the fees charged to stormwater customers remained the same at \$ 6.25 monthly. Charges for services in the stormwater fund decreased by \$ 23,619 from the prior year. The stormwater fund increased its net position slightly by \$31,778. Solid wastefee also remained the same at \$ 260 for fiscal year 2018 resulting in a decrease in revenue of \$ 3,444 from the prior year.

Building services experienced a decrease in revenue in fiscal year 2018 due to decline in private construction projects in the City. The net position in the building services fund decreased by \$ 190,316. Overall, the Business-type activities net positions decreased by \$ 151,167.

Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with the finance related legal requirements.

Governmental funds: The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources relative to the City's funding requirements. Unassigned fund balance serves as the most useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 15,755,559, an increase of \$705,208 in comparison with 2017.

The General Fund

The General Fund is the City's primary operating fund and largest source of day-to-day service delivery. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

The general fund increased its fund balance by \$554,534 during fiscal year 2018. This increase was mainly caused by an increase from property tax revenue in 2018.

Total fund balance in the General Fund was \$ 11,001,978 as of September 30, 2018, \$ 122,911 of this amount is non-spendable, \$ 500,000 of committed fund balance, \$ 509,307 of assigned fund balances and the remaining fund balance of \$ 9,869,760 is unassigned.

Major Special Revenue Funds

The Fire Rescue Fund expenditures exceeded its revenues by \$ 25,772 decreasing the fund balance at September 30, 2018 to \$32,645.

The City's Grants Fund showed a fund balance deficit of \$693,990 as of September 30, 2018, increasing by \$9,646 from the prior year. The City Commission must designate what the next action will be to eliminate the deficits.

The CRA fund revenues exceeded its expenditures by \$ 176,172. The CRA fund had a positive fund balance of \$ 3,633,859 for the fiscal year ended September 30, 2018.

General Fund Budgetary Highlights

The budget and actual comparison schedule is provided in the required supplementary information for the general fund and major special revenue funds.

The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results and variance between the final budget and actual results for the general and major special revenue funds. After the original budget is approved, it may be revised for a variety of reasons such as foreseen circumstances, loan proceeds, new grant awards or other unanticipated revenues and expenditures.

Differences between the original budget and the final amended budget for the General Fund are summarized as follows:

- The base revenue budget was \$ 18,386,772. Differences between estimated and actual revenues totaled \$ 908,634. These differences were mostly attributed to more than expected revenues from franchise fees, utility taxes, and intergovernmental revenues.
- Actual expenditures were less than the final budget by \$ 1,369,145. The differences were mostly due to the reduction in expenditures of operating and capital assets.

Capital Assets and Debt Administration

Capital assets: The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2018 amount to \$ 47,119,526 compared to \$ 47,850,012 from the previous year. Among the major projects were public works vehicles and equipment.

Additional information on the City's capital assets can be found in Note 4 starting on page 36 of this report.

City of Lauderdale Lakes
Capital Assets
September 30, 2018

	Governmental Activities		Business -Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital assets, net of depreciation:						
Land	\$ 18,576,965	\$ 18,576,965	\$ -	\$ -	\$ 18,576,965	\$ 18,576,965
Construction in progress	546,984	539,231	-	-	546,984	539,231
Buildings	3,648,910	4,231,215	240,839	48,938	3,889,749	4,280,153
Machinery, equipment and vehicles	175,885	32,932	725,687	706,278	901,572	739,210
Infrastructure	18,457,001	19,359,567	4,747,255	4,354,886	23,204,256	23,714,453
Total	\$ 41,405,745	\$ 42,739,910	\$ 5,713,781	\$ 5,110,102	\$ 47,119,526	\$ 47,850,012

Debt administration: Presented below is a table showing the City's total outstanding debt as of September 30, 2018 compared to 2017.

Additional information on the City's long-term debt can be found in Note 6 starting on page 40 of this report.

City of Lauderdale Lakes
Outstanding Debt
September 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Long-Term debt:						
General obligation bonds	\$ 7,899,630	\$ 8,669,030	\$ -	\$ -	\$ 7,899,630	\$ 8,669,030
Revenue bonds	2,762,700	2,947,000	-	-	2,762,700	2,947,000
Note payable	-	-	-	-	-	-
Note Payable - CRA	4,910,617	5,596,309	-	-	4,910,617	5,596,309
Capital lease	-	2,125	54,571	99,066	54,571	101,191
BSO repayment agreement	821,023	821,023	-	-	821,023	821,023
Net pension liability	660,307	597,502	175,525	158,846	835,832	756,348
Other post-employment benefit obligation	517,946	218,000	-	-	517,946	218,000
Compensated absences	620,893	510,137	60,736	63,381	681,629	573,518
Total	\$ 18,193,116	\$ 19,361,126	\$ 290,832	\$ 321,293	\$ 18,483,948	\$ 19,682,419

Economic Factors and Next Year's Budget

Economic factors: The State of Florida, by constitution, does not have a state personal income tax and, therefore, the state operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) rely on property and a limited array of permitted other taxes (telecommunication, gasoline, utilities, business, etc.) and fees (franchise, building permits, charges for services, etc.) to fund their governmental activities. There are a) limited number of State-shared revenues and recurring and one-time grants from the state, local and federal governments. For the business-type and certain governmental activities (building inspections, recreational programs, etc.), the user pays a related fee or charge associated with the service.

2019 Budget:

Fiscal year 2019 reflects a slight increase in the operating millage rate of \$ 8.60 per \$ 1,000 of taxable as a benefit to the residents of the City. The increase in the operating millage rate represents a 1.2% increase from the prior year rate. At the adopted rate, the City will generate \$9,178,169 in property tax revenue (minus tax increment financing to the CRA). This is an increase of 7.87% from the tax revenue receipts of \$8,508,843 in FY 2018.

The fiscal year 2019 budget is based on several key factors: (1) the operating millage rate of \$ 8.60 per \$ 1,000 of taxable value while still maintaining key services; (2) increased property tax revenue estimates due to the 8.47% increase in the City's 2018 property tax base (3) slight increase in fire assessment rates for residential properties from \$321.00 to \$333.34; however, the multi-family property rate remains the same at \$402.35; (4) no increase in the voter approved 2005 General Obligation (GO) Bond for capital improvements, the rate remains the same at \$1.095 per \$ 1,000 of taxable value; and (5) continuation of the Broward Sheriff's Office (BSO) Police, Emergency Medical Services and Fire Rescue Services, which includes two additional federally funded School Resource Officer positions.

The adopted fiscal year 2019 General Fund budget at \$20.9 million increased from the amended fiscal year 2018 expenditure budget of \$19.6 million. In fiscal year 2019 the projected revenue for all funds of the City totaled \$44.1 million increased by approximately \$3.2 million from the fiscal year 2018 final revenue of \$35 million. This increase is largely attributed to revenue increases anticipated in the General, Capital Improvement, Fire, Grants, Community Redevelopment Agency Funds to maintain the current levels of service.

In 2019, the City will continue to experience relief in its financial condition due to the improving economy, re-alignment of the City resources, and strategic financial management and planning. As the City moves forward, it endeavors to seek opportunities to leverage its resources to benefit the residents of Lauderdale Lakes. The City continues its focus on implementation of the community's vision for the future and the Redevelopment Plan to improve infrastructure, roadways, canals, streetscape, and stormwater drainage systems.

Requests for Information

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Financial Services Director at 4300 N.W. 36th Street, Lauderdale Lakes, Florida 33319 or call (954) 535-2828.



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Lauderdale Lakes

BASIC FINANCIAL STATEMENTS

City of Lauderdale Lakes, Florida
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Pooled Cash and Cash Equivalents	\$ 8,539,831	\$ 5,852,391	\$ 14,392,222
Investments	4,128,047	-	4,128,047
Receivables (net)	1,123,735	-	1,123,735
Due from other governments	536,181	356,935	893,116
Prepays	125,776	5,644	131,420
Restricted cash	2,481,047	-	2,481,047
Capital assets not being depreciated	19,123,949	-	19,123,949
Capital assets being depreciated	22,281,796	5,676,904	27,958,700
Total assets	58,340,362	11,891,874	70,232,236
Deferred Outflows of Resources:			
Deferred outflows related to pension	271,058	72,054	343,112
Liabilities:			
Current liabilities:			
Accounts Payable and Accrued Liabilities	1,032,940	506,240	1,539,180
Due to other Governments	1,284	998	2,282
Other Liabilities	8,546	-	8,546
Unearned Revenue	136,288	-	136,288
Accrued Interest Payable	255,262	2,314	257,576
Due within one year-Compensated Absences	124,179	12,147	136,326
Due within one year-Bonds and Notes	2,509,715	44,495	2,554,210
Due in more than one year-Bonds and Notes	13,884,255	10,076	13,894,331
Due in more than one year- Compensated Absences	496,714	48,589	545,303
Net pension liability	660,307	175,525	835,832
Net OPEB Obligation	517,946	-	517,946
Total current liabilities	19,627,436	800,384	20,427,821
Total liabilities	19,627,436	800,384	20,427,821
Deferred Inflows of Resources:			
Deferred inflows related to pension	71,789	14,638	86,427
Net Position:			
Net investment in capital assets	23,695,008	5,676,904	29,371,912
Restricted for:			-
Community services	2,302,963	-	2,302,963
Law enforcement	93,704	-	93,704
Fire Services	32,645	-	32,645
Code enforcement	10,000	-	10,000
Debt Service	96,837	-	96,837
Unrestricted	12,681,038	5,472,003	18,153,041
Total net position	\$ 38,912,195	\$ 11,148,907	\$ 50,061,102

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

City of Lauderdale Lakes, Florida
Statement of Activities
For the Year Ended September 30, 2018

Functions/Program	Net (Expense) Revenue and Changes in Net Position				
	Program Revenues		Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
General government	\$ 5,938,015	\$ 682,912	\$ -	\$ (5,255,103)	\$ -
Public safety	17,393,101	7,474,995	404,422	(9,394,734)	(9,394,734)
Economic and physical environment	3,721,221	204,086	-	(3,517,135)	(3,517,135)
Social services	844,719	79,956	380,783	(383,980)	(383,980)
Culture and recreation	2,117,167	186,153	145,328	(1,785,686)	(1,785,686)
Highways, streets and transportation	691,785	-	-	(691,785)	(691,785)
Interest on long-term debt	682,993	-	-	(682,993)	(682,993)
Total governmental activities	31,389,001	8,628,102	930,533	(21,711,416)	(21,711,416)
Business-type activities:					
Building Services	717,718	662,012	-	-	(55,706)
Solid Waste / Recycling Fund	1,122,802	1,285,520	-	-	162,718
Stormwater Utility Fund	1,421,378	1,897,139	-	-	483,581
Total business-type activities	3,261,898	3,844,671	-	-	590,593
Total primary government	\$ 34,650,899	\$ 12,472,773	\$ 930,533	\$ (21,711,416)	\$ (21,120,823)
General revenues:					
Property taxes and tax increments		10,667,706			10,667,706
Sales, use and motor fuel taxes		636,299			636,299
Franchise and other taxes		3,042,613			3,042,613
Utility taxes		2,626,888			2,626,888
Unrestricted intergovernmental revenue		4,055,425			4,055,425
Unrestricted investment earnings		202,043			202,043
Miscellaneous		262,072		5,803	267,875
Transfers:		747,563		(747,563)	-
Total general revenues, special items, and transfers		22,240,609		(741,760)	21,498,849
Change in net position		529,193		(151,167)	378,026
Net position - beginning		38,383,002		11,300,074	49,683,076
Net position - ending		\$ 38,912,195		\$ 11,148,907	\$ 50,061,102

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

City of Lauderdale Lakes, Florida
Balance Sheet
Governmental Funds
September 30, 2018

	<u>General Fund</u>	<u>Fire Rescue Fund</u>	<u>Grants Fund</u>	<u>Community Redevelopment Agency</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Pooled cash and cash equivalents	\$ 6,518,755	\$ 29,806	\$ -	\$ -	\$ 1,991,270	\$ 8,539,831
Investments	4,101,979	-	-	25,255	813	4,128,047
Receivables (net of allowance for collectibles):						
Accounts	1,033,129	71,327	-	-	19,279	1,123,735
Intergovernmental	347,014	3,298	114,260	-	71,609	536,181
Due from other funds	973,727	-	-	-	218,797	1,192,524
Advance from General Fund	-	-	-	1,328,031	-	1,328,031
Prepaid Items	122,911	-	-	2,865	-	125,776
Restricted cash				2,481,047	-	2,481,047
Total assets	<u>\$13,097,515</u>	<u>\$ 104,431</u>	<u>\$ 114,260</u>	<u>\$ 3,837,198</u>	<u>\$ 2,301,768</u>	<u>\$ 19,455,172</u>
LIABILITIES						
Accounts payable and accrued liabilities	686,725	7,199	4,829	167,311	166,876	1,032,940
Due to other funds			802,671	36,028	353,825	1,192,524
Due to other governments	534	-	750	-	-	1,284
Advance to Community Redevelopment Fund	1,328,031	-	-	-	-	1,328,031
Accrued interest payable	-	-	-	-	-	-
Other liabilities	8,546	-	-	-	-	8,546
Unearned revenue	71,701	64,587	-	-	-	136,288
Total liabilities	<u>2,095,537</u>	<u>71,786</u>	<u>808,250</u>	<u>203,339</u>	<u>520,701</u>	<u>\$ 3,699,613</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	122,911	-	-	2,865	-	125,776
Advances	-	-	-	1,328,031	-	1,328,031
Restricted for:						
Community services	-	-	-	2,302,963	-	2,302,963
Park projects					-	-
Law enforcement	-	-	-	-	93,704	93,704
Fire services		32,645			-	32,645
Code enforcement	-	-	-	-	10,000	10,000
Community development	-	-	-	-	169,649	169,649
Debt Service	-	-	-	-	96,837	96,837
Committed for:						
Budget stabilization and emergency preparedness	500,000	-	-	-	-	500,000
Assigned for:						
Capital projects	509,307	-	-	-	1,194,614	1,703,921
Unassigned:						
Special revenue (deficit)	-	-	(693,990)	-	435,060	(258,930)
Capital project (deficit)	-	-	-	-	(218,797)	(218,797)
General Fund	9,869,760				-	9,869,760
Total fund balances (deficits)	<u>\$11,001,978</u>	<u>\$ 32,645</u>	<u>\$ (693,990)</u>	<u>\$ 3,633,859</u>	<u>\$ 1,781,067</u>	<u>\$ 15,755,559</u>
Total liabilities and fund balances (deficits)	<u>\$13,097,515</u>	<u>\$ 104,431</u>	<u>\$ 114,260</u>	<u>\$ 3,837,198</u>	<u>\$ 2,301,768</u>	<u>\$ 19,455,172</u>

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

City of Lauderdale Lakes, Florida
Reconciliation of the Fund Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2018

**Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because:**

Total fund balances of governmental funds in the balance sheet \$ 15,755,559

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

Governmental capital assets	64,593,674
Less accumulated depreciation	(23,187,929)

The net pension liability and related deferred inflows and outflows are not an available resources and, therefore, are not reported in the funds:

Net pension liability	(660,307)
Deferred outflows related to pension	271,058
Deferred inflows related to pension	(71,189)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Net OPEB obligation	(517,946)
Accrued interest payable	(255,262)
Compensated absences payable	(620,893)
Debt	<u>(16,394,570)</u>

Net Position of Governmental Activities	<u>\$ 38,912,195</u>
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The accompanying notes to basic financial statements are an integral part of these statements.

City of Lauderdale Lakes, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2018

	General Fund	Fire Rescue Fund	Grants Fund	Community Redevelopment Agency Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes and tax increments	7,254,704	-	-	2,316,130	1,096,872	10,667,706
Sales, use and motor fuel taxes	-	-	-	-	636,299	636,299
Franchise and other taxes	3,042,613	-	-	-	-	3,042,613
Utility taxes	2,626,888	-	-	-	-	2,626,888
Revenue Intergovernmental	4,147,479	-	-	-	34,425	4,181,904
Special assessments	-	5,965,200	-	-	-	5,965,200
Charges for services	1,272,726	473,276	-	-	148,495	1,894,497
Licenses and permits	445,466	-	-	-	-	445,466
Fines and forfeitures	162,892	-	-	-	16,978	179,870
Investment income	196,798	-	-	5,245	-	202,043
Miscellaneous	207,542	57,578	-	2,501	6,709	274,330
Governmental grants	-	-	311,918	-	337,964	649,882
Total revenues	<u>\$ 19,357,108</u>	<u>\$ 6,496,054</u>	<u>\$ 311,918</u>	<u>\$ 2,323,876</u>	<u>\$ 2,277,742</u>	<u>\$ 30,766,698</u>
EXPENDITURES						
Current:						
General government	5,622,311	-	-	-	-	5,622,311
Public Safety	9,267,848	6,515,132	125,334	-	12,912	15,921,226
Public works	1,742,416	-	-	-	-	1,742,416
Culture and recreation	1,562,074	-	101,942	-	-	1,664,016
Economic and physical environment	744,498	-	-	834,168	703	1,579,369
Highways and streets	-	-	-	-	610,595	610,595
Social Services	359,256	-	62,690	-	416,818	838,764
Capital Outlay	239,127	-	12,306	111,539	115,377	478,349
Debt service:						-
Principal	186,527	-	-	685,912	769,433	1,641,872
Interest and fiscal changes	97,854	6,694	-	268,106	337,471	710,125
Total expenditures	<u>19,821,911</u>	<u>6,521,826</u>	<u>302,272</u>	<u>1,899,725</u>	<u>2,263,309</u>	<u>30,809,043</u>
Excess (deficiency) of revenues over expenditures	<u>(464,803)</u>	<u>(25,772)</u>	<u>9,646</u>	<u>424,151</u>	<u>14,433</u>	<u>(42,345)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	1,019,337	-	-	-	-	1,019,337
Transfers Out	-	-	-	(247,979)	(23,795)	(271,774)
Total other financing sources (uses)	<u>1,019,337</u>	<u>-</u>	<u>-</u>	<u>(247,979)</u>	<u>(23,795)</u>	<u>747,563</u>
Net change in fund balances	554,534	(25,772)	9,646	176,172	(9,362)	705,218
Fund balances - beginning	10,447,444	58,417	(703,636)	3,457,687	1,790,429	15,050,341
Fund balances - ending	<u>\$ 11,001,978</u>	<u>\$ 32,645</u>	<u>\$ (693,990)</u>	<u>\$ 3,633,859</u>	<u>\$ 1,781,067</u>	<u>\$ 15,755,559</u>

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

City of Lauderdale Lakes, Florida
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2018

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net change in fund balances - total governmental funds \$ 705,218

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 assets	337,389
Less current year provision for depreciation	(1,671,554)

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

1,592,584

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

Change in accrued interest payable	27,132
Change in net pension liability	(62,805)
Change in deferred outflows related to pension	63,341
Change in deferred inflows related to pension	(51,410)
Change in net OPEB obligation	(299,946)
Change in compensated absences payable	<u>(110,756)</u>

Change in Net Position of Governmental Activities \$ 529,193

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

City of Lauderdale Lakes, Florida
Statement of Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Business-type Activities			
	Stormwater Utility Fund	Solid Waste / Recycling Fund	Building Services	Total Enterprise Funds
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 3,263,208	\$ 1,702,366	\$ 886,817	\$ 5,852,391
Receivables (net of allowance for collectibles):				
Prepaid	-	-	5,644	5,644
Intergovernmental	355,366	1,569	-	356,935
Total current assets	<u>3,618,574</u>	<u>1,703,935</u>	<u>892,461</u>	<u>6,214,970</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	5,291,058	-	385,846	5,676,905
Total noncurrent assets	<u>5,291,058</u>	<u>-</u>	<u>385,846</u>	<u>5,676,905</u>
Total assets	<u>\$ 8,909,632</u>	<u>\$ 1,703,935</u>	<u>\$ 1,278,307</u>	<u>\$ 11,891,875</u>
Deferred Outflows of Resources:				
Deferred outflows related to pension	\$ 72,054	\$ -	\$ -	\$ 72,054
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	122,322	84,402	295,071	501,795
Due to other governments	998	-	-	998
Accrued interest payable	2,314	-	-	2,314
Current portion of loans payable	44,495	-	-	44,495
Current portion of compensated absences	9,175	-	2,972	12,147
Total current liabilities	<u>179,304</u>	<u>84,402</u>	<u>298,043</u>	<u>561,749</u>
Noncurrent liabilities:				
Compensated absences net of current portion	36,701	-	11,888	48,589
Net pension liabilities	175,525	-	-	175,525
Loan payable	10,076	-	-	10,076
Total noncurrent liabilities	<u>222,302</u>	<u>-</u>	<u>11,888</u>	<u>234,190</u>
Total liabilities	<u>401,606</u>	<u>84,402</u>	<u>309,931</u>	<u>795,939</u>
Deferred Inflows of Resources:				
Deferred inflows related to pension	<u>19,083</u>	<u>-</u>	<u>-</u>	<u>19,083</u>
NET POSITION				
Net investment in capital assets	5,291,058	-	385,846	5,676,904
Unrestricted	3,269,939	1,619,533	582,531	5,472,003
Total net position	<u>\$ 8,560,997</u>	<u>\$ 1,619,533</u>	<u>\$ 968,377</u>	<u>\$ 11,148,907</u>

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

City of Lauderdale Lakes, Florida
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
September 30, 2018

	Business-type Activities - Enterprise Funds			
	Major Funds		Nonmajor Fund	Total Enterprise Funds
	Stormwater Utility Fund	Solid Waste / Recycling Fund	Building Services	
OPERATING REVENUES				
Charges for services	\$ 1,897,139	\$ 1,285,520	\$ 662,012	\$ 3,844,671
Miscellaneous	-	5,803	-	5,803
Total operating revenues	1,897,139	1,291,323	662,012	3,850,474
OPERATING EXPENSES				
Personnel costs	859,270	38,735	397,560	1,295,565
Operating expenses	305,875	1,084,067	305,520	1,695,462
Provision for depreciation	251,369	-	14,638	266,007
Total operating expenses	1,416,514	1,122,802	717,718	3,257,034
Operating income (loss)	480,625	168,521	(55,706)	593,440
NONOPERATING EXPENSES				
Interest expense	4,864	-	-	4,864
Income (loss) before contributions and transfers	475,761	168,521	(55,706)	588,576
Capital Contributions				
Governmental grants	7,820	-	-	7,820
Income (loss) before transfers	483,581	168,521	(55,706)	596,396
Transfers				
Transfers in	-	-	-	-
Transfers out	(451,803)	(161,150)	(134,610)	(747,563)
Change in net position	31,778	7,371	(190,316)	(151,167)
Net position - beginning of year	8,529,219	1,612,162	1,158,693	11,300,074
Net position - end of year	\$ 8,560,997	\$ 1,619,533	\$ 968,377	\$ 11,148,907

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

City of Lauderdale Lakes, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Business-type Activities			
	Enterprise Funds			
	Major Funds		Nonmajor Fund	
	Stormwater Fund	Solid Waste Fund	Building Services Fund	Total Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 1,920,758	\$ 1,291,323	\$ 662,012	\$ 3,874,093
Payments to employees	(706,961)	(38,735)	(397,690)	(1,143,386)
Payments to suppliers	(794,422)	(1,160,322)	(440,351)	(2,395,095)
Net cash provided (used) by operating activities	419,375	92,266	(176,029)	335,612
Cash Flows from Non-Capital Financing				
Transfers from other funds	-	-	-	-
Transfers to other funds	(451,803)	(161,151)	(134,610)	(747,564)
Net cash provided (used) by noncapital financing activities	(451,803)	(161,151)	(134,610)	(747,564)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(813,291)	-	(37,895)	(851,186)
Proceeds from capital grants	7,820	-	-	7,820
Repayments of capital debt	(44,495)	-	-	(44,495)
Interest paid	(4,864)	-	-	(4,864)
Net cash provided (used) by capital and related financing activities	(854,830)	-	(37,895)	(892,725)
Net increase (decrease) in cash and cash equivalents	(887,258)	(68,885)	(348,534)	(1,304,677)
Pooled Cash and Cash Equivalents - beginning of year	4,150,466	1,771,251	1,235,351	7,157,068
Pooled Cash and Cash Equivalents - end of year	\$ 3,263,208	\$ 1,702,366	\$ 886,817	\$ 5,852,391
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (368,225)	\$ 7,370	\$ (209,131)	\$ (569,986)
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Provision for depreciation	\$ 22,392	\$ 156,279	\$ 450	\$ 179,121
(Increase) decrease in:				
Receivables	394,453	592	-	395,045
Prepays	-	-	5,019	5,019
Deferred outflows of resources	(50,765)	3,700	(11,963)	(59,028)
Increase (decrease) in:				
Accounts payable and accrued liabilities	294,116	(75,675)	39,596	258,037
Deferred inflows of resources	11,654	-	-	11,654
Net pension Liability	100,000	-	-	100,000
Compensated absences	15,750	-	-	15,750
Total adjustments	787,600	84,896	33,102	905,598
Net cash provided by operating activities	\$ 419,375	\$ 92,266	\$ (176,029)	\$ 335,612

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



Lauderdale Lakes

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The summary of significant accounting policies for the City of Lauderdale Lakes, Florida (the “City”) is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. A summary of the more significant accounting policies is presented below:

Financial reporting entity: On June 22, 1961, the City was incorporated to carry on a centralized city government pursuant to Special Act Chapter 61-2386 of the Florida Legislature. The City Charter was readopted by the electorate pursuant to the creation of home rule powers for municipalities in 1973. The City adopted its Code of Ordinances in 1992 and, thereafter, in March 1998, adopted and ratified Ordinance No. 589 whereby the City is governed by a mayor/city commission/city manager form of government. All legislative, regulatory, and policy making powers are vested in the City Commission, which is comprised of the Mayor and five elected commissioners. All administrative powers are vested in the City Manager, who is appointed by the Commission and acts as the City’s Chief Administrative Officer.

The City provides or contracts for the following services pursuant to the City Charter and Ordinances: general government; public safety (police & fire); public works; parks and recreation; social services; community development; infrastructure; and, planning and zoning.

One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Unit: The City of Lauderdale Lakes Community Redevelopment Agency (“CRA”) deemed to be an entity legally separate from the City, is governed by the City Commission and designated to be the CRA board. In 2001, the City created the CRA, pursuant to Sec. 163.330 et. seq., Florida Statutes, for the purpose or revitalizing and enhancing the City. The CRA’s annual budget, contracts, grants and all other actions must be authorized directly by resolutions of the CRA board. In addition, the City has issued several loans to finance CRA projects and is financially responsible for the CRA. Therefore, for financial reporting purposes, the CRA is reported as if it were part of the City’s operations and included within the City’s reporting entity as a special revenue fund. The CRA is the City’s only component unit.

Government-wide and fund financial statements: The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the City as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Note 1 – Summary of Significant Accounting Policies (Continued)

The Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. They also distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, including special assessments. General revenues consist of taxes and other items, not included among program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and are available only when the City receives the related cash.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Activities recorded in this fund include the preparation of the City's general service departments; street and highway maintenance; public safety; fixed charges; and, capital improvement costs not paid through other funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

The Community Redevelopment Agency Fund includes activities of the City's blended component unit. It accounts for the tax increment financing revenues received from the county and other agencies for infrastructure improvements and rehabilitation of deteriorated properties within the City's boundary.

The Fire Rescue Fund is used to account for monies generated by a fire rescue assessment fee, which provides for fire rescue services, facilities and programs within the City.

The Grants Fund is used to account for revenues received from various grant programs. It accounts for activities related to the performance of grant fund programs for federal, state and locally funded programs.

The City reports the following major proprietary funds:

The Stormwater Utility Fund accounts for the infrastructure and operations of stormwater management system, which is funded through user charges.

The Solid Waste/Recycling Fund accounts for the costs related to collection, disposal, and recycling efforts in the City. Fees are charged on all residential units and commercial property.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the stormwater, solid waste/recycling and the building services funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's proprietary funds and the governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Deposits and investments: The City's pooled cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City is authorized to invest in those instruments authorized by the Florida Statutes. Investments include the Local Government Surplus Funds Trust Fund. Investment in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration is reported at its fair value of its position in the pool, which is the same as the value of the pool shares.

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 recorded as earned and is allocated monthly based upon equity of the respective funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

For the purpose of the statement of cash flows, pooled cash and cash equivalents mean short term, highly liquid investments with an original maturity of three months or less. All investments are reported at fair value, based on quoted market prices.

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

Property taxes: Property values are assessed as of January 1, of each year, at which time taxes becomes an enforceable lien on property. Tax bills are mailed by the Broward County Property Appraiser’s Office for the City on or about October 1 of each year, and are payable with discounts of up to 4% for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2018.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission. The Broward County Property Appraiser then incorporates the City’s millage into the total tax levy, which includes the County, the County School Board, and other agency tax requirements. The millage rate assessed by the City for the year ended September 30, 2018 was 8.6 mills (\$8.6 per \$1,000 of taxable assessed valuation). Non ad valorem special assessments for the enterprise funds are separate and distinct from the ad valorem tax levy as these amounts are assessed to recover costs associated with providing services to the residents and businesses within the City.

Restricted assets: Assets of the City are reported as restricted due to requirements of bond/loan agreements, other externally imposed constraints, or by legislation. When both restricted and unrestricted resources are available for use, it is City policy to use unrestricted resources first, and then restricted resources as needed.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are

Note 1 – Summary of Significant Accounting Policies (Continued)

recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets: Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

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

Buildings	30 years
Infrastructure	20 - 50 years
Machinery, equipment, and vehicles	5 years

Compensated absences: It is City policy to permit employees to accrue earned but unused vacation and sick time. Effective June 2008 employees with 10 years of service receive 25% of their accumulated value of sick time and employees with 20 years of service receive 50% of their accumulated sick time value to be paid upon termination.

Accrued vacation time is paid at 100% to employees in accordance with the City's policy. Each fiscal year an employee may elect to convert a minimum of ten (10) hours of accrued vacation leave time to cash out at a rate of 75% of its accrued value if the buy-back is requested between October 1 through October 31 of the applicable fiscal year in which such buy-back occurs and at a rate of 60% of its accrued value if the buy-back is requested between November 1 through September 30 of such fiscal year.

Vacation and sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. In the case of proprietary funds financial statements, vested or accumulated vacation and sick leave, both current and non-current, is recorded as an expense and liability in the relevant proprietary fund as the benefits accrue to employees. No liability is recorded for non-vesting rights to personal leave.

Long-term obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

financing uses. Issuance costs are reported as debt service expenditures.

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

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

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

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the City Commission. The City Commission is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The Commission has by resolution authorized the City Manager to assign fund balance. The Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments; assignments only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted,

Note 1 – Summary of Significant Accounting Policies (Continued)

committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net position: Net position of the government-wide and proprietary funds are categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net positions that do not meet the definition of either of the other two components.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the City considers restricted funds to have been spent first.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Date of management review: Subsequent events were evaluated through May 22, 2019, which is the date the financial statements were available to be issued.

Note 2 – Deposits and Investments

For accounting and investment purposes, the City maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Income earned on pooled cash and investments is allocated to the respective funds based on average daily balances.

Deposits: In addition to insurance provided by the Federal Depository Insurance Corporation, all 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 banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all amounts presented as deposits are insured or collateralized.

Investments: Florida Statutes, Chapter 218.415, authorize the City to establish its own investment policy by ordinance. The investment ordinance allows up to 100% investment in the following instruments, subject to maturity limitations: local government surplus trust fund (the "SBA"); Securities and Exchange Commission (the "SEC") registered money market funds with the highest quality rating from a nationally recognized rating

Note 2 – Deposits and Investments (Continued)

agency; savings accounts and certificates of deposit in state-certified qualified public depositories; direct obligations of the U.S. Treasury; and, securities issued by federal agencies and instrumentalities. Up to 10% may be invested in common stocks, subject to quality restrictions.

The City is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. The investments follow the investment rules defined in Florida Statutes Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net investment earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The City invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"), and with the Florida Local Government Investment Trust (the "Investment Trust"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The City's investment in the Florida PRIME, money market instruments, and certificates of deposit are reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The Investment Trust is reported at net asset value.

Per GASB 79, with regard to liquidity fees, Florida Statutes 218 .409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

The City had the following investments as of September 30, 2018:

Investment	Value	Maturities
Certificates of deposit:		
Bank United, NA	\$ 1,026,506	Weighted average days to maturity is 3 days
Anthem Bank & Trust	2,049,231	Weighted average duration is 0.9 years
Florida PRIME	39,562	Weighted average days to maturity is 50 days
Florida Local Government Investment Trust	1,012,748	Weighted average duration is 1.43 years
	<u>\$ 4,128,047</u>	

Note 2 – Deposits and Investments (Continued)

Credit risk: The City's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAM by Standard and Poor's. The Investment Trust is rated AAA.

Note 3 – Receivables and Payables

Receivables for the City's individual major funds and nonmajor funds at September 30, 2018, in aggregate, are comprised of the following amounts, net of allowances:

Receivables:	General Fund	Fire Rescue Fund	Grant Fund	Other Nonmajor Governmental Funds	Stormwater Fund	Solid Waste Fund	Total
Intergovernmental	\$ 347,014	\$ 3,298	\$ 114,260	\$ 71,609	\$ 355,366	\$ 1,568	\$ 893,115
Business tax receipts	63,270	-	-	-	-	-	63,270
Alzheimer care	-	-	-	19,087	-	-	19,087
Emergency medical service	182,095	-	-	-	-	-	182,095
Fire inspections	-	218,537	-	-	-	-	218,537
Utilities	852,220	-	-	-	-	-	852,220
Other	10,239	1,760	-	192	-	-	12,191
Gross receivables	<u>1,454,838</u>	<u>223,595</u>	<u>114,260</u>	<u>90,888</u>	<u>355,366</u>	<u>1,568</u>	<u>2,240,515</u>
Less allowance for uncollectibles:	(74,845)	(148,971)	-	-	-	-	(223,816)
Total receivables	<u>\$ 1,379,993</u>	<u>\$ 74,624</u>	<u>\$ 114,260</u>	<u>\$ 90,888</u>	<u>\$ 355,366</u>	<u>\$ 1,568</u>	<u>\$ 2,016,699</u>

Account payable and accrued liabilities for the City's individual major and nonmajor funds are as follows:

	General Fund	Fire Rescue Fund	Grant Fund	Community Redevelopment Agency Funds	Other Nonmajor Governmental Funds	Stormwater Fund	Solid Waste Fund	Building Services Fund	Total
Vendors	\$ 387,904	\$ 7,199	\$ 4,829	\$ 28,430	\$ 121,119	\$ 23,461	\$ 84,295	\$ 276,580	\$ 933,817
Payroll liabilities	181,946	-	-	9,053	37,019	46,847	98	14,652	289,615
Due to other governments	534	-	750	-	-	998	9	-	2,291
Other liabilities	8,396	-	-	-	-	-	-	500	8,896
	<u>\$ 578,780</u>	<u>\$ 7,199</u>	<u>\$ 5,579</u>	<u>\$ 37,483</u>	<u>\$ 158,138</u>	<u>\$ 71,306</u>	<u>\$ 84,402</u>	<u>\$ 291,732</u>	<u>\$ 1,234,619</u>

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 18,576,965	\$ -	\$ -	\$ 18,576,965
Construction in Progress	539,231	7,753	-	546,984
Total capital assets not being depreciated	19,116,196	7,753	-	19,123,949
Capital Assets being Depreciated:				
Buildings	9,040,617	78,369	-	9,118,986
Machinery, Equipment and Vehicles	3,612,900	178,692	-	3,791,592
Infrastructure	32,486,572	72,575	-	32,559,147
Total capital assets being depreciated	45,140,089	329,636	-	45,469,725
Total capital assets	64,256,285	337,389	-	64,593,674
Less Accumulated Depreciation:				
Buildings	4,809,402	602,342	-	5,411,744
Machinery, Equipment and Vehicles	3,579,968	35,739	-	3,615,707
Infrastructure	13,127,005	1,033,473	-	14,160,478
Total accumulated depreciation	21,516,375	1,671,554	-	23,187,929
Total capital assets being depreciated, net	23,623,714	(1,341,918)	-	22,281,796
Governmental activities capital assets, net	\$ 42,739,910	\$ (1,334,165)	\$ -	\$ 41,405,745

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Note 4 – Capital Assets (Continued)

Depreciation was charged to governmental activities functions/programs of the City as follows:

Governmental activities:	
General government	\$ 825,836
Culture and recreation	433,230
Public safety	159,567
Public works	163,425
Social services	78,892
Economic and physical environment	<u>10,604</u>
Total provision for depreciation- governmental activities	<u>\$ 1,671,554</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Automobiles	\$ 867,845	\$ 68,180	\$ -	\$ 936,025
Buildings and improvements	48,938	208,329	-	257,267
Improvements other than buildings	208,226	76,190	-	284,416
Machinery and equipment	778,231	-	-	778,231
Storm drainage	1,517,475	-	-	1,517,475
Canals	5,211,291	516,987	-	5,728,278
Box culverts	<u>285,258</u>	<u>-</u>	<u>-</u>	<u>285,258</u>
Total capital assets being depreciated	<u>8,917,264</u>	<u>869,686</u>	<u>-</u>	<u>9,786,950</u>
Less accumulated depreciation:				
Automobiles	452,949	23,566	-	476,515
Buildings and improvements	-	16,428	-	16,428
Machinery and equipment	486,849	25,205	-	512,054
Storm drainage	741,780	34,330	-	776,110
Canals	1,867,132	155,803	-	2,022,935
Box culverts	<u>258,452</u>	<u>10,675</u>	<u>-</u>	<u>269,127</u>
Total accumulated depreciation	<u>3,807,162</u>	<u>266,007</u>	<u>-</u>	<u>4,073,169</u>
Business-type activities capital assets, net	<u>\$ 5,110,102</u>	<u>\$ 603,679</u>	<u>\$ -</u>	<u>\$ 5,713,781</u>

Note 4 – Capital Assets (Continued)

Depreciation was charged to the business–type activities of the City as follows:

Business-type activities:

Enterprise - Stormwater	\$	251,368
Enterprise - Solid waste		-
Enterprise - Building services		<u>14,638</u>
Total provision for depreciation - governmental activities	\$	<u><u>266,007</u></u>

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Note 5 – Interfund Balances, Advances and Transfers

Interfund Balances: The composition of interfund balances at September 30, 2018, is as follows:

Due from:	2005 GO		Total
	General Fund	Bond Construction Fund	
Grants Fund	\$ 802,671	\$ -	\$ 802,671
Alzheimer's Fund	135,028	-	135,028
Community Redevelopment Agency Fund	36,028	-	36,028
Transportation Fund	-	-	-
Construction Fund	-	218,797	218,797
	<u>\$ 973,727</u>	<u>\$ 218,797</u>	<u>\$ 1,192,524</u>

Interfund balances are necessary to offset short from cash needs due to various timing differences of expenditures and the receipt of budget monies.

Advances from Community Redevelopment Agency: The General Fund was previously the recipient of funds totaling \$ 2,568,031 from the CRA. The City and the CRA have entered into an agreement for repayment of these funds. The agreement requires annual payments of \$ 150,000 beginning January 2013 through January 2019, at which time the remaining balance is due. No interest is due on the outstanding obligation. As of September 30, 2018, the remaining balance to be paid by the General Fund to the CRA was \$ 1,328,031 and is reflected as an advance in the accompanying balance sheet—governmental funds.

Interfund Transfers: The composition of interfund transfers is as follows:

Transfer Out	Transfer In				Total
	General Fund	Non-Major Governmental Funds	Solid Fund	Building Services Fund	
Community Redevelopment Agency Fund	\$ 247,979	\$ -	\$ -	\$ -	\$ 247,979
Non-Major Governmental Fund	23,795	-	-	-	23,795
Stormwater Fund	451,803	-	-	-	451,803
Solid Waste Fund	161,150	-	-	-	161,150
Building Services Fund	134,610	-	-	-	134,610
	<u>\$ 1,019,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,019,337</u>

Note 6 – Long-Term Debt

The following schedule details the City's long-term liability and obligation activity for governmental and business-type activities for the year ended September 30, 2018:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt	\$ 8,669,030	\$ -	\$ 769,400	\$ 7,899,630	\$ 809,900
Revenue bonds	2,947,000	-	184,300	2,762,700	193,100
Notes payable - CRA	5,596,309	-	685,692	4,910,617	685,692
Capital lease	2,125	-	2,125	-	-
BSO repayment agreement	821,023	-	-	821,023	821,023
Net pension liability	597,502 *	62,805	-	660,307	-
Net OPEB liability	218,000	299,946 **	-	517,946	-
Compensated absences payable	510,137	495,361	384,605	620,893	124,179
Total governmental activities	\$ 19,361,126	\$ 858,112	\$ 2,026,122	\$ 18,193,116	\$ 2,633,894
Business-type activities:					
Capital lease	\$ 99,066	\$ -	\$ 44,495	\$ 54,571	\$ 44,495
Net pension liability	158,846	16,679	-	175,525	-
Compensated absences payable	63,381	65,909	68,554	60,736	12,148
Total business-type activities	321,293	82,588	113,049	290,832	56,643
Total long-term debt	\$ 19,682,419	\$ 940,700	\$ 2,139,171	\$ 18,483,948	\$ 2,690,537

* The General Fund has been used in prior years to liquidate pension liability.

** Per GASB 75 implementation.

General Obligation Bonds: General obligation bonds provide funds for the acquisition and construction of major capital projects within a five-year period. General obligation bonds are direct obligations and pledge of full faith and credit of the government. The total bonds approved and authorized by the voters was not to exceed \$15,000,000. General obligation bonds outstanding at year-end are as follows:

2005 General Obligation Bonds (SunTrust Bank)

The City previously issued \$ 6,697,503 of General Obligation Bonds, Series 2005 to finance various capital improvement projects throughout the City. Principal and interest are due semi-annually through January 2025. The Bonds bear interest at 3.84% and is secured and payable from a pledge of ad-valorem tax revenues. At September 30, 2018, the outstanding principal balance on the bonds was \$ 2,875,000.

Note 6 – Long-Term Debt (Continued)

General Obligation Bond, Series 2007 (Bank of America)

The City previously issued \$8,302,497 of General Obligation Bonds, Series 2007 to finance various capital improvement projects throughout the City. Principal and interest are due semi-annually through January 2028. The Bonds bear interest at 3.81% and are secured and payable from a pledge of ad-valorem tax revenues. At September 30, 2018, the outstanding principal balance of the bonds was \$5,024,630.

Annual debt service requirements of the City's general obligation bonds are approximately as follows:

Year Ending September 30,	Principal	Interest
2019	\$ 809,900	\$ 294,200
2020	851,400	262,800
2021	894,000	229,800
2022	937,800	195,200
2023	982,700	159,000
2024-2028	3,423,830	292,000
	<u>\$ 7,899,630</u>	<u>\$ 1,433,000</u>

Revenue Bonds:

Refunding Revenue Bond, Series 2015 (BB&T)

On April 1, 2015, the City entered into a loan agreement in the amount of \$ 3,308,200 for the purpose of refinancing and refunding of the FMLC Series 2005C Bonds. Principal payments are due annually through April 2030 with interest payments due semi-annually at a rate of 3.07%. The loan is subject in all respects to the payment of obligations secured by a pledge of the City's non-ad valorem revenues. At September 30, 2018, the outstanding balance was \$ 2,762,000.

Annual debt service requirements of the City's revenue bond is approximately as follows:

Year Ending September 30,	Principal	Interest
2019	\$ 193,100	\$ 84,800
2020	201,900	78,900
2021	205,200	72,600
2022	213,000	66,400
2023	220,600	59,900
2024-2028	1,194,500	194,300
2029-2030	534,400	24,800
	<u>\$ 2,762,700</u>	<u>\$ 581,700</u>

Note 6 – Long-Term Debt (Continued)

Notes Payable:

Sun Trust Bank CRA Line of Credit, Series 2004

The City previously executed a \$9,000,000 line-of-credit with SunTrust bank. The line-of-credit bears interest at 4.11% per annum with principal and interest payable semi-annually through June 2018. The line-of credit is secured by a pledge of the Community Redevelopment Agency's (CRA) ad-valorem tax increment and revenues generated from the CRA property lease. This line of credit contains covenants related to debt service coverage and a deadline to submit the audited financial statements to the bank. The City paid the balance of the principal amount during the year resulting in satisfaction of the note at September 30, 2018.

SunTrust Bank CRA Line of Credit, Series 2007

The City's CRA previously executed a line of credit agreement with SunTrust Bank for \$10,000,000 of which a total of \$ 6,296,815 was drawn upon. This line of credit bears interest at 5.10% per annum with principal and interest payable semi-annually through April 2025. As of September 30, 2018 the outstanding balance on the line-of-credit was \$3,528,434.

Sun Trust Bank CRA Line of Credit, Series 2008

The City's CRA previously executed a line of credit agreement with SunTrust Bank for \$3,055,000. This line of credit bears interest at 4.52% per annum with semiannual principal and interest payments through December 2024. The line of credit was established to assist with CRA's portion of the joint project with Broward County for the construction of the Library and the Educational & Cultural Center. As of September 30, 2018 the outstanding balance on the line-of-credit was \$1,382,143.

The annual principal and interest payments on CRA loans are approximately as follows:

Year Ending September 30,	Principal	Interest
2019	\$ 653,600	\$ 215,200
2020	685,400	183,400
2021	718,800	150,000
2022	753,900	114,900
2023	790,600	78,100
2024-2025	992,900	47,100
	<u>\$ 4,595,200</u>	<u>\$ 788,700</u>

As of September 30, 2018, the City has complied with all significant loan covenants and restrictions.

Capital Leases: The City previously entered into a capital lease arrangements for equipment totaling \$97,444. The lease required annual payments totaling \$23,212 through April 2018. The lease was paid off during fiscal year 2018.

Note 6 – Long-Term Debt (Continued)

Repayment Agreement:

Broward Sheriff's Office Police and Fire Services

The City previously entered into a repayment agreement with Broward Sheriff's Office ("BSO") for the repayment of past due consideration for public safety services. Payment of the balance was due semi-annually with a final lump sum payment due in April 2016. The City and BSO amended its repayment agreement to extend the maturity of the outstanding balance through 2019. The amended agreement also provides the City a credit totaling \$1 million to be applied over the remaining term of the repayment period. During the year, the City prepaid the principal balance of \$944,226 that was originally scheduled for 2018. The outstanding balance on the obligation as of September 30, 2018 was \$821,023. Future payments due are approximately as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>
2019	821,023

Note 7 – Risk Management

The City is exposed to various risks of loss related to tort, theft, and destruction of assets, error and omission, injury to employees, and natural disasters. The City carries commercial insurance to mitigate the loss related to these risks. There were no significant reductions in insurance coverage from the prior year. Settled claims resulting from such risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8 – Commitments and Contingencies

Significant Agreements: The City previously entered into an agreement with the Broward Sherriff Office ("BSO") to provide public safety services through September 30, 2019, with a renewal option for one additional five year term upon mutual agreement of the parties. The agreement may be terminated upon default or if written notice of ninety days is given by either party. The City budgeted approximately \$16,215,000, due in monthly installments for public safety services for the year ended September 30, 2018 to be provided for under this agreement. For the year ending September 30, 2019, the City has budgeted approximately \$16,974,000 for public safety services under this agreement.

Grants: Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Contingencies: The City is a defendant in various lawsuits. The outcome of these lawsuits cannot presently be determined. In the opinion of the City Attorney, the resolution of these matters will not have a material adverse impact to the financial condition of the City.

Note 9 – Florida Retirement System

General Information: As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature. As of September 30, 2018, the FRS and HIS Plans are closed to new employees. The City’s net pension liability is related to all participating employees prior to January 1, 1996.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

https://www.dms.myflorida.com/workforce_operations/retirement/employers/contribution_rates

Pension Plan

Plan Description: The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided: City employees hired prior to January 1, 1996; participate in one of the State of Florida Retirement System (the “FRS”) plans. The FRS was established in 1970, by consolidating several employee retirement systems. All eligible employees, as defined by the State of Florida, who were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the System.

Eligible members of the Investment Plan are vested after one year of service and are directed to choose their investment product with a third party administrator selected by the Florida State Board of Administration.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentage of annual coverage payroll, as adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contribution rates are established by state law as a percentage of payrolls. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Employees participating in the Pension Plan have their benefits computed on the basis of age, average final compensation and service credit. Benefits under the Pension Plan vest after six years of service. Employees who retire at or after age 62, with ten years of credited service, are entitled to an annual retirement benefit, payable monthly for life. A post-retirement health insurance subsidy is also provided to eligible retired employees through the FRS defined benefits retirement plan.

Note 9 – Florida Retirement System (Continued)

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions: Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows:

Regular - 7.92% and 8.26%; Special Risk Administrative Support – 34.63% and 34.98%;

Note 9 – Florida Retirement System (Continued)

Senior Management Service - 22.71% and 24.06%; Elected Officers' – 45.5% and 48.7%; and DROP participants - 13.26% and 14.03%.

These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2017 through September 30, 2018.

The City's contributions, including employee contributions, to the Pension Plan totaled \$54,764 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2018, the City reported a liability of \$ 578,794 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on a projection of the City's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the City's proportion was .00192%, which was a decrease from .00173% from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the City recognized pension expense of \$100,258. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 49,033	\$ 1,780
Change in assumptions	189,122	-
Net difference between projected and actual earnings on pension plan investments	-	44,719
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	30,391	9,236
City pension plan contributions Subsequent to the measurement date	12,017	-
Total	<u>\$ 280,563</u>	<u>\$ 55,735</u>

City contributions subsequent to the measurement date of \$ 12,017 reported as deferred outflows of resources related to the Pension Plan and will be recognized as a reduction of the net pension liability in the year ended September 30, 2018.

Note 9 – Florida Retirement System (Continued)

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

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2019	\$ 995
2020	4,534
2021	4,837
2022	4,264
2023	4,591
Thereafter	1,933
Total	\$ 21,154

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	7.00%, net of pension plan investment expense including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
Total	100.00%			
Assumed Inflation - Mean			2.60%	1.90%

(1) As outlined in the Pension Plan's Investment policy

Note 9 – Florida Retirement System (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.00 percent. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's proportion share of the net pension liability to changes in the discount rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability for FRS	\$ 661,479	\$ 578,794	\$ 449,109

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan:

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through September 30, 2018 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$13,170 for the fiscal year ended September 30, 2018.

Note 9 – Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2018, the City reported a liability of \$ 257,038 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2016-17 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was .0024%, which was a decrease from .0001% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$22,388. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,935	\$ 437
Change in assumptions	28,586	27,176
Net difference between projected and actual earnings on pension plan investments	155	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	26,971	7,524
City pension plan contributions Subsequent to the measurement date	2,902	-
Total	<u>\$ 62,549</u>	<u>\$ 35,137</u>

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Note 9 – Florida Retirement System (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$2,902 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2019	\$ 3,262
2020	3,262
2021	4,248
2022	3,565
2023	2,073
Thereafter	3,036
Total	<u>\$ 19,446</u>

Actuarial Assumptions: The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was increased from 3.58% to 3.87%.

Discount Rate: The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.87%) or one percentage point higher (4.87%) than the current rate:

Note 9 – Florida Retirement System (Continued)

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
City's proportionate share of the net pension liability for HIS	\$ 323,453	\$ 257,038	\$ 190,619

10 – Defined Contribution Plans

John Hancock: The John Hancock plan is a defined contribution plan created pursuant to Section 401(a) of the Internal Revenue Code and City Ordinance 98-78. The plan is administered by Benefits Outsource, Inc., a third party administrator. All employees are eligible to participate in the plan, subject to the specified employment period. Participants hired prior to October 1, 2007 are vested after one year of continuous service and may elect, but are not required, to contribute up to an amount not to exceed amounts allowable by law. Employees hired on or after October 1, 2007, vest at the rate of 20% per year and are fully vested after five years. The City contributes an amount that is determined as part of the budgetary process.

ICMA: The City sponsors a defined contribution plan which was created in accordance with the Internal Revenue Code, Section 401(a). The plan was created pursuant to City Ordinance 98-97. The plan covers all professional and managerial employees hired after January 1, 2008. Members vest at 20% per year and are fully vested after five years. The City contributes an amount that is determined as part of the budgetary process each fiscal year. Participants may elect to contribute an amount not to exceed the amount allowable by law.

The City Commission may amend the provisions of the plans, which are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility and does not include the plan assets in its financial statements. For fiscal year ending September 30, 2018, the City's contributions to both plans totaled \$449,609.

Note 11 – Other Post-Employment Benefits

In June 2015, the GASB issued Statement No. 74 *Financial Reporting for Post- Employment Benefit Plans Other than Pension Plans* and GASB Statement No. 75 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* which replaces GASB statement No. 43 and 45 as amended and No. 57, *OPEB Measurements by Agent-Employer and Agent Multiple-Employer Plans*.

Plan Description and Funding Policy: Employees who retire from the City and their dependents are eligible to continue to participate ("single employer plan") in the City's health insurance plan currently offered through the City at the "blended" employee group rate which, is determined annually by the City. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date. As of October 1, 2017 (date of the latest actuarial valuation) there was one participating retiree in the group health program and 85 active employees. Retirees must contribute 100% of the applicable health insurance premium charged by the carrier, there are no minimum required employer contributions.

Note 11 – Other Post Employment Benefits (Continued)

The City provides no funding for any portion of the premiums after retirement. However, the City recognizes that there is an “implicit subsidy” arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. It is the City’s current policy to fund the plan on a “pay-as-you-go” basis from the General Fund.

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce those effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides information concerning actuarial methods and assumptions:

Valuation date:	October 1, 2017
Measurement date:	September 30, 2018
Discount rate:	3.64% per annum
Salary increases:	3.00% per annum
Healthcare cost trend rates:	Increases are assumed to be 8.00% for 2017/2018 graded down by 0.50% per year to 5.00% for 2023/2024
Cost-of-living increases:	Assumed to increase with the healthcare cost trend rates
Age-related morbidity:	Assumed to increase at the rate of 3.50% for each year of age
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB

Funded Status and Funding Progress: The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11 – Other Post Employment Benefits (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, which is presented as required supplementary information following the notes to the financial statements, highlights multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Total OPEB Liability: The City's total OPEB liability of \$517,946 was measured as of September 30, 2018, and was determined by the actuarial valuation on October 1, 2017.

Changes in the Total OPEB Liability:

Beginning balance:	\$ 459,617
Changes for the year:	
Service cost	58,503
Other recognized changes in pension liability:	
Expected interest growth	18,522
Benefit payments & refunds	<u>(18,696)</u>
Net change in Total OPEB liability	<u>58,329</u>
Ending balance	<u><u>\$ 517,946</u></u>

Fiduciary net position as a total of	
OPEB liability	N/A
Covered payroll	\$4,538,009
Net OPEB liability as a % of covered	
payroll	11.41%

Sensitivity Analysis: The following presents the net OPEB liability of the City, calculated using the discount rate of 3.64%, as well as what the City of Lauderdale Lakes, Florida's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.64%) or 1 percentage point higher (4.64%) than the current rate:

	1% Decrease <u>2.64%</u>	Current <u>3.64%</u>	1% Increase <u>4.64%</u>
Net OPEB Liability	\$562,069	\$ 517,946	\$ 478,481

Note 11 – Other Post-Employment Benefits (Continued)

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$461,532	\$ 517,946	\$ 585,433

OPEB Expenses and deferred outflow of resources and deferred inflows of resources related to OPEB: For the year ended September 30, 2018, the City recognized OPEB expense of \$58,329. At September 30, 2018, the City reported \$517,946 with deferred outflows of resources and deferred inflows of resources related to OPEB.

Note 12 – Prior Period Adjustment

As a result of the issuance of GASB 75, "*Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*", the City is required to report its Net OPEB liability for the first time as of September 30, 2018. In order to record the liability for the current year, a prior period adjustment is required to establish the liability at the beginning of the fiscal year. The prior period adjustment affected the governmental activities by reducing net position by \$242,600 in the government-wide activities.



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Lauderdale Lakes

REQUIRED SUPPLEMENTARY INFORMATION

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 7,213,072	\$ 7,213,072	\$ 7,254,704	\$ 41,632
Intergovernmental	4,030,202	4,030,202	4,252,998	222,796
Communication Services Tax	800,000	800,000	669,891	(130,109)
Franchise fees	2,023,500	2,023,500	2,372,722	349,222
Utility taxes	2,355,000	2,355,000	2,626,888	271,888
Charges for services	1,092,960	1,092,960	1,138,108	45,148
Fines and forfeitures	191,500	191,500	162,763	(28,737)
Licenses and permits	442,000	442,000	413,223	(28,777)
Investment income	30,039	30,039	196,798	166,759
Miscellaneous	208,499	208,500	207,312	(1,188)
Total revenues	18,386,772	18,386,773	19,295,407	908,634
EXPENDITURES				
Current:				
General government:				
Mayor and commission	420,851	420,851	387,838	33,013
City attorney	247,000	247,000	320,562	(73,562)
City clerk	271,637	270,537	242,544	27,993
City manager	625,005	611,666	364,377	247,289
Finance and information technology	1,329,483	1,330,258	1,249,556	80,702
General administration	1,378,717	1,324,435	1,421,073	(96,638)
Human resources	276,994	276,994	264,675	12,319
Boards	33,100	33,100	21,153	11,947
Total general government	4,582,787	4,514,841	4,271,778	243,063
Public safety:				
Police	7,327,183	7,327,183	7,057,863	269,320
Fire/EMS	2,188,623	2,188,623	2,171,539	17,084
Code Enforcement	447,829	455,329	405,450	49,879
Total public safety	9,963,635	9,971,135	9,634,852	336,283
Public works:				
Maintenance	1,888,028	1,927,471	1,702,086	225,385
Total public works	1,888,028	1,927,471	1,702,086	225,385
Parks and Human Services:	2,090,152	2,052,430	1,821,450	230,980
Physical environment:				
Community development/Economic development	897,546	897,573	727,293	170,280
Total physical environment	897,546	897,573	727,293	170,280
Capital outlay:	179,939	289,272	202,141	87,131

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Debt service:				
Principal	259,930	269,930	186,527	83,403
Interest	100,474	90,474	97,854	(7,380)
Total debt service	360,404	360,404	284,381	76,023
 Total expenditures	19,962,491	20,013,126	18,643,981	1,369,145
 Excess (deficiency) of revenues over expenditures	(1,575,719)	(1,626,353)	651,426	2,277,779
OTHER FINANCING SOURCES (USES):				
Transfer in	1,392,338	1,472,842	771,359	(701,483)
Transfer out	(264,449)	(301,817)	-	301,817
Total other financing sources (uses)	1,127,889	1,171,025	771,359	(399,666)
Net change in fund balance	\$ (447,830)	\$ (455,328)	\$ 1,422,785	\$ 1,878,113

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 Fire Rescue Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Special assessments	\$ 6,178,041	\$ 6,178,041	\$ 5,965,200	\$ (212,841)
Charges for services	350,000	350,000	473,276	123,276
Miscellaneous	17,800	17,800	57,578	39,778
Total revenues	6,545,841	6,545,841	6,496,054	(49,787)
EXPENDITURES				
Current:				
Public safety-fire	6,527,868	6,527,868	6,515,132	12,736
Debt service:				
Interest	5,200	5,200	6,694	(1,494)
Total expenditures	6,533,068	6,533,068	6,521,826	11,242
Excess (deficiency) of revenues over expenditures	12,773	12,773	(25,772)	(38,545)
OTHER FINANCING SOURCES:				
Uses:				
Appropriated Fund Balance	(12,773)	(12,773)	-	12,773
Total other financing sources	(12,773)	(12,773)	-	12,773
Net change in fund balance	\$ -	\$ -	\$ (25,772)	\$ (25,772)

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 Grant Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Grants	\$ 1,518,000	\$ 1,553,828	\$ 311,917	\$ (1,241,911)
Total revenues	1,518,000	1,553,828	311,917	(1,241,911)
EXPENDITURES				
Current:				
Public safety:				
Police	142,000	142,000	125,334	16,666
Culture and recreation	111,000	146,828	114,248	32,580
Social Services	65,000	65,000	62,690	2,310
Capital outlay	1,200,000	1,200,000	-	1,200,000
Total expenditures	1,518,000	1,553,828	302,272	1,251,556
Excess (deficiency) of revenues over expenditures	-	-	9,645	9,645
OTHER FINANCING SOURCES:				
Appropriated Fund Balance	-	-	-	-
Total other financing sources				
Net change in fund balance	\$ -	\$ -	\$ 9,645	\$ 9,645

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 Community Redevelopment Agency Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Ad valorem taxes	\$ 2,407,562	\$ 2,407,562	\$ 2,316,130	\$ (91,432)
Investment income	500	500	5,245	4,745
Miscellaneous	150,000	150,000	2,501	(147,499)
Total revenues	2,558,062	2,558,062	2,323,876	(234,186)
EXPENDITURES				
Current:				
Economic and physical	1,740,702	3,103,390	1,082,147	2,021,243
Capital outlay	204,787	387,209	111,539	275,670
Debt service:				-
Principal	685,915	685,915	685,912	3
Interest	270,182	270,182	268,106	2,076
Total expenditures	2,901,586	4,446,696	2,147,704	2,298,992
Excess (deficiency) of revenues over expenditures	(343,524)	(1,888,634)	176,172	2,064,806
OTHER FINANCING SOURCES:				
Debt proceeds				
Appropriated Fund Balance	343,524	1,888,634	-	(1,888,634)
Total other financing sources				
Net change in fund balance	\$ -	\$ -	\$ 176,172	\$ 176,172

City of Lauderdale Lakes, Florida
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended September 30, 2018

Note 1 – Budgetary Information

The City follows Chapter 80-274 of the State of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The City maintains legally adopted budgets for the General Fund, on a basis consistent with accounting principles generally accepted in the United States of America, (GAAP).

During the month of July of each year, the City Manager submits to the City Commission a proposed operating budget for the Fiscal Year commencing October 1st. This budget includes proposed expenditures as well as the expected means to finance them.

1. The Commission holds workshops, required public hearings, and a final budget must be prepared and adopted no later than October 1st.
2. Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.
3. The appropriation budget is prepared and adopted by fund, function, and department. Budgets are monitored within each department at the account level by the respective department head and the Financial Services Director. The City's department heads may make transfers of appropriations within a department with approval of the City Manager and Financial Services Director. Transfers of appropriations between departments require the additional approval of the Commission. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level. The following exceeded their adopted budgets as follows:

General Fund - City Attorney	\$ 73,562
General Fund - General Administration	\$ 96,638
General Fund - Debt Service Interest	\$ 7,380
Fire Fund - Debt Service Interest	\$ 1,494

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Funding Progress
Other Post-Employment Health Care Benefits
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (a - b)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
August 1, 2012*	-	\$ 247,000	\$ 247,000	0.0%	\$ 2,661,000	9.28%
October 1, 2014	-	\$ 207,000	\$ 207,000	0.0%	\$ 2,895,000	7.15%
October 1, 2016	-	\$ 306,000	\$ 306,000	0.0%	\$ 3,931,000	7.78%
October 1, 2017	-	\$ 459,617	\$ 459,617	0.0%	\$ 4,538,009	11.41%

* The first actuarial valuation was completed as of August 1, 2012.

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Employer Contribution
Other Post-Employment Health Care Benefits
For the Last Four Years
(Unaudited)

Fiscal Year Ended	Annual Required Contribution	Estimated Contribution	Percentage of Annual Required Contribution Contributed
September 30, 2015	\$ 42,000	\$ 8,000	19%
September 30, 2016	\$ 59,000	\$ 4,000	7%
September 30, 2017	\$ 63,000	\$ 4,000	6%
September 30, 2018	\$ 58,503	\$ 14,000	24%

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years*
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Lauderdale Lakes, Florida proportion of the net pension liability	0.1921592%	0.1748101%	0.1772103%	0.1769090%	0.1699056%
City of Lauderdale Lakes, Florida proportion of the net pension liability	\$ 578,794	\$ 517,077	\$ 447,710	\$ 228,502	\$ 103,667
City of Lauderdale Lakes, Florida's covered-employee payroll	\$ 742,764	\$ 742,764	\$ 683,659	\$ 675,277	\$ 630,362
City of Lauderdale Lakes, Florida's proportionate share of net pension liability as a percentage of its covered-employee payroll	77.92%	69.62%	65.49%	33.84%	16.45%
Plan fiduciary net position as a percentage of total pension liability	79.41%	83.89%	84.88%	92.00%	96.09%

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

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years*
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Lauderdale Lakes, Florida proportion of the net pension liability	0.2428527%	0.002237755%	0.002305449%	0.002184697%	0.002091962%
City of Lauderdale Lakes, Florida proportion of the net pension liability	\$ 257,038	\$ 239,271	\$ 268,691	\$ 222,805	\$ 195,604
City of Lauderdale Lakes, Florida's covered-employee payroll	\$ 742,764	\$ 742,764	\$ 683,659	\$ 675,277	\$ 630,362
City of Lauderdale Lakes, Florida's proportionate share of net pension liability as a percentage of its covered-employee payroll	34.61%	32.21%	39.30%	32.99%	31.03%
Plan fiduciary net position as a percentage of total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

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

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Contribution
Florida Retirement System Pension Plan
Last Ten Fiscal Years*
(Unaudited)

Fiscal Year	Actuarially		Contribution		Contribution as a	
	Determined	Actual	Deficiency	Covered	Percentage of	Covered
	Contribution	Contribution	(Excess)	Employee		Employee
				Payroll		Payroll
2018	\$ 54,764	\$ 69,568	\$ 14,804	\$ 668,723		10.40%
2017	\$ 49,999	\$ 49,999	\$ -	\$ 742,764		6.73%
2016	\$ 42,183	\$ 42,183	\$ -	\$ 683,659		6.17%
2015	\$ 43,297	\$ 43,297	\$ -	\$ 675,277		6.41%
2014	\$ 40,085	\$ 40,085	\$ -	\$ 630,362		6.36%

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

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Contribution
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years*
(Unaudited)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2018	\$ 13,170	\$ 13,170	\$ -	\$ 668,723	1.97%
2017	\$ 12,330	\$ 12,330	\$ -	\$ 742,764	1.66%
2016	\$ 11,349	\$ 11,349	\$ -	\$ 683,659	1.66%
2015	\$ 9,238	\$ 9,238	\$ -	\$ 675,277	1.37%
2014	\$ 7,666	\$ 7,666	\$ -	\$ 630,362	1.22%

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

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Changes in Other Post-Employment
Benefits (OPEB) Liability and Related Ratios
For the Fiscal Year Ended September 30, 2018*

Total OPEB Liability	<u>2018</u>
Service Cost	\$ 58,503
Interest	18,522
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments	<u>(18,696)</u>
Net Change in Total OPEB Liability	58,329
Total OPEB liability- Beginning	
as Restated per GASB Statement No. 75	<u>459,617</u>
Total OPEB Liability- Ending	<u><u>\$ 517,946</u></u>
 Covered Employee Payroll	 \$ 4,538,009
 Total OPEB liability as a Percentage of Covered-Employee Payroll	 11.41%

*Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the City is showing one year's presentation.

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Investment Returns
Florida Retirement System Pension Plan
Last Ten Fiscal Years*
(Unaudited)

*Note : Reporting not required for government participating in a cost sharing multiple-employer plan.

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Investment Returns
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years*
(Unaudited)

*Note : Reporting not required for government participating in a cost sharing multiple-employer plan.



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Lauderdale Lakes

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Impact Fee Fund – This fund is used to account for impact fees collected in accordance with the City’s development code.

Arts in Public Places Fund – This fund is used to account for educational expenditures and activities related to the arts within the community. Revenues generated in this fund is exclusive for activities and events that will benefit arts in the community.

Law Enforcement Trust Fund – This fund is used to account for revenues received from law enforcement forfeitures and seizures which are restricted for use for law enforcement purposes.

Code Enforcement Trust Fund – This fund is used to assist qualifying residents with resources to remedy minor code violations.

Minor Home Repair Fund – This fund is used to account for community development block grant this is funding the revitalization project for housing within the government.

Transportation (Gas Tax) Fund – This fund is used to account for Gas Tax money received from the State. This money is restricted to transportation, street, and road related expenses.

Alzheimer Care Center Fund – This fund was created to account for revenue and expenditure activity of the Alzheimer Care Center. Most revenues for the operation of the Center are derived from grant and foundation assistance.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Construction Fund – This fund is used for purpose of budgeting general capital improvement projects with costs of \$25,000 and over.

2005 GO Bond Capital Projects Fund – This fund is used to account for the resources and budgeting for the 2005 general obligation bond budgeted activities of the bond’s related capital projects.

Debt Service Fund

Debt Service Fund – to account for the accumulation of taxes collected through the property taxes used to pay principal and interest payments on the 2005 Bond.

City of Lauderdale Lakes, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds						Capital Projects Funds				Total Nonmajor Governmental Funds	
	Impact Fee Fund	Arts in Public Places	Law Enforcement Trust Fund	Code Enforcement Trust Fund	Minor Home Repair Fund	Transportation Funds	Alzheimer Care Center Funds	Capital Projects Fund	Construction Fund	Bond Construction Fund		Debt Service Fund
Assets:												
Pooled cash and cash equivalents	\$532,539	\$6,600	\$ 93,704	\$ 10,000	\$159,149	\$ 36,294	\$ -	\$561,536	\$ -	\$ 426,755	\$96,346	\$ 1,922,923
Investments	-	-	-	-	-	-	-	-	-	813	-	813
Due from other funds	-	-	-	-	-	-	-	-	-	218,797	-	218,797
Due from other governments	-	-	-	-	10,500	-	55,436	-	-	-	492	66,428
Receivables, net	-	-	-	-	-	-	19,087	-	-	-	-	19,087
Total assets	\$532,539	\$6,600	\$ 93,704	\$ 10,000	\$169,649	\$ 36,294	\$ 74,523	\$561,536	\$ -	\$ 646,365	\$96,838	\$ 2,228,048
Liabilities and Fund Balances:												
Liabilities:												
Accounts payable and accrued liabilities	\$ -	-	-	-	-	\$ 60,614	\$ 24,444	\$ 81,827	\$ -	\$ -	\$ -	\$ 166,885
Due to other funds	-	-	-	-	-	-	135,028	-	218,797	-	-	353,825
Total liabilities	\$ -	\$ -	\$ -	-	-	60,614	159,472	81,827	218,797	-	-	\$ 520,710
Fund Balances (Deficit):												
Restricted for:												
Debt service	-	-	-	-	-	-	-	-	-	-	96,838	96,838
Park projects	532,539	-	-	-	-	-	-	-	-	-	-	532,539
Law enforcement	-	-	93,704	-	-	-	-	-	-	-	-	93,704
Code enforcement	-	-	-	10,000	-	-	-	-	-	-	-	10,000
Community development	-	-	-	-	169,649	-	-	-	-	-	-	169,649
Assigned for:												
Capital projects	-	6,600	-	-	-	-	-	479,709	-	646,365	-	1,132,674
Unassigned	-	-	-	-	-	(24,320)	(84,949)	-	(218,797)	-	-	(328,066)
Total fund Balances	532,539	6,600	93,704	10,000	169,649	(24,320)	(84,949)	479,709	(218,797)	646,365	96,838	1,707,338
Total liabilities and fund balances	\$532,539	\$6,600	\$ 93,704	\$ 10,000	\$169,649	\$ 36,294	\$ 74,523	\$561,536	\$ -	\$ 646,365	\$96,838	\$ 2,228,048

City of Lauderdale Lakes, Florida
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds										Capital Projects Funds				Total Nonmajor Governmental Funds			
	Arts in Public Places		Law Enforcement Trust		Code Enforcement Trust		Minor Home Repair		Transportation		Alzheimer Care Center		Capital Projects			Bond Construction		Debt Service Fund
	Impact Fee Fund											Fund	Fund	Fund		Fund		
Revenues:																		
Intergovernmental	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,131,298
Sales, use, and motor fuel taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	636,299
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,956
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,978
Governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	332,783
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,709
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,204,023
Expenditures:																		
Current:																		
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,912
Economic and physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	703
Highway and street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	610,595
Social services programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,827
Capital outlay	-	3,400	-	-	-	-	-	-	-	-	-	-	107,804	-	-	-	-	115,378
Debt service:																		-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	769,433
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337,471
Total expenditures	-	3,400	-	12,912	-	-	-	703	613,243	-	418,353	-	107,804	-	-	-	-	1,106,904
Excess (deficiency) of revenues over expenditures	-	(3,400)	-	10,775	-	-	(703)	-	57,481	(5,614)	-	(107,804)	-	-	(10,031)	-	-	(59,296)
Other Financing Sources (Uses):																		-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(23,795)	-	-	-	-	-	-	-	-	(23,795)
Net change in fund balance	-	(3,400)	-	10,775	-	-	(703)	-	33,686	(5,614)	-	(107,804)	-	-	(10,031)	-	-	(83,091)
Fund Balances (Deficit), beginning	532,539	10,000	82,929	10,000	10,000	170,352	(58,006)	-	24,320	(84,949)	-	587,513	(218,797)	646,365	-	106,869	-	1,790,429
Fund Balances (Deficit), ending	\$532,539	\$ 6,600	\$ 93,704	\$ 10,000	\$ 10,000	\$ 169,649	\$ (24,320)	\$ (84,949)	\$ (24,320)	\$ (84,949)	\$ (84,949)	\$479,709	\$ (218,797)	\$ 646,365	\$ 96,838	\$ 96,838	\$ 1,707,338	\$ 1,707,338

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedules
Nonmajor Governmental Funds
For the Year End September 30, 2018

	Law Enforcement Trust Fund			Minor Home Repair Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Motor fuel taxes	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	16,978	16,978	-	-	-
Governmental grants	-	-	-	184,236	-	184,236
Miscellaneous	-	6,709	6,709	-	-	-
Total revenues	-	23,687	23,687	184,236	-	184,236
Expenditures:						
Current:						
Public Safety	30,000	12,913	17,087	-	-	-
Culture and recreation	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Economic and physical environme	-	-	-	184,236	-	184,236
Capital outlay	-	-	-	-	-	-
Total expenditures	30,000	12,913	17,087	184,236	-	184,236
Excess (deficiency) of revenues over expenditures	(30,000)	10,774	40,774	-	-	368,472.00
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Reappropriated Fund Balance	30,000	-	(30,000)	-	-	-
Total other financing sources (uses)	30,000	-	(30,000)	-	-	-
Net change in fund balances	\$ -	\$ 10,774	\$ 10,774	\$ -	\$ -	\$ 368,472

Arts in Public Places Fund			Transportation Fund			Alzheimer Care Center Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	26,730	34,425	7,695	-	-	-
-	-	-	640,913	636,299	(4,614)	-	-	-
-	-	-	-	-	-	118,000	79,956	(38,044)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	356,943	337,964	(18,979)
-	-	-	-	-	-	-	-	-
-	-	-	667,643	670,724	3,081	474,943	417,920	(57,023)
-	-	-	-	-	-	-	-	-
10,000	3,400	6,600	-	-	-	-	-	-
-	-	-	664,983	634,388	30,595	-	-	-
-	-	-	-	-	-	486,044	416,819	69,225
-	-	-	-	-	-	-	-	-
-	-	-	2,660	2,648	12	3,348	1,526	1,822
10,000	3,400	6,600	667,643	637,037	30,606	489,392	418,345	71,047
(10,000)	(3,400)	6,600	-	33,687	33,687	(14,449)	(425)	14,024.00
-	-	-	-	-	-	14,449	-	(14,449)
-	-	-	-	-	-	-	-	-
10,000	-	(10,000)	-	-	-	-	-	-
10,000	-	(10,000)	-	-	-	14,449	-	(14,449)
\$ -	\$ (3,400)	\$ (3,400)	\$ -	\$ 33,687	\$ 33,687	\$ -	\$ (425)	\$ (425)

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedules
 Capital Projects Fund
 For the Year End September 30, 2018

	Original and Final Budget	Actual	Variance
Revenues:			
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Capital outlay	577,368	107,804	469,564
Total expenditures	577,368	107,804	469,564
Excess (deficiency) of revenues over expenditures	(577,368)	(107,804)	469,564
Other Financing Sources:			
Reappropriated Fund Balance	290,000	-	(290,000)
Transfers In	287,368	-	(287,368)
Total other financing sources (uses)	577,368	-	(577,368)
Net change in fund balances	\$ -	\$ (107,804)	\$ (107,804)

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedules
Debt Service Fund
For the Year End September 30, 2018

	Original and Final Budget	Actual	Variance
Revenues:			
Ad Valorem Taxes	\$ 1,095,115	\$ 1,096,873	\$ 1,758
Total revenues	1,095,115	1,096,873	1,758
Expenditures:			
Debt service:			
Pincipal	771,112	769,433	1,679
Interest and fiscal charges	324,003	337,471	(13,468)
Total expenditures	1,095,115	1,106,904	(11,789)
Net change in fund balances	\$ -	\$ (10,031)	\$ (10,031)



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Lauderdale Lakes

STATISTICAL SECTION (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

STATISTICAL SECTION

This part of the City of Lauderdale Lakes, Florida'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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84-90
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	91-94
Debt Capacity These schedules present 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	95-99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	100-102
Operating Information 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.	102-104

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

Table 1

City of Lauderdale Lakes, Florida
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
governmental activities:										
Net investment in capital	\$ 16,979	\$ 19,497	\$ 22,391	\$ 16,165	\$ 26,839	\$ 22,052	\$ 23,178	\$ 24,218	\$ 25,525	\$ 23,695
Restricted	216	-	-	3,341	2,875	3,049	2,828	4,547	4,187	2,536
Unrestricted	5,616	(91)	(4,073)	770	(4,870)	378	4,972	6,580	8,671	12,681
Total governmental activities net position	22,811	19,406	18,318	20,276	24,844	25,479	30,978	35,345	38,383	38,912
business-type activities:										
Net investment in capital as	445	549	768	985	1,644	2,157	2,277	3,036	5,011	5,677
Restricted	25	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,111	859	1,120	2,791	4,371	5,411	6,143	6,955	6,289	5,472
Total business-type activities net position	1,581	1,408	1,888	3,776	6,015	7,568	8,420	9,991	11,300	11,149
total government:										
Net investment in capital as	17,424	20,046	23,159	17,150	28,483	24,209	25,455	27,254	30,536	29,372
Restricted	241	-	-	3,341	2,875	3,049	2,828	4,547	4,187	2,536
Unrestricted (deficit)	6,727	768	(2,953)	3,561	(499)	5,789	11,115	13,535	14,960	18,153
Total government net position	\$ 24,392	\$ 20,814	\$ 20,206	\$ 24,052	\$ 30,859	\$ 33,047	\$ 39,398	45,336	49,683	50,061

City of Lauderdale Lakes, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	\$ 4,492,372	\$ 7,400,341	\$ 5,091,901	\$ 7,008,034	\$ 3,295,985	\$ 3,218,179	\$ 3,657,082	\$ 5,016,067	\$ 4,826,016	\$ 5,938,015
Public safety	15,114,137	15,490,217	13,817,040	11,400,377	12,795,147	13,526,842	14,504,589	14,546,417	15,156,837	17,393,101
Economic and physical environment	3,806,017	1,987,947	799,192	1,649,573	1,919,292	7,775,443	2,735,321	3,025,515	3,297,310	3,721,220
Social Services	1,165,674	1,188,716	1,009,928	612,658	772,134	797,850	796,360	849,138	879,170	844,719
Culture and recreation	3,148,544	1,347,399	1,144,653	1,036,142	1,071,846	1,015,093	1,249,726	1,835,079	1,904,385	2,117,167
Highways, streets and transportation	618,593	551,264	425,880	1,217,037	336,955	385,935	435,537	511,611	674,085	691,785
Interest on long-term debt	733,147	1,079,935	1,199,133	1,142,252	1,111,314	1,041,674	927,542	765,632	714,382	682,993
Total governmental activities	29,078,484	29,045,819	23,487,727	24,066,073	21,302,673	27,761,016	24,306,157	26,549,459	27,452,185	31,389,000
Business-type activities:										
Stormwater	1,505,547	847,534	604,229	748,761	661,621	776,597	860,630	978,118	1,172,606	1,421,378
Solid waste/recycling	1,352,185	1,431,720	1,339,516	1,149,839	1,175,436	1,236,371	1,275,464	1,113,685	1,076,912	1,122,802
Building services	631,062	608,747	382,872	249,736	335,666	408,737	568,541	759,185	640,555	717,718
Interest expense	86,325	48,097	76,819	-	-	-	-	-	-	-
Total business-type activities	3,575,119	2,936,098	2,403,436	2,148,336	2,172,723	2,421,705	2,704,635	2,850,988	2,890,073	3,261,898
Total governmental expenses	\$ 32,653,603	\$ 31,981,917	\$ 25,891,163	\$ 26,214,409	\$ 23,475,396	\$ 30,182,721	\$ 27,010,792	\$ 29,400,447	\$ 30,342,258	\$ 34,650,898
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,373,966	\$ 569,569	\$ 444,990	\$ 480,135	\$ 610,537	\$ 590,990	\$ 729,367	\$ 1,380,638	\$ 791,176	\$ 682,912
Public safety	3,528,128	3,907,491	4,252,300	5,147,943	5,505,831	6,330,982	6,827,699	7,120,925	7,044,626	7,474,995
Community development	392,007	-	-	-	-	-	-	-	-	204,086
Social services	-	13,529	13,434	114,095	230,845	63,394	150,178	94,143	113,497	79,956
Culture and recreation	148,611	113,784	170,919	233,807	166,418	153,212	126,128	165,208	173,542	186,153
Operating grants and contributions	792,597	1,060,667	531,451	856,532	585,625	975,676	1,363,125	1,618,318	929,008	930,533
Capital grants and contributions	4,131,225	1,302,782	222,760	1,125,000	502,906	75,533	796,044	434,459	288,770	118,950
Total governmental activities program revenues	10,366,534	6,967,822	5,635,854	7,957,512	7,602,162	8,189,787	9,992,541	10,813,691	9,340,619	9,677,585

City of Lauderdale Lakes, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

(continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Stormwater	791,423	877,902	960,574	2,230,374	2,176,655	2,167,030	2,154,584	1,940,170	1,920,758	1,897,139
Solid waste/recycling	1,499,087	1,485,079	1,402,973	1,472,003	1,480,371	1,239,403	1,369,188	1,288,012	1,288,964	1,285,520
Building services	344,994	358,530	294,777	600,490	572,808	634,664	587,755	1,320,252	1,070,716	662,012
Operating grants and contributions	-	-	189,114	52,220	-	-	-	-	-	-
Capital grants and contributions	181,069	-	-	-	481,580	270,035	54,930	427,928	651,953	7,820
Total business-type activities program revenues	2,816,573	2,721,511	2,847,438	4,355,087	4,711,414	4,311,132	4,166,457	4,976,362	4,932,391	3,852,491
Total program revenues	<u>\$ 13,183,107</u>	<u>\$ 9,689,333</u>	<u>\$ 8,483,292</u>	<u>\$ 12,312,599</u>	<u>\$ 12,313,576</u>	<u>\$ 12,500,919</u>	<u>\$ 14,158,998</u>	<u>\$ 15,790,053</u>	<u>\$ 14,273,010</u>	<u>\$ 13,530,076</u>
Net (Expense) Revenue:										
Governmental activities	\$ (18,711,950)	\$ (22,077,997)	\$ (17,851,873)	\$ (16,108,561)	\$ (13,700,511)	\$ (19,571,229)	\$ (14,313,616)	(15,735,768)	\$ (18,111,566)	\$ (21,711,415)
Business-type activities	(758,546)	(214,587)	444,002	2,206,751	2,538,691	1,889,427	1,461,822	2,125,374	2,042,318	590,593
Total net expense	<u>\$ (19,470,496)</u>	<u>\$ (22,292,584)</u>	<u>\$ (17,407,871)</u>	<u>\$ (13,901,810)</u>	<u>\$ (11,161,820)</u>	<u>\$ (17,681,802)</u>	<u>\$ (12,851,794)</u>	<u>\$ (13,610,394)</u>	<u>\$ (16,069,248)</u>	<u>\$ (21,120,822)</u>
General Revenues:										
Governmental activities:										
Property taxes	\$ 8,739,866	\$ 8,745,705	\$ 7,164,644	\$ 9,088,461	\$ 8,572,538	\$ 8,963,387	\$ 8,828,785	9,143,054	\$ 9,900,666	\$ 10,667,706
Sales, use and motor fuel taxes	578,834	558,352	563,308	558,044	557,776	579,219	591,506	612,062	631,005	636,299
Franchise fees and other taxes	3,566,933	3,198,164	3,059,357	3,214,818	3,217,811	3,171,056	3,231,895	2,291,360	3,080,739	3,042,613
Utility taxes	1,812,819	1,948,540	1,975,967	2,025,466	2,184,695	2,347,673	2,424,037	3,208,485	2,496,090	2,626,888
Unrestricted intergovernmental revenue	2,829,178	3,034,164	3,158,984	2,854,801	3,213,516	3,320,394	4,223,213	3,727,189	3,882,506	4,055,425
Investment income	16,583	28,020	5,429	9,495	5,556	2,328	3,749	41,936	132,611	202,043
Gain (Loss) on sale of city asset	-	670,000	39,845	(74,005)	-	-	-	-	-	-
Gain on forgiveness of debt	-	-	-	-	-	876,799	-	-	-	-
Miscellaneous	438,221	490,777	795,188	70,549	466,285	595,322	352,655	434,893	264,921	262,072
Transfers	320,000	-	-	320,000	320,000	350,000	525,000	566,530	761,023	747,562
Total governmental activities	<u>18,302,434</u>	<u>18,673,722</u>	<u>16,762,722</u>	<u>18,067,629</u>	<u>18,538,177</u>	<u>20,206,178</u>	<u>20,180,840</u>	<u>20,025,509</u>	<u>21,149,561</u>	<u>22,240,608</u>

City of Lauderdale Lakes, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

(continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Franchise and other taxes									16,491	-
Investment income	14,686	41,427	36,012	378	54,057	13,195	15,488	12,120	10,840	5,803
Transfers	(320,000)	-	-	(320,000)	(320,000)	(350,000)	(525,000)	(566,530)	(761,023)	(747,563)
Total business-type activities	(305,314)	41,427	36,012	(319,622)	(265,943)	(336,805)	(509,512)	(554,410)	(733,692)	(741,760)
Total general revenues	\$ 17,997,120	\$ 18,715,149	\$ 16,798,734	\$ 17,748,007	\$ 18,272,234	\$ 19,869,373	\$ 19,671,328	\$ 19,471,099	\$ 20,415,869	\$ 21,498,848
Change in Net Position:										
Governmental activities	\$ (409,516)	\$ (3,404,275)	\$ (1,089,151)	\$ 1,959,068	\$ 4,837,666	\$ 634,949	\$ 5,867,224	\$ 4,367,212	\$ 3,037,995	\$ 529,193
Business-type activities	(1,063,860)	(173,160)	480,014	1,887,129	2,272,748	1,552,622	952,310	1,570,964	1,308,626	(151,167)
Total change in net position	\$ (1,473,376)	\$ (3,577,435)	\$ (609,137)	\$ 3,846,197	\$ 7,110,414	\$ 2,187,571	\$ 6,819,534	\$ 5,938,176	\$ 4,346,621	\$ 378,026

City of Lauderdale Lakes, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:											
Reserved	\$ 48	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	874	(1,642)	-	-	-	-	-	-	-	-	-
Nondisposable	-	-	127	126	1,281	926	148	12	152	123	123
Restricted	-	-	-	-	1,966	1	-	-	-	-	-
Committed	-	-	-	-	436	500	500	500	500	500	500
Assigned	-	-	-	-	-	-	-	509	509	509	509
Unassigned	-	-	(4,981)	920	735	4,660	7,352	9,059	9,286	9,870	9,870
Total general fund	922	(1,416)	(4,854)	1,046	4,418	6,087	8,509	10,080	10,447	11,002	11,002
All other governmental funds:											
Reserved	167	4,720	-	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds	2,645	(2,529)	-	-	-	-	-	-	-	-	-
Capital projects funds	1,976	(238)	-	-	-	-	-	-	-	-	-
Debt service fund	121	(21)	-	-	-	-	-	-	-	-	-
Nondisposable	-	-	2,518	2,773	2,322	2,618	1,963	5	3	1,331	1,331
Restricted	-	-	1,754	1,575	2,509	2,659	2,828	4,547	4,415	2,706	2,706
Assigned	-	-	-	-	-	-	1,076	1,453	1,244	1,195	1,195
Unassigned, reported in:											
Special revenue funds	-	-	(2,568)	(372)	(1,959)	(2,022)	(1,571)	(846)	(840)	(259)	(259)
Capital projects funds	-	-	(485)	(482)	(449)	(449)	(219)	(219)	(219)	(219)	(219)
Debt service fund	-	-	(3)	8	(36)	(43)	(8)	-	-	-	-
Total special revenue funds	4,909	1,932	1,216	3,502	2,387	2,763	4,069	4,940	4,603	4,754	4,754
Total governmental funds	\$ 5,831	\$ 516	\$ (3,638)	\$ 4,548	\$ 6,805	\$ 8,850	\$ 12,578	\$ 15,020	\$ 15,050	\$ 15,756	\$ 15,756

Note: Information for fiscal years 2009 through 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(amounts expressed in thousands)

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:											
Property taxes and tax increments	\$	8,739	\$ 8,746	\$ 7,165	\$ 9,088	\$ 8,573	\$ 8,963	\$ 8,829	\$ 9,143	9,901	10,668
Sales, use and motor fuel taxes		578	558	3,059	3,215	558	579	591	612	631	636
Franchise and other taxes		3,567	3,198	1,976	2,025	3,218	3,171	3,232	2,291	3,081	3,043
Utility taxes		1,813	1,949	3,722	2,855	2,185	2,348	2,424	3,208	2,496	2,627
Intergovernmental		3,631	3,329	3,223	4,077	3,237	3,346	4,250	3,755	3,971	4,182
Special assessments		3,190	3,211	1,025	1,899	4,424	5,208	5,631	5,432	5,432	5,965
Charges for services, permits, fines and forfeitures		1,861	1,045	1,549	857	2,136	2,335	2,222	3,342	2,687	2,520
Government grants and other support		4,560	2,500	5	9	999	623	2,112	2,013	1,118	650
Investment income		17	28	5	9	5	2	4	42	133	202
Proceeds from refinancing contracts payable		-	-	-	9,171	-	-	-	-	-	-
Other revenue		392	407	634	60	485	594	353	435	279	274
Total revenues		28,348	24,972	22,359	33,815	25,820	27,169	29,648	30,273	29,729	30,767
Expenditures:											
Current:											
General government		4,196	4,127	3,243	4,581	2,672	2,931	3,199	4,015	3,724	5,622
Public safety		15,089	15,461	13,788	51	12,746	13,252	14,399	14,382	15,003	15,921
Public works		2,286	2,286	1,765	549	1,169	1,210	1,475	1,498	1,524	1,743
Culture and recreation		2,734	1,083	891	672	794	923	944	1,281	1,513	1,664
Economic and physical environment		3,743	1,983	794	918	416	551	1,186	1,335	1,640	1,579
Highways and streets		580	551	426	994	544	682	387	506	594	611
Social services		1,166	1,169	991	442	711	755	598	837	876	839
Capital outlay		6,388	9,397	958	14,173	1,485	668	891	1,014	715	478
Debt service:											
Principal		1,132	1,067	2,524	2,425	2,558	3,733	5,668	2,661	4,204	1,642
Interest and other fiscal charges		733	1,101	1,173	1,142	1,147	1,051	1,006	868	744	710
Total expenditures		35,761	38,225	26,552	25,949	24,242	25,756	29,753	28,397	30,537	30,809
Excess (deficiency) of revenues over expenditures		(7,413)	(13,254)	(4,194)	7,866	1,578	1,413	(105)	1,876	(808)	(42)

City of Lauderdale Lakes, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 4

(continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses):										
Transfers in	892	-	-	395	395	425	1,397	1,457	1,046	1,019
Transfers out	(572)	-	-	(75)	(75)	(75)	(872)	(891)	(285)	(271)
Sale of city assets	-	670	40	-	-	185	-	-	-	-
Debt proceeds	2,905	7,269	-	-	992	97	3,308	-	-	-
Total other financing sources (uses)	3,225	7,939	40	320	1,312	632	3,833	566	761	748
Net change in fund balances	\$ (4,188)	\$ (5,315)	\$ (4,154)	\$ 8,186	\$ 2,890	\$ 2,045	\$ 3,728	\$ 2,442	\$ (47)	\$ 705
Debt service as a percentage of non-capital expenditures	6.78%	8.13%	16.88%	43.46%	19.45%	23.56%	30.08%	14.79%	19.89%	8.4%

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year Ended September 30,	Tax Roll Year	Save Our Homes (SOH) Value	Exemptions	Total Net Assessed Value	Total Direct Tax Rate	Actual (Just/Market) Value (1)	Estimated Actual Value as a Percentage of Net Assessed Value (1)
2009	2008	\$ 1,856,420,663	\$ 631,971,095	\$ 1,224,449,568	6.6315	2,096,578,270	58.4%
2010	2009	\$ 1,503,667,217	\$ 444,341,291	\$ 1,059,325,926	7.5000	1,740,004,229	60.9%
2011	2010	\$ 1,333,494,125	\$ 494,324,860	\$ 839,169,265	8.2050	1,372,063,683	61.2%
2012	2011	\$ 1,292,206,363	\$ 492,750,303	\$ 799,456,060	10.8560	1,321,450,651	60.5%
2013	2012	\$ 1,234,438,673	\$ 469,694,725	\$ 764,743,948	10.8683	1,277,058,833	59.9%
2014	2013	\$ 1,259,967,980	\$ 461,806,502	\$ 798,161,478	10.8959	1,324,152,380	60.3%
2015	2014	\$ 1,285,555,292	\$ 458,359,388	\$ 827,195,904	10.3454	1,418,147,048	58.3%
2016	2015	\$ 1,346,998,932	\$ 468,722,664	\$ 878,276,268	9.8400	1,557,627,818	56.4%
2017	2016	\$ 1,431,069,768	\$ 468,567,562	\$ 962,502,206	9.5950	1,678,638,608	57.3%
2018	2017	\$ 1,512,724,841	\$ 464,758,206	\$ 1,047,966,635	9.6950	1,797,243,991	58.3%

Note (1): Property in the City is reassessed each year in January. The Property Appraiser estimates a just (market) value for all types of real property. For non-homesteaded properties the just value is equal to the assessed value. For homesteaded properties, the just value is adjusted for both the Florida 'Save Our Homes' valuation cap to arrive at the assessed value. In addition, the net taxable assessed value is derived from the adjustments of homestead exemptions and exemptions applied to the assessed value.

Note: Property tax rates are based on each \$1,000 of net assessed value.

Source: Broward County Property Appraiser's Office.

City of Lauderdale Lakes, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Tax Roll Year	City Operating	City Debt	Total Direct Rate	Overlapping Rates (1)						Total Direct and Overlapping Rates
					Broward County	School Board	Children's Services	S. Florida Water Mgt District	Florida Inland Navigation District	N. Broward Hospital District	
2009	2008	5.7622	0.8693	6.6315	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059	22.1028
2010	2009	6.5500	0.9500	7.5000	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059	23.1086
2011	2010	7.0000	1.2050	8.2050	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750	24.3921
2012	2011	9.5000	1.3560	10.8560	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750	26.6517
2013	2012	9.5000	1.3683	10.8683	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564	26.6873
2014	2013	9.5000	1.3959	10.8959	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554	26.7880
2015	2014	8.9500	1.3954	10.3454	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939	26.0072
2016	2015	8.5000	1.3400	9.8400	5.7230	7.2740	0.4882	0.3551	0.0320	1.4425	25.1548
2017	2016	8.5000	1.2100	9.7100	5.6690	6.9063	0.4882	0.3307	0.0320	1.3462	24.4824
2018	2017	8.5000	1.0950	9.5950	5.6690	6.5394	0.4882	0.3100	0.0320	1.2483	23.8819

Note: All millage rates are based on \$ 1 for every \$ 1,000 of assessed value.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Note (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Lauderdale Lakes,

Sources: Broward County Property Appraiser's Office.

Table 7

Taxpayer	2018		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
SOMERSET PHASE IV & PHASE V LLC	\$ 30,260,000	1	2.89%
LAKES MALL INVESTMENT LLC	25,532,580	2	2.44%
MARKETPLACE PLAZA LLC	25,456,270	3	2.43%
FMC LAND TR	20,259,810	4	1.93%
WAL-MART STORES EAST LP	19,959,330	5	1.90%
ENCLAVE HILLS LLC	19,819,800	6	1.89%
GLICK LAUDERDALE LAKE LLC	13,690,320	7	1.31%
HAWAIIAN PALMS LLC	13,543,010	8	1.29%
LAUDERDALE LAKES IND PARK JV	13,399,270	9	1.28%
REEF PLAZA LLC	13,028,740	10	1.24%
	<u>\$ 194,949,130</u>		<u>18.60%</u>
Taxpayer	2009		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Medical Center Land Trust (Hospital)	\$ 43,086,410	1	4.11%
Somerset Phase IV & Phase V, LLC (Apartments)	33,272,170	2	3.17%
Glen Cove, LLC (Apartments)	20,290,250	3	1.94%
Wal-Mart (Shopping Center)	20,037,190	4	1.91%
Southern Bell Telephone Company	18,134,243	5	1.73%
Normandy Village Holdings, LLP (Apartments)	17,048,340	6	1.63%
SRH Whispering LTD Partnership	15,429,250	7	1.47%
Lauderdale Lakes Industrial Park	13,271,440	8	1.27%
Florida Power & Light Company	12,645,619	9	1.21%
St. Croix Association LTD	11,469,358	10	1.09%
	<u>\$ 204,684,270</u>		<u>19.53%</u>

Source: Broward County Property Appraiser's Office

Table 8

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

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year's	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	\$ 6,816,025	\$ 5,753,950	84.42%	\$ 896,026	\$ 6,649,976	97.56%
2010	\$ 6,187,725	\$ 5,913,910	95.57%	\$ 70,961	\$ 5,984,871	96.72%
2011	\$ 5,614,744	\$ 5,324,508	94.83%	\$ 172,837	\$ 5,497,345	97.91%
2012	\$ 6,633,475	\$ 6,417,692	96.75%	\$ 210,181	\$ 6,627,873	99.92%
2013	\$ 6,251,176	\$ 5,768,071	92.27%	\$ 446,223	\$ 6,214,294	99.41%
2014	\$ 6,470,930	\$ 6,386,542	98.70%	\$ 9,529	\$ 6,396,071	98.84%
2015	\$ 6,234,098	\$ 6,229,753	99.93%	\$ 3,459	\$ 6,233,212	99.99%
2016	\$ 6,307,700	\$ 6,406,355	101.56%	-	\$ 6,406,355	101.56%
2017	\$ 6,756,119	\$ 6,694,580	99.09%	\$ 879	\$ 6,694,581	99.09%
2018	\$ 7,213,072	\$ 7,251,500	100.53%	\$ 3,204	\$ 7,254,704	100.58%

Source: City of Lauderdale Lakes, Financial Services Department

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

Table 9

Fiscal Year Ended September 30,	Governmental Activities					Business-Type Activities			Percent of Net Assessed Value	Per Capita
	General Obligation Bonds	Line of Credit	Notes Payable	Revenue Bonds	Repayment Agreement	Capital Leases	Note Payable	Capital Leases		
2009	\$ 13,586,373	\$ 3,522,568	\$ 1,771,754	\$ 4,070,000	\$ -	\$ 322,965	\$ 2,035,335	\$ -	\$ 25,308,995	\$ 780
2010	\$ 13,073,937	-	\$ 12,102,465	\$ 3,945,000	-	\$ 233,062	\$ 1,890,745	-	\$ 31,245,209	\$ 959
2011	\$ 12,537,709	-	\$ 10,319,406	\$ 3,815,000	-	\$ 173,353	\$ 1,693,010	-	\$ 28,538,478	\$ 872
2012	\$ 11,971,990	-	\$ 9,667,685	\$ 3,680,000	\$ 8,047,928	\$ 115,344	\$ 1,479,242	-	\$ 34,962,189	\$ 1,050
2013	\$ 11,376,048	\$ 950,000	\$ 9,065,235	\$ 3,540,000	\$ 6,897,928	\$ 87,716	\$ 1,350,190	\$ 265,312	\$ 33,532,429	\$ 993
2014	\$ 10,749,112	-	\$ 8,441,015	\$ 3,400,000	\$ 4,721,120	\$ 71,814	\$ 1,215,625	\$ 224,385	\$ 28,823,071	\$ 867
2015	\$ 10,090,371	-	\$ 7,797,954	\$ 3,308,200	\$ 3,776,888	\$ 49,680	\$ 1,075,314	\$ 187,396	\$ 26,285,803	\$ 769
2016	\$ 9,398,975	-	\$ 6,974,946	\$ 3,128,900	\$ 2,709,475	\$ 26,467	\$ 1,073,298	\$ 143,903	\$ 23,455,964	\$ 674
2017	\$ 8,669,030	-	\$ 5,596,309	\$ 2,947,000	\$ 821,023	\$ 2,125	\$ -	\$ 99,066	\$ 18,134,553	\$ 517
2018	\$ 7,899,597	-	\$ 4,910,394	\$ 2,762,700	\$ 821,023	\$ -	\$ -	\$ 52,846	\$ 16,446,560	\$ 451

Table 10

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

Fiscal Year Ended September 30,	General Obligation Bonds	Estimated Actual Taxable Value of Property	Percentage of Estimated Actual Taxable Value of Property	Population	GO Bond Debt Per Capita
2009	13,586,373	1,224,449,568	1.11%	32,444	418.76
2010	13,073,937	1,059,325,926	1.23%	32,593	401.13
2011	12,537,709	839,169,265	1.49%	32,740	382.95
2012	11,971,990	799,456,060	1.50%	33,305	359.47
2013	11,376,048	764,743,948	1.49%	33,772	336.85
2014	10,749,112	798,161,478	1.35%	33,243	323.35
2015	10,090,371	827,195,904	1.22%	34,201	295.03
2016	9,398,975	878,276,268	1.07%	34,796	270.12
2017	8,669,030	962,502,206	0.90%	35,094	247.02
2018	7,899,597	1,047,966,635	0.75%	36,475	216.58

	Debt Outstanding	Applicable to City of Lauderdale Lakes	
		Percentage	Amount
Government Unit:			
Debt repaid with property taxes:			
Broward County School Board	\$ 1,725,659,000	0.57%	\$ 9,836,256
Broward County	207,550,000	0.57%	<u>1,183,035</u>
Subtotal - overlapping debt			11,019,291
City direct debt	16,393,714	100.00%	<u>16,393,714</u>
Total direct and overlapping debt			\$ <u>27,413,005</u>

Source: Broward County, Financial Reporting and Accounting Division.

Source: Broward County Property Appraiser.

Note: The City Charter does not establish a legal debt margin nor does the Florida Statutes impose a limit.

The City Charter does not set a debt margin.

Fiscal Year Ended September 30,	Improvement Revenue Bonds				
	Stormwater Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service	Coverage
2009	\$ 791,423	\$ 1,505,547	\$ (714,124)	135,683	(5.26)
2010	\$ 877,902	\$ 847,534	\$ 30,368	144,590	0.21
2011	\$ 960,574	\$ 604,224	\$ 356,350	76,819	4.64
2012	\$ 2,230,374	\$ 748,761	\$ 1,481,613	45,653	32.45
2013	\$ 1,349,526	\$ 371,117	\$ 978,410	192,098	5.09
2014	\$ 2,167,030	\$ 718,747	\$ 1,448,283	175,492	8.25
2015	\$ 2,154,584	\$ 805,260	\$ 1,349,324	177,300	7.61
2016	\$ 1,940,170	\$ 926,316	\$ 1,013,854	189,413	5.35
2017	\$ 1,302,135	\$ 1,105,579	\$ 196,556	974,231	0.20
2018	\$ 1,905,013	\$ 2,317,163	\$ (412,150)	1,098,325	(0.38)

Source: City of Lauderdale Lakes, Financial Services Department

Year	Population	Broward County Population	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income	Unemployment Rate
2009	32,444	1,751,234	71,994,871	41,169	11.7%
2010	32,593	1,752,928	72,712,604	41,481	11.6%
2011	32,740	1,748,066	75,315,293	42,194	11.2%
2012	33,305	1,748,956	78,687,882	43,351	9.3%
2013	33,772	1,815,137	79,946,888	44,045	7.3%
2014	33,243	1,838,844	81,226,038	44,749	6.3%
2015	34,201	1,827,367	82,200,750	45,241	5.1%
2016	34,796	1,896,425	83,187,159	45,738	4.6%
2017	35,094	1,873,970	84,518,154	46,470	3.3%
2018	36,475	1,897,976	85,870,444	47,214	3.7%

Source: US Census Bureau
<http://www.broward.org/Planning/Demographics/Pages/default.aspx>

City of Lauderdale Lakes, Florida
Principal Employers
Current Year and Ten Year Ago

Table 15

Employer	2018		Percentage of Total City Employment
	Employees	Rank	
North Shore Medical Center dba Florida Medical Center	859	1	40.18%
Wal-Mart Stores East dba Wal-Mart Super Center #3625	364	2	17.03%
St. John's Rehabilitation Hospital & Nursing Center, Inc. dba	243	3	11.37%
Palms Facility Inc. DBA Palms Care Center	165	4	7.72%
Phoenix Management Services, Inc.	102	5	4.77%
Call Center Operations Management, Inc.	100	6	4.68%
Henderson Behavioral Health, Inc.	85	7	3.98%
South Florida Auto Auction of Ft. Lauderdale, LLC	80	8	3.74%
Assistance Unlimited, Inc. DBA Central Charter School	71	9	3.32%
Catholic Health Services Inc.	69	10	3.23%

Employer	2009		Percentage of Total City Employment
	Employees	Rank	
Tenet Health System North Shore	808	1	27.14%
Interactive Response	700	2	23.51%
Wal-Mart Super Center #3625	526	3	17.67%
St. John's Nursing Center	324	4	10.88%
Education Training Corporation DBA Florida Career College	120	5	4.03%
Progressive Casualty Insurance Company	120	6	4.03%
Emily K. Evans Cleaning	101	7	3.39%
Federated National Insurance Company	100	8	3.36%
Pediatric Associates	98	9	3.29%
South Florida Auto auction of Ft Lauderdale, LLC	80	10	2.69%

Source: City of Lauderdale Lakes, Development Services Department - Economic Development Division

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

Employees	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
Commission	7	7	7	7	8	8	8	8	7	7
City manager	5	5	5	3	3	3	3	3	6	6
City clerk	5	5	5	3	2	2	3	3	3	3
Finance and IT	9	8	11	7	7	7	8	9	10	13
Purchasing	2	2	-	-	-	-	-	-	-	-
Human resources	3	3	3	3	2	2	2	2	2	2
Community development	10	10	12	0	0	0	8	13	13	16
Community Redevelopment Agency	3	3	3	4	4	4	4	4	4	4
Public works and engineering services	21	21	55	41	41	41	33	33	33	32
Parks and recreation	25	25	40	42	42	42	43	43	43	48
Other	10	10	15	-	-	-	-	-	-	-
Public safety:										
Police contract positions	73	73	73	47	47	49	49	50	51	51
Fire contract positions	49	49	49	44	49	50	50	52	52	48
	222	221	278	201	205	208	211	220	224	230

Source: City of Lauderdale Lakes Human Resources and Risk Management Department

City of Lauderdale Lakes, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Police:										
Physical arrests	1,945	1,482	1,194	1,185	1,557	1,662	1,727	1,221	1,129	1,139
Parking violations	1,069	1,205	532	502	643	883	747	0	-	8
Traffic violations	9,969	2,705	1,757	1,781	2,744	3,212	3,431	3,796	2,956	4,166
Code Enforcement:										
Parking violations	-	-	-	-	-	-	-	280	280	0 **
Fire/EMS:										
Emergency responses	5,522	5,328	5,285	5,461	5,425	5,889	6,061	5,890	6,359	6,521
Fires extinguished	103	110	95	80	74	86	89	57	80	82
Inspections	2,391	1,813	1,100	1,463	1,403	1,331	1,422	1,542	1,555	1,559
Culture and recreation:										
Pavilion rentals	143	147	119	109	112	118	100	107	102	265
Pool attendance	18,635	15,135	14,981	18,778	8,791	5,488	6,235	6,460	9,271	8,773
Park attendance	62,842	159,971	175,025	188,413	193,900	194,269	190,841	196,567	193,680	205,350
Fitness memberships	106	43	49	59	38	22	12	15	15	12
Sanitation										
Household refuse collected (tons)	21,513	21,658	18,692	17,592	21,518	9,504	10,903	10,390	20,314	9,630
Recycling tonnage	612.00	665.00	633.00	492.00	570.50	979.18	1410.76	1669.39	1008.00	1,606

Sources: Various City of Lauderdale Lakes Departments

**Parking enforcement no longer under BSO as of October 2015. Code Enforcement moved back to the City and is responsible for parking violations.

City of Lauderdale Lakes, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Source Notes
General government:											
Number of general government buildings	5	5	6	7	7	7	7	7	7	7	1
Public safety:											
Police stations	1	1	0	-	-	-	-	-	-	-	1
Fire stations	1	1	1	1	1	1	1	1	1	1	1
Transportation:											
Miles of streets	45	45	45	45	45	45	45	45	45	45	2
Number of street lights	1,135	1,134	1,134	1,134	1,134	1,134	927	927	927	927	3
Number of traffic signals					284	284	284	284	286	286	4
Culture and recreation:											
Parks	6	6	6	6	6	5	5	5	5	5	4
Parks acreage	38	38	38	38	38	38	38	38	38	38	4
Community center	3	3	3	3	3	3	3	3	3	3	4
Picnic pavilions	10	10	10	10	10	10	10	10	10	10	4
Soccer fields	2	2	2	2	2	2	2	2	2	2	4
Skate park	-	-	-	-	-	-	-	-	-	-	4
Basketball courts	4	4	4	4	4	4	4	4	4	4	4
Tennis courts	1	1	1	1	1	1	1	1	1	1	4
Baseball/softball fields	3	3	3	3	3	3	3	3	3	3	4
Utility system:											
Fire hydrants -	*	*	*	*	570	570	570	570	570	570	5

Notes:

- 1 City Records
- 2 City owned streets, doesn't include FDOT
- or Broward County roads
- 3 FPL Records and City Records
- 4 City Count
- 5 Broward County Fire Rescue Data



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Lauderdale Lakes

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida (the 'City'), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's, basic financial statements, and have issued our report thereon dated May 22, 2019.

Our report includes a reference to other auditors who audited the financial statements of the Florida Retirement System, as described in our report on City's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 22, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and City Commission
City of Lauderdale Lakes, Florida

We have examined the City of Lauderdale Lakes, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018. This report 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, management, and the City Commission and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

May 22, 2019

To the Honorable Mayor, Vice Mayor and Members of the City Commission and Management
City of Lauderdale Lakes, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Lauderdale Lakes, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 22, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 22, 2019, 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 findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Lauderdale Lakes was established by charter and is a political subdivision of the State of Florida, incorporated in 1904, under the Laws of Florida. The name or official title and legal authority of the City and its blended component unit are disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Lauderdale

Lakes, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Lauderdale Lakes, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Lauderdale Lakes, Florida. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, Vice Mayor 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

May 22, 2019

Federal/State Agency, Pass through Entity, Federal Program/State Project		CFDA/CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:					
Indirect Programs:					
United States Department of Housing and Urban Development					
Passed through Broward County					
Community Development Block Grants:					
41st Year Minor Home Repair Program		14.218	B-09-UC-12-001	\$ 703	\$ -
43rd Year Senior Transportation Program		14.218	B-09-UC-12-001	47,905	-
43rd Year Quality of Life Enhancement Program		14.218	B-09-UC-12-001	14,785	-
Total United States Department of Housing and Urban Development				\$ 63,393	\$ -
United States Department of Justice					
Passed through State of Florida Department of Justice					
Office of Community Oriented Policing Services Program (COPS14)			2014UMWX0036	\$ 42,000	\$ -
Office of Community Oriented Policing Services Program (COPS16)			2016UMWX0160	83,334	-
Total United States Department of Justice				\$ 125,334	\$ -
United States Department of Health and Human Services					
Passed through Broward County Special Programs for the Aging, Title III-B					
Grants for Supportive Services and Senior Centers		93.044	JA 116-25-2016 & JA117-25-2017	\$ 50,436.00	\$ -
Total United States Department of Health and Human Services				\$ 50,436	

Federal/State Agency, Pass through Entity, Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
United States Department of Agriculture				
Passed through State of Florida Department of Agriculture	10.559	04-0176	\$ 16,730.00	\$ -
Summer Food Program for Children				
Total United States Department of Agriculture			\$ 16,730	\$ -
United States Department of Elder Affairs				
Passed through State of Florida Department of Elder Affairs	10.555 & 10.558			
Child and Adult Care Food Program		Y 6093	\$ 6,867.00	\$ -
Total United States Department of Elder Affairs			\$ 6,867	\$ -
Total Expenditures of Federal Awards			\$ 262,759.66	\$ -
Indirect Project:				
United States Department of Health and Human Services				
Passed through Broward County				
Alzheimer's Respite Services	65.004	JZ116-25-2018	\$ 234,390.00	\$ -
Total United States Department of Health and Human Services			\$ 234,390	\$ -
State of Florida Department of Health and Human Services				
Passed through Children's Services Council of Broward County				
CSC Maximizing Out-of -School Time (MOST GP)		13-4206	\$ 97,418.00	\$ -
Total State of Florida Department of Health and Human Services			\$ 97,418	\$ -

Federal/State Agency, Pass through Entity, Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
State of Florida Department of Emergency Management Services				
Hurricane Loss Mitigation Program	31.066	18HL-A7-11-16-02-014	\$ 177,974.00	\$ -
Total State of Florida Department of Emergency Management Services			\$ 177,974	\$ -
Total Expenditures of State Awards			\$ 509,782.00	\$ -

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2018

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no
- Significant Deficiency(s) ___yes X none reported

Noncompliance material to financial
statements noted? ___yes X no

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2018

II. Prior Year Financial Statement Findings

Finding 2017 – 01

Timely submission of grant reimbursements

Condition

During the current year it was noted that reimbursement requests for the Minor Home Repair Grant (MHR) awarded through Community Development Block Grant funding by the US Department of Housing and Urban Development and organized/passed-through Broward County were not remitted timely. The timely submission of reimbursement is imperative to ensuring that all grant assigned costs for MHR are approved by the agency. Disallowance may result in negatively impacting the General Fund as a result of a demand in resources to supplement loss or delays in income.

Criteria

Prudent policies include a formal review of grant costs assigned and timely filing of reimbursements. The process should include a review for accurate and timely reporting of all costs compared to submission requirements, expenditure limitations, and contract period of availability.

Cause

The cause of the condition is a lack of formal grant review and submission procedures. The City appears to have a lack in staffing to support the grant administration and review process.

Effect

Lack of the implementation and execution of these procedures may result in noncompliance issues as it directly relates to Minor Home Repair and other grants. Additionally, the City may incur loss of grant revenues or nonrenewal of such grants due to failure to accurately report reimbursement requests which may be critical to offset expenditures of these projects.

Current Year Status

Condition has been resolved in FY 2018.

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2018

2017-02

General ledger staffing for accurate reporting and classification

Condition

The City lacks controls over the timely review of accounting data and financial information used to prepare its financial statements in accordance with generally accepted accounting principles (GAAP). Such procedures are not sufficient to prevent, detect, and correct potential misstatements that may occur.

Criteria

Formal review of general ledger activity and account balances periodically to identify potential concerns and imbalances throughout fund activity. Additionally, staffing to provide for accurate review and approval of entries including periodic reporting to Finance Director or management.

Cause

The City currently lacks personnel to allow for an appropriate review of accounting data and financial information, thus journal entries drafted by the accounting department were incorrect and required additional adjustments for proper financial statement presentation.

Effect

We identified several misstatements resulting from the lack of proper review and provided them to management, who made the corrections to the appropriate accounts and reconciliations.

Current Year Status

Condition has been resolved in FY 2018.

III. Current Year Findings

None



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