

City of Lighthouse Point

Florida



**Comprehensive Annual Financial Report
For the Year Ended September 30, 2018**

The City of Lighthouse Point, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

Prepared By:
Finance Department

Frank L. DiPaolo, CPA, CGMA
Finance Director
Cori Olympio, CPA
Accountant

City of Lighthouse Point, Florida

Table of Contents

Introductory Section:

| | |
|--|------|
| Letter of Transmittal | i-v |
| Government Finance Officers Association Certificate of Achievement | vi |
| City Governmental Structure | vii |
| List of Principal Officials | viii |

Financial Section:

| | |
|--|-------|
| Independent Auditor's Report | 1-3 |
| Management's Discussion and Analysis (Not covered by Independent Auditors' Report) | 4-20 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 21 |
| Statement of Activities | 22 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 23-24 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 25 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 26-27 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activities | 28 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 29 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Garbage and Trash Fund | 30 |
| Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds | 31 |
| Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds | 32 |
| Notes to Basic Financial Statements | 33-61 |

City of Lighthouse Point, Florida

Table of Contents

Required Supplementary Information:

| | |
|---|----|
| Schedule of Changes in the City's Net Pension Liability and Related Ratios – Police and Fire Defined Benefit Pension Plan | 62 |
| Schedule of City Contributions – Police and Fire Defined Benefit Pension Plan | 63 |
| Schedule of Investment Returns – Police and Fire Defined Benefit Pension Plan | 64 |
| Schedule of Changes in Total OPEB Liability and Related Ratios | 65 |

Other Supplementary Information:

Budgetary Schedules:

| | |
|---|-------|
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 66-70 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tennis Center Fund | 71 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Stormwater Fund | 72 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund | 73 |

Other Financial Information:

Combining Financial Statements:

| | |
|--|-------|
| Combining Balance Sheet - Nonmajor Governmental Funds | 74-75 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 76-77 |
| Combining Statement of Fiduciary Net Position | 78-79 |
| Combining Statement of Changes in Fiduciary Net Position | 80-81 |

Statistical Section:

Financial Trends:

| | |
|-------------------------------------|-------|
| Table 1 - Net Position by Component | 82-83 |
|-------------------------------------|-------|

City of Lighthouse Point, Florida

Table of Contents

| | |
|---|---------|
| Table 2 - Changes in Net Position | 84-85 |
| Table 3 - Fund Balances of Governmental Funds | 86-87 |
| Table 4 - Changes in Fund Balances of Governmental Funds | 88-89 |
| Revenue Capacity: | |
| Table 5 - Assessed Value and Estimated Value of Taxable Property | 90-91 |
| Table 6 - Direct and Overlapping Property Tax Rates | 92-93 |
| Table 7 - Principal Property Taxpayers | 94 |
| Table 8 - Property Tax Levies and Collections | 95-96 |
| Debt Capacity: | |
| Table 9 - Ratios of Outstanding Debt by Type | 97 |
| Table 10 - Ratios of General Bonded Debt Outstanding | 98 |
| Table 11 - Direct and Overlapping Governmental Activities Debt | 99 |
| Table 12 - Legal Debt Margin Information | 100 |
| Table 13 - Pledged-Revenue Coverage | 101 |
| Demographics and Economics Information: | |
| Table 14 - Demographic and Economic Statistics | 102 |
| Table 15 - Principal Employers | 103 |
| Operating Information: | |
| Table 16 – Full and Part Time Equivalent City Government Employees by Function/Program | 104-105 |
| Table 17 - Operating Indicators by Function/Program | 106-107 |
| Table 18 - Capital Asset Statistics by Function/Program | 108-109 |
| 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 <i>Government Auditing Standards</i> | 110-111 |
| Independent Auditor’s Report to City Management | 112-113 |
| Independent Auditor’s Report on Compliance with Section 218.415 Florida Statutes | 114 |

INTRODUCTORY SECTION



March 22, 2019

Honorable Mayor and Commissioners

**Re: City's Comprehensive Annual Financial Report -
For the Year Ended September 30, 2018**

Dear Mayor and Commissioners:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Lighthouse Point, Florida (the "City"), for the fiscal year ended September 30, 2018. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clear perspective of the City's operations and financial activity.

In accordance with Section 218.32(1) (a), Florida Statutes, an audit of the books of account, financial records and transactions of all administrative departments of the City has been conducted by a firm of independent Certified Public Accountants. Keefe McCullough, independent auditors, has issued an unmodified opinion on the financial statements as presented herein. The independent auditor's report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Lighthouse Point's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Lighthouse Point was incorporated in 1956. The City operates under the Mayor/Commission form of government with the Mayor serving as the chief executive officer and a five-member Commission that sets policy, approves ordinances, adopts the City's budget, and levies taxes. The City of Lighthouse Point provides a wide range of municipal services, including law enforcement, fire protection, emergency medical services, recreation, public works, public library, building and land development regulation, refuse collection, stormwater management, and a community bus service. Water and sanitary sewer services are provided by other jurisdictions and so those revenues and costs are not included in this report.

This report includes all funds of the City in accordance with GASB Statement No. 14 entitled “The Financial Reporting Entity”. Based on this pronouncement, the 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 report to be misleading or incomplete. For the City of Lighthouse Point, the Entity is only the primary government. While there are other taxing jurisdictions which levy property taxes upon property within the corporate limits of Lighthouse Point (Broward County, the School Board, the North Broward Hospital District, and other special districts), they do not represent component units of the City of Lighthouse Point. Therefore, no financial information about those entities is included in the City’s financial statements. This report does provide a schedule of overlapping debt including Broward County representing debt affecting property within the corporate limits of Lighthouse Point.

Economic Condition and Outlook

Lighthouse Point is a developed community that is bordered by Federal Highway on the west and the Intracoastal Waterway on the east. The City is comprised of 2.5 square miles in the northeast section of the County, and surrounded by the municipalities of Pompano Beach, Deerfield Beach, and Hillsboro Beach. The City’s tax base is primarily residential, and although it was heavily impacted by the economic downturn of 2008-09, taxable values have recovered. Continued sustainable growth is anticipated for the foreseeable future. For the fiscal year ended September 30, 2018, which is the focus of this financial report, the final taxable real and personal property values increased by 7.2 percent to \$ 2.24 billion, marking the seventh consecutive year of assessed value increases for the City of Lighthouse Point. The City is fully built-out, however values continue to increase at a sustainable pace, and the average market and assessed values of single family homes in the City are among the highest in the County. This is attributed to the City’s large amount of waterfront property and strong residential market that continues to see redevelopment as more affluent families make the City their home. The City’s building permit revenue has been strong over the past several years, due to a large number of single family home rebuilds and remodels, contributing to the sustained increases in assessed values over the past several years. The City is well positioned with a sound General Fund spendable balance as shown in the financial statements in this report. Continued stabilization of the City’s tax base has allowed the City to maintain the same operating ad valorem millage rate for FY 2017/2018 and each year since FY 2011/2012. As of the publication of this report, the City is in the process of issuing \$16.5 million in General Obligation Bonds to provide for the acquisition of land and construction of a new Fire Station/Emergency Operations Center, a new Recreation Community Center, a new Public Works garage and renovation of the existing building, and renovation of the Library. Due to the economic conditions of the City and its strong financial management practices, the City received a credit rating of AA+ from Standard and Poor’s (S&P), and the bond closing is scheduled for April 2019. The commercial sector continues to attract new business and retail establishments, including redevelopment of several plazas along Federal Highway.

Long-Term Financial Planning

The City of Lighthouse Point has continued to maintain and rehabilitate its capital facilities and equipment, while preserving a healthy level of fund balance and minimal use of debt. The City finances its capital projects through the use of accumulated fund balance cash and intergovernmental grants, with the balance funded via various debt mechanisms. The City has a capital improvement plan that details multiyear cyclical expenditures, and is published in the City’s annual budget. This plan outlines maintenance, rehabilitation, or replacement of many of the City’s facilities and infrastructure, including: bridges, canals, roads, seawalls, stormwater, and parks and recreation, and includes funding sources.

The capital improvement plan serves as a guide for the City Administration in planning and executing future facility improvements.

During the past year, the City has undertaken or completed the following capital improvement plan projects:

- Drainage improvements at Frank McDonough Park, in the areas around the tennis Center
- Recreation improvements that included a new Tot Lot at Dan Witt Park and basketball goals
- Canal dredging project in approval phase
- Updates to the City's irrigation and landscaping infrastructure.

Financial Information and Relevant Policies

The City administration is responsible for establishing and maintaining internal controls. The City's accounting system is designed to allow for internal controls that are reasonable and provide assurance that assets are safeguarded against loss from unauthorized use or disposition and that financial records are reliable to report on the City's finances and assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires the City administration to make estimates and judgments. All internal control evaluations occur within this framework. We believe that the City has established appropriate internal controls to reasonably assure proper recording of financial transactions and protection of assets.

Budgetary Control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances in excess of \$20,000 are reported as commitments of fund balance on September 30, 2018.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for FY 2017/2018. These include:

- A contingency policy that requires certain fund balance to be set aside for emergencies
- An investment policy that emphasizes safety and liquidity above all, with yield being of lowest importance
- Conservative budget practices that help to maintain healthy levels of fund balance

Employee Retirement System:

The City offers eight different retirement plan options to City employees depending upon their employee group, as well as the Florida Retirement System for all newly hired Firefighters and Police Officers. Four of the plans are defined contributions (401a) that cover General Employees and Management Employees as well as Firefighters and Police Officers hired prior to October 1, 2003. There is also a defined benefit plan for Firefighters and Police Officers that was implemented on October 1, 2003. The City offers a deferred compensation plan (457) and Roth IRA to all employees who wish to contribute, as well as a retirement health savings plan to certain eligible groups of employees. The defined contribution plans require fixed contributions from both the City and the participating employee based upon union contracts and City Commission resolutions. The defined benefit plan also requires City and employee contributions that are based upon the initial adoption resolution and modified by annual actuarial valuations. The FRS requires both City and employee contributions, and the Florida State Legislature determines plan structure, benefit levels, and funding. The deferred compensation, Roth IRA, and retirement health savings plans are funded exclusively through employee contributions. More information on the retirement plans is provided in the financial section of this report.

Major Initiatives

The City's major initiatives for FY 2018 included the following:

- Referendum to issue \$ 16.5 million in General Obligation Bonds, to construct and renovate much needed capital facilities; approved by over 65% of voters in the November 2018 election.
- Acquisition of land where a new Fire Station will be constructed.
- Increased Fire Assessment to replace outdated and/or obsolete Fire Rescue equipment.
- Full recovery from Hurricane Irma and submission of all recovery costs to FEMA for reimbursement.
- Entered into a three (3) year Collective Bargaining Agreement with the Broward County Police Benevolent Association (PBA) on behalf of police officers.
- Entered into a three (3) year Collective Bargaining Agreement with the International Association of Firefighters (IAFF), Local 3080, on behalf of firefighters.
- Adopted ordinances moving police officers and firefighters into the Florida Retirement System (FRS)
- Awarded new contracts for hurricane debris collection and monitoring.
- Approved an Amendment to the Agreement with Waste Management to continue solid waste and recycling collection and disposal for five (5) years.
- Entered into an Agreement with the National Resources Conversation Service (NRCS) to fund the removal of vegetation, debris, and sediment from the NE 53rd Court Waterway.
- Entered into an Agreement with Pompano Beach for the continued use and maintenance of Exchange Club Park.

- Completed installation of surveillance system at City facilities and parks.
- Implemented online registration for Recreation sports programs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its report for the fiscal year ended September 30, 2017. This was the twenty-fourth consecutive year that the City has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

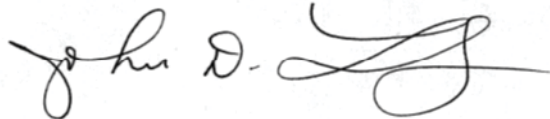
A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the requirements of this peer review program and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report is the result of the combined efforts of all who contribute to the success of the City of Lighthouse Point, including its elected officials, staff and residents. Due credit and thanks is given to the Mayor and City Commission for their support and for maintaining high standards of professionalism in the oversight and administration of the City's finances.

Respectfully submitted,



Frank L. DiPaolo
Finance Director



John D. Lavisky
City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lighthouse Point
Florida**

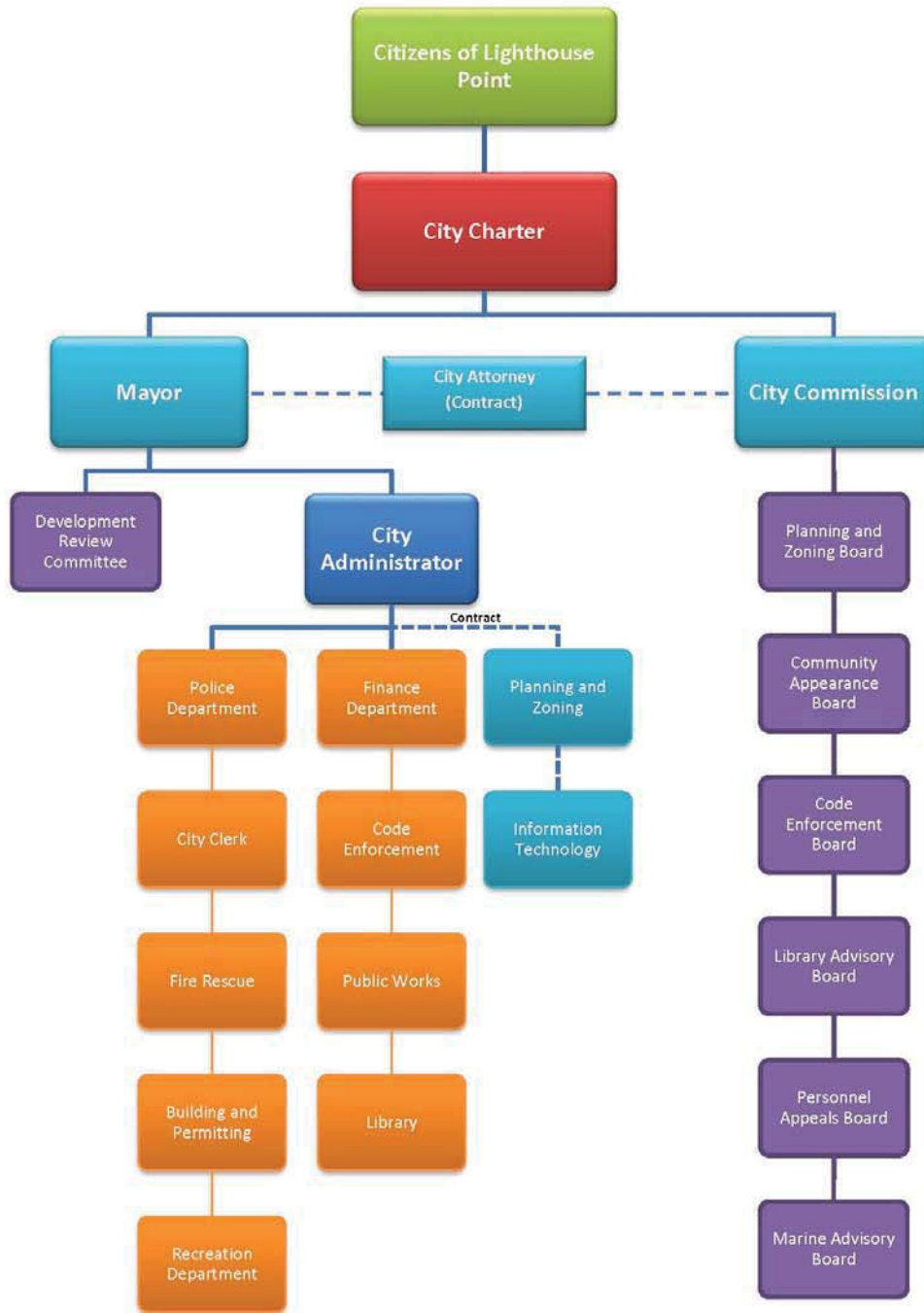
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

**City of Lighthouse Point
City Governmental Structure
September 30, 2018**



City of Lighthouse Point, Florida
List of Principal Officials
September 30, 2018

| | |
|---------------------------|-------------------------|
| Mayor | Glenn Troast |
| Commission President | Jason Joffe |
| Commission Vice President | Earl Maucker |
| Commissioner | Sandy Johnson |
| Commissioner | Michael S. Long |
| Commissioner | Kyle Van Buskirk |
| City Administrator | John D. Lavisky |
| City Attorney | Michael D. Cirullo, Jr. |
| City Clerk | Jennifer Oh |
| Finance Director | Frank L. DiPaolo |
| Fire Chief | Shawn Gilmartin |
| Library Director | Christy Keyes |
| Police Chief | Ross Licata |
| Public Works Director | Charles Schramm |
| Recreation Director | Becky Lysengen |

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Lighthouse Point, Florida
Lighthouse Point, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida, as of September 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Garbage and Trash Fund - a major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Notes L and N to the financial statements, the City changed its method of accounting and financial reporting for other post-employment benefits as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017, which resulted in the City restating net position for recognition of the City's other post-employment related activity prior to October 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 20 and 62 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lighthouse Point, Florida's basic financial statements. The introductory section, other supplementary information, other financial information, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and the other financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

City of Lighthouse Point, Florida

In our opinion, the other supplementary information and the other financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 22, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

As management of the City of Lighthouse Point, we offer readers this overview and analysis of the financial activities of the City of Lighthouse Point for the fiscal year ended September 30, 2018. This section of the financial report is designed to assist the reader in focusing on significant financial issues, changes in the City's financial position and material deviations from the approved budget; further, to identify issues and concerns within each individual fund. Readers are encouraged to review the information presented here in conjunction with the information presented throughout this report, including the letter of transmittal, financial statements, and notes to the financial statements that follow. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

Financial Highlights

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

- The City's total assets exceeded its liabilities by \$ 29,603,080 (net position). The entire amount was derived from governmental fund activities. Of this amount, \$ 5,778,930 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 18,163,788, including \$ 4,910,641 for program related services. Expenditures for all governmental activities were \$ 17,993,648.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 7,812,283, a decrease of \$ 2,109,856. The General Fund decreased by \$ 1,960,292.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 3,845,711 including \$ 81,542 Nonspendable; \$ 1,492,589 Committed; \$ 2,250,000 Assigned; and \$ 21,580 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2018 was \$ 8,170,611. The City's balances of cash were down \$ 232,356 and invested funds were down \$ 1,960,447.

Overview of Financial Statements

The organization of the City's financial statements is guided by the pronouncements of the Governmental Accounting Standards Board (GASB) and its reporting model prescribed in Pronouncement 34. This annual report consists of four parts: 1) Introductory Section, 2) Financial Section, 3) Statistical Section, and 4) Compliance Section. The Financial Section is comprised of the Independent Auditor's Report, this Management Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, and an additional section that presents Combining Statements for nonmajor governmental and fiduciary funds.

**City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2018**

The basic financial statements include two kinds of statements that present different views of the City’s financial activity. The following table summarizes the major features of the City’s financial statements:

| | Government-Wide Statements | Fund Statements | |
|--|--|---|---|
| | | Governmental Funds | Fiduciary Funds |
| Scope | Entire City government (except fiduciary funds) | The activities of the City that are not fiduciary, such as police, fire, parks, etc. | Instances in which the City is the trustee or agent for someone else's resources, such as employee retirement plans |
| Required financial statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balance | <ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon after; capital assets are not included | All assets and liabilities, both short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the fiscal year; expenses when goods/services have been received and payment is due, during the year or soon thereafter | All additions and deductions during the year, regardless of when cash is received or paid |

Government-wide financial statements

The government-wide statements include the statement of net assets and the statement of activities, and are designed to provide a broad overview of the City’s financial position as an entity, similar to a private corporation.

The statement of net position shows the total assets and deferred outflows, and liabilities and deferred inflows for the City with the difference representing net position. The change in net position over time may be an indicator of the City’s financial health. (Table 1 in the Statistical Section provides such a comparison of the growth in the City’s net position.)

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Lighthouse Point that are principally supported by taxes and intergovernmental revenues. The *governmental activities* of the City include general government (governing body, administration, records management, and finance), public safety (police, fire-rescue, land and building regulation, and code enforcement), physical environment (public works), and culture and recreation (library and park activities). The City of Lighthouse Point is the primary government and has no component units to report. These statements do not include the fiduciary funds because those resources are being held in trust for beneficiaries and cannot be used for the City's program activities.

Fund financial statements

A fund consists of a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lighthouse Point, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. The City of Lighthouse Point categorizes funds as governmental funds and fiduciary funds, since the City has no proprietary funds.

The governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balance. Governmental funds include the functions summarized as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the government's near-term financing requirements.

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

The City of Lighthouse Point maintains six individual governmental funds. For the City's General Fund, Garbage and Trash Fund, and Public Safety Fund, the information is presented separately in the governmental fund financial statements, as they are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

The City adopts an annual appropriation for the General Fund, the Garbage and Trash Fund, the Tennis Center Fund, the Stormwater Fund, and the Debt Service Fund. A budgetary comparison is provided for each of the funds to demonstrate compliance with the budget.

Notes to the financial statements

The notes provide additional 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 can be found starting on page 33 of this report.

Other information

In addition to the basic financial statements and accompanying notes, required and other supplementary information is included in this report. The required supplementary information is comprised of schedules that demonstrate the City’s progress in funding its pension and post-employment benefits obligations.

Other supplementary information includes budgetary comparison schedules for the City’s General Fund, Tennis Center Fund, Stormwater Fund, and Debt Service Fund, which demonstrate compliance with the City’s annual adopted budget.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented as other financial information, immediately following the other supplementary information section.

Government-Wide Financial Analysis

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial health or position. For the City of Lighthouse Point, assets exceeded liabilities by \$ 29,603,080 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2018 compared to September 30, 2017.

| Net Position September 30 | | |
|---|---------------|---------------|
| | 2018 | 2017 |
| Current and other assets | \$ 9,436,907 | \$ 11,856,337 |
| Capital assets, net | 23,479,113 | 21,680,936 |
| Total assets | 32,916,020 | 33,537,273 |
| Total deferred outflows of resources | 7,208,858 | 4,511,160 |
| Current liabilities | 2,068,847 | 1,850,990 |
| Long-term liabilities outstanding | 6,597,847 | 4,258,566 |
| Total liabilities | 8,666,694 | 6,109,556 |
| Total deferred inflows of resources | 1,855,104 | 2,505,937 |
| Net position: | | |
| Net investment in capital assets | 21,228,328 | 18,960,079 |
| Restricted | 2,595,822 | 2,951,222 |
| Unrestricted | 5,778,930 | 7,521,639 |
| Total net position | \$ 29,603,080 | \$ 29,432,940 |

The overall financial position of the City increased in total by \$ 170,140 during FY 2018. This was mostly due to normal fluctuations in revenue and expenses.

Changes in net position over time are a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that the Government-wide Statement of Activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as an other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the operating statements.

The majority of the City’s total net position (\$ 21,228,328 or 72%) are in capital assets, such as land, buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related debt that was used to acquire those assets (approximately \$ 2.2 million) that is still outstanding. The City’s portion of net assets invested in capital, net of related debt increased by \$ 2,268,249 due to the net effect of the acquisition of capital items and scheduled repayment of debt service, offset by the issuance of a capital lease. The City of Lighthouse Point uses its capital assets to provide services to its residents; consequently, these assets are not available for future spending or liquidation. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position (\$ 2,595,822 or 8%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2018 balance in restricted net position decreased by \$ 355,400.

The remaining balance of \$ 5,778,930 reflects unrestricted net position (20%) decreased by \$ 1,742,709, and may be used to meet the government’s ongoing obligations to citizens and creditors.

Summary of Changes in Net Position

Governmental activities:

The following schedule is a summary of the FY 2018 Statement of Activities with comparative information for FY 2017:

| | Change in Net Position | |
|------------------------------------|-------------------------------------|--------------|
| | For the Year Ended September 30, | |
| | 2018 | 2017 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 4,666,173 | \$ 4,651,042 |
| Operating grants and contributions | 244,468 | 130,980 |
| General revenues: | | |
| Ad valorem taxes | 8,147,243 | 7,652,001 |
| Other taxes | 3,181,152 | 3,137,988 |
| Intergovernmental revenues | 1,274,422 | 1,297,569 |
| Miscellaneous | 650,330 | 641,053 |
| Total revenues | 18,163,788 | 17,510,633 |

**City of Lighthouse Point, Florida
Management's Discussion and Analysis
September 30, 2018**

| | For the Year Ended September 30, | |
|--|---|-----------------------------|
| | 2018 | 2017 |
| | <u> </u> | <u> </u> |
| Expenses: | | |
| General government | 1,823,307 | 1,781,048 |
| Public safety | 10,696,943 | 10,120,375 |
| Physical environment | 4,046,490 | 4,380,588 |
| Transportation | 48,582 | 44,246 |
| Culture and recreation | 1,329,199 | 1,286,251 |
| Debt service | 49,127 | 50,790 |
| | <u> </u> | <u> </u> |
| Total expenses | <u>17,993,648</u> | <u>17,663,298</u> |
| Change in net position | 170,140 | (152,665) |
| Net Position, Beginning of Year | <u>29,432,940</u> | <u>29,544,705</u> |
| Restatement, Note N | <u>-</u> | <u>40,900</u> |
| Net Position, End of Year | <u>\$ 29,603,080</u> | <u>\$ 29,432,940</u> |

Revenues increased from prior year total by \$ 653,155 (3.7%), and expenses came in higher than the prior year total by \$ 330,350 (1.9%). Net position for the current fiscal year increased by \$ 170,140. The primary driver of the increase in revenue was an increase in Ad Valorem Taxes collection. Most of the functions of government experienced an increase in expenses due to higher payroll costs.

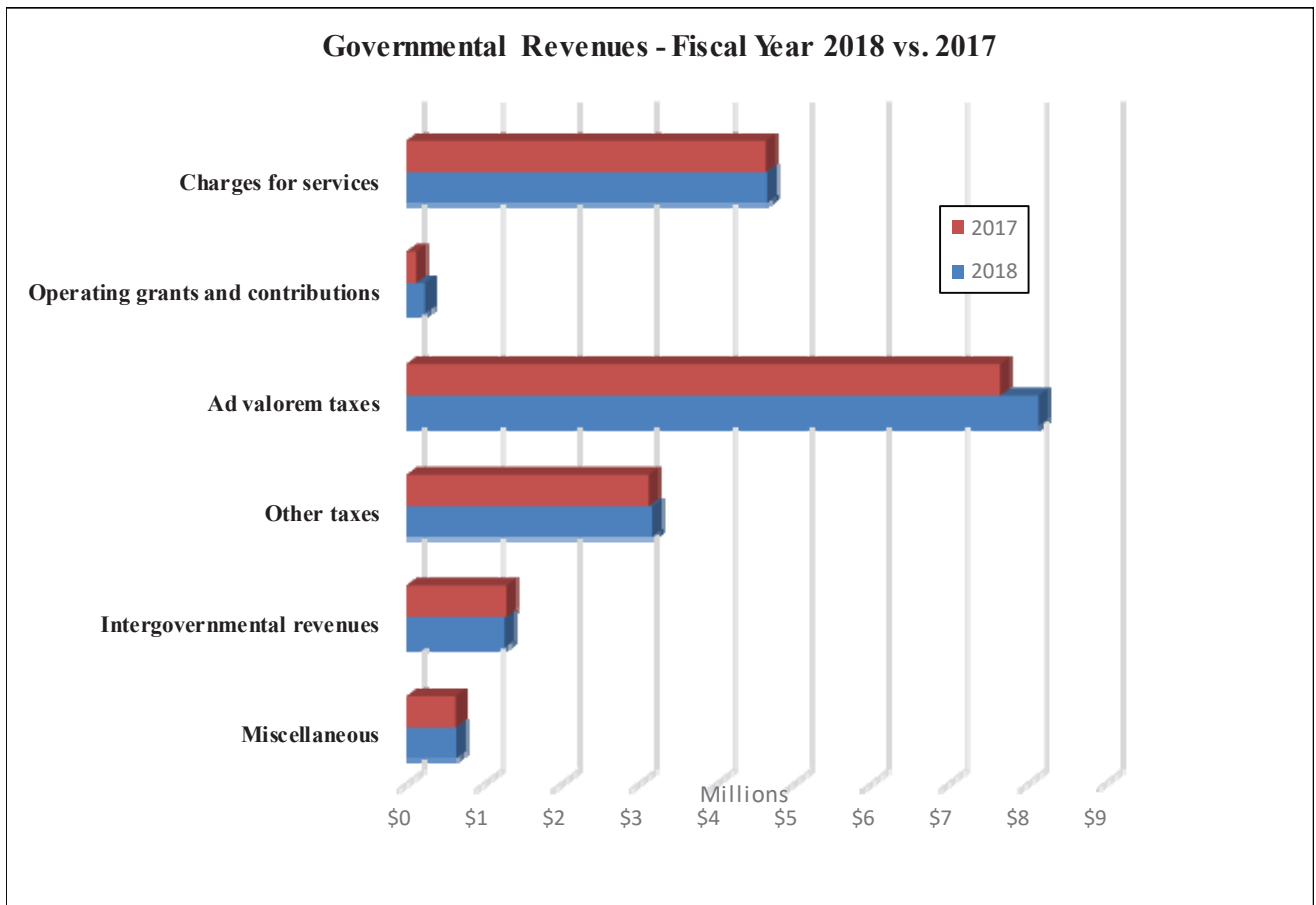
Net investment in capital assets increased by \$ 2,268,249. The City acquired or constructed a number of capital assets during the fiscal year, including a parcel of land for nearly \$ 1.8 million.

The City also reported a Net Pension Liability for fiscal year 2017/2018 in the amount of \$ 3,338,265. This represents an increase of approximately \$ 3 million from the fiscal year 2016/2017 reported liability, and was due to assumption changes and demographic experiences.

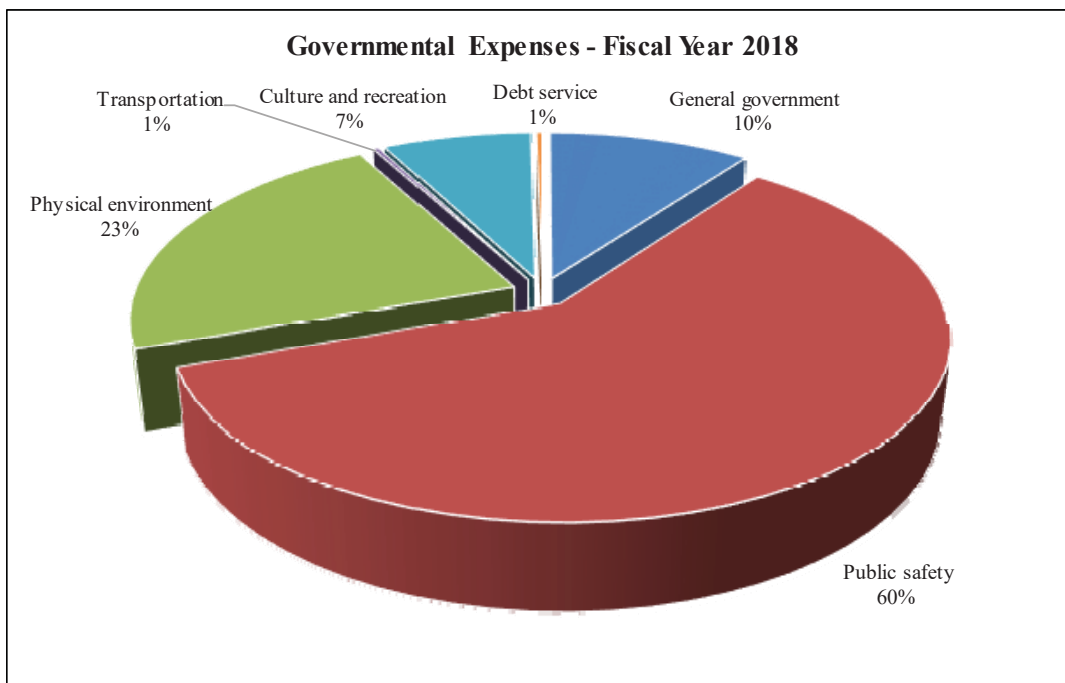
Total revenues were higher by 3.7% in fiscal year 2017/2018. Ad Valorem taxes increased due to an increase in assessed property values. Operating Grants and Contributions increased due to the Federal grant received by Fire Rescue. Other taxes, which includes Franchise Fees and Utility Service Taxes, increased slightly. Charges for Services and Miscellaneous Revenues also saw small increases, while Intergovernmental Revenue decreased slightly.

Total expenses for the year increased by 1.9%. A few of the expense categories were lower than the prior year, however the overall increase is attributable to a 5.7% increase in Public Safety expenditures.

This chart is a comparison of governmental revenues for the current and last fiscal year:



The following pie chart shows program expenses for governmental activities for fiscal year 2018:



Analysis of the Government's Funds

As noted earlier, the City of Lighthouse Point utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to communicate near-term inflows, outflows, and balances of spendable resources. The information presented, particularly the unreserved fund balance, may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. At the end of the FY 2018, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 7,812,283.

Approximately 7% of the fund balance constitutes nonspendable fund balance, or \$ 581,542 that is not available for spending at the City's discretion, and represents prepaid insurance premiums for the next fiscal year, as well as the principal balance of the Walt and Mary Barker Library Trust Fund. The remainder is spendable but falls into four different categories:

- Restricted by external requirements (\$ 2,122,365 or 27%), comprised of Federal and State Forfeiture Funds, Garbage and Trash fund balance, and Stormwater and Debt Service fund balance;
- Committed by the City Commission (\$ 2,856,302 or 36%) for minimum contingency balance, appropriated budget surplus for the following year's budget, and use for purposes other than those restricted or nonspendable, including the balance of the special purpose funds;
- Assigned by the Mayor (\$ 2,250,000 or 29%) for emergency recovery purposes;
- Unassigned (\$ 2,074 or 1%) is available for spending with no restrictions.

The following is a summary of changes and the breakdown of fund balances as of September 30, 2018:

| | <u>General Fund</u> | <u>Garbage and Trash Fund</u> | <u>Public Safety Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|-------------------------|---|-----------------------------------|--|---------------------|
| Fund balances, September 30, 2017 | \$ 5,806,003 | \$ 614,750 | \$ 1,796,681 | \$ 1,704,705 | \$ 9,922,139 |
| Revenues | 15,445,535 | 1,694,192 | 18,358 | 1,071,624 | 18,229,709 |
| Expenditures | (17,474,931) | (1,834,072) | (126,592) | (1,023,479) | (20,459,074) |
| Other financing sources (uses) | <u>69,104</u> | <u>(55,000)</u> | <u>-</u> | <u>105,405</u> | <u>119,509</u> |
| Fund balances, September 30, 2018 | <u>\$ 3,845,711</u> | <u>\$ 419,870</u> | <u>\$ 1,688,447</u> | <u>\$ 1,858,255</u> | <u>\$ 7,812,283</u> |
| Fund balances are represented as follows: | | | | | |
| Nonspendable | \$ 81,542 | \$ - | \$ - | \$ 500,000 | \$ 581,542 |
| Restricted | - | 26,543 | 1,688,447 | 407,375 | 2,122,365 |
| Committed | 1,492,589 | 393,327 | - | 970,386 | 2,856,302 |
| Assigned | 2,250,000 | - | - | - | 2,250,000 |
| Unassigned (deficit) | <u>21,580</u> | <u>-</u> | <u>-</u> | <u>(19,506)</u> | <u>2,074</u> |
| Fund balances, September 30, 2018 | <u>\$ 3,845,711</u> | <u>\$ 419,870</u> | <u>\$ 1,688,447</u> | <u>\$ 1,858,255</u> | <u>\$ 7,812,283</u> |

**City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2018**

General Fund

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of FY 2018, total nonspendable and spendable fund balance of the General Fund was \$ 3,845,711. As a measure of the General Fund’s liquidity, it may be useful to compare both spendable fund balance and total fund expenditures. Assigned and unassigned fund balance represents 13% of the total general fund expenditures.

The following table summarizes the General Fund’s revenues compared with the prior year:

| | Fiscal Year 2018 | Fiscal Year 2017 | Dollar Change | Percent Change |
|--------------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Ad Valorem | \$ 7,735,604 | \$ 7,248,276 | \$ 487,328 | 6.7% |
| Franchise taxes | 869,133 | 867,349 | 1,784 | 0.2% |
| Utility service taxes | 2,448,572 | 2,397,754 | 50,818 | 2.1% |
| Licenses and permits | 1,093,785 | 953,071 | 140,714 | 14.8% |
| Intergovernmental revenues | 1,496,896 | 1,412,691 | 84,205 | 6.0% |
| Charges for services | 506,348 | 473,914 | 32,434 | 6.8% |
| Non ad valorem assessments | 822,756 | 614,897 | 207,859 | 33.8% |
| Fines and forfeitures | 201,115 | 577,385 | (376,270) | -65.2% |
| Miscellaneous | 267,139 | 232,389 | 34,750 | 15.0% |
| Transfers in and other sources | 229,509 | 530,000 | (300,491) | -56.7% |
| | <u>\$ 15,670,857</u> | <u>\$ 15,307,726</u> | <u>\$ 363,131</u> | 2.4% |

General Fund operating revenue totaled \$ 15,670,857, reflecting a net increase of \$ 363,131 when compared with 2017. The main drivers of this increase were ad valorem taxes, licenses and permits, and non ad valorem assessments. The City’s property tax base increased by over 7% in FY 2018 and the City Commission approved the same millage rate as the prior year, resulting in an increase in Ad Valorem revenue. Licenses and permits were higher due to an increase in both residential and commercial building permit activity. Non ad valorem assessments revenue increased, since the City Commission raised the Fire Assessment to pay for replacement Fire Rescue equipment.

Most of the other revenue categories also saw increases compared to the prior fiscal year. Intergovernmental revenue increased due to receipt of a Federal grant for Fire Rescue equipment. Utility service taxes were higher due to an increase in the underlying energy consumption and rates charged for usage. Miscellaneous revenues increased due to higher than expected interest earnings, as well as donated assets and other contributions to the City to purchase new equipment. Fines and forfeitures decreased significantly since the prior year saw receipt of a few large fines. Transfers in and other sources was also lower, as the City issued a \$ 420,000 capital lease in FY 2017. The remainder of the categories saw minimal changes from the prior fiscal year.

City of Lighthouse Point, Florida
Management's Discussion and Analysis
September 30, 2018

The following table summarizes the General Fund expenditures compared with the prior year:

| | Fiscal Year 2018 | Fiscal Year 2017 | Dollar Change | Percent Change |
|----------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Expenditures: | | | | |
| General government | \$ 3,716,724 | \$ 1,826,216 | \$ 1,890,508 | 103.5% |
| Public safety | 10,633,561 | 10,446,815 | 186,746 | 1.8% |
| Physical environment | 1,846,597 | 1,612,022 | 234,575 | 14.6% |
| Transportation | 48,582 | 44,246 | 4,336 | 9.8% |
| Culture/recreation | 988,950 | 837,407 | 151,543 | 18.1% |
| Debt service | 236,330 | 147,684 | 88,646 | 60.0% |
| Transfers out | 160,405 | 652,328 | (491,923) | -75.4% |
| | <u>\$ 17,631,149</u> | <u>\$ 15,566,718</u> | <u>\$ 2,064,431</u> | 13.3% |

General Fund expenditures were up \$ 2,064,431 from FY 2017, or about 13.3%. General Government was more than twice that of the prior year due to the purchase of land in FY 2018 for \$ 1.8 million. Physical environment was higher, as the majority of Hurricane Irma recovery costs were recorded in FY 2018. Public Safety expenditures also rose, primarily due to capital outlay spending in the Fire Department on grant-funded and other capital purchases. Recreation costs were higher as a result of increases in salary and benefit costs, as well as capital outlay expenditures for a new Tot Lot at Dan Witt Park and the recording of donated furniture to the Library. Transfers out were much lower in FY 2018 since in the prior year, the City transferred \$ 500,000 to the Infrastructure Fund for future capital improvement projects.

Changes to the City's General Fund original revenue budget are summarized as follows:

| | Original Budget | Final Budget | Dollar Change | Percent Change |
|--------------------------------|----------------------------|-------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Ad Valorem | \$ 7,715,000 | \$ 7,735,290 | \$ 20,290 | 0.3% |
| Franchise taxes | 897,400 | 897,400 | - | 0.0% |
| Utility service taxes | 2,413,000 | 2,448,096 | 35,096 | 1.4% |
| Licenses and permits | 903,600 | 1,023,258 | 119,658 | 11.7% |
| Intergovernmental revenues | 1,392,000 | 1,495,881 | 103,881 | 6.9% |
| Charges for services | 465,300 | 465,300 | - | 0.0% |
| Non ad valorem assessments | 815,000 | 815,000 | - | 0.0% |
| Fines and forfeitures | 99,350 | 162,262 | 62,912 | 38.8% |
| Miscellaneous | 95,000 | 223,861 | 128,861 | 57.6% |
| Transfers in and other sources | 263,015 | 271,521 | 8,506 | 3.1% |
| | <u>\$ 15,058,665</u> | <u>\$ 15,537,869</u> | <u>\$ 479,204</u> | 3.1% |

Ad valorem taxes were higher than anticipated due to the collection of delinquent tax levies. Licenses and permits were higher due to a large increase in building permit activity. Utility service taxes were amended to reflect additional collections by the City. Intergovernmental revenues were increased because of the Fire Rescue AFG grant received during FY 2018. Fines and forfeitures were higher than budget due to the receipt of additional violation fines and settlement payments. Miscellaneous revenues were also amended to reflect the receipt of insurance reimbursements used to repair City property damages, the receipt of interest on City investments that was higher than anticipated, and donations from the Community that supported Fire Rescue and Recreation capital expenditures.

City of Lighthouse Point, Florida
Management's Discussion and Analysis
September 30, 2018

Changes to the City's General Fund original expenditures budget are summarized as follows:

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------|----------------------------|-------------------------|--------------------------|---------------------------|
| Expenditures: | | | | |
| General government | \$ 1,695,514 | \$ 3,716,871 | \$ 2,021,357 | 119.2% |
| Public safety | 10,543,014 | 10,593,035 | 50,021 | 0.5% |
| Physical environment | 1,413,668 | 1,840,917 | 427,249 | 30.2% |
| Transportation | 45,499 | 45,499 | - | 0.0% |
| Culture/recreation | 947,192 | 959,335 | 12,143 | 1.3% |
| Debt service | 253,373 | 236,330 | (17,043) | -6.7% |
| Transfers out | 160,405 | 160,405 | - | 0.0% |
| | <u>\$ 15,058,665</u> | <u>\$ 17,552,392</u> | <u>\$ 2,493,727</u> | 16.6% |

General government appropriations were increased due to costs associated with purchasing land and planning for the bond issuance. The budget for Public Safety expenditures was increased to cover costs associated with increased building permit activity, as well as grant-funded Fire Rescue equipment. Physical environment was increased due to costs associated with Hurricane Irma recovery. Culture/recreation was increased slightly to cover unanticipated property damage from Hurricane Irma. Finally, the budget for debt service was lowered as the timing of the FY 2018 capital lease resulted in lower costs.

Garbage and Trash Fund:

The Garbage and Trash Fund accounts for the activities involved with the collection and disposal of debris in the City. The City contracts for residential trash removal services with Waste Management and charges a Non-Ad Valorem Special Assessment to residential customers. Commercial customers and condominiums with dumpster service pay directly to the franchisee.

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Charges for services | \$ - | \$ 1,659 | \$ (1,659) | -100.0% |
| Non ad valorem assessments | 1,665,015 | 1,655,784 | 9,231 | 0.6% |
| Miscellaneous | 29,177 | 145,373 | (116,196) | -79.9% |
| | <u>\$ 1,694,192</u> | <u>\$ 1,802,816</u> | <u>\$ (108,624)</u> | -6.0% |
| Expenditures: | | | | |
| Physical environment | \$ 1,834,072 | \$ 1,536,393 | \$ 297,679 | 19.4% |
| Transfers out | 55,000 | 55,000 | - | 0.0% |
| | <u>\$ 1,889,072</u> | <u>\$ 1,591,393</u> | <u>\$ 297,679</u> | 18.7% |

City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2018

The Garbage and Trash Fund currently has a healthy reserve balance, committed to continued viable operation of the City’s trash disposal function, as well as keeping assessment rates as low as possible. Fund balance as of September 30, 2018 is \$ 419,870.

Miscellaneous revenues were lower than the prior year due to timing differences with the recycling revenue payments received from Waste Management. Otherwise, the fund’s revenues were very close to the prior year totals.

Expenditures for physical environment were higher than the prior year. During FY 2018, the City determined that Waste Management was underbilling the City for services. Accordingly, there was an increase to the number of units and the City paid an adjustment to Waste Management. Transfers out were the same as in FY 2017.

Public Safety Fund:

The Public Safety Fund records the inflow and outflow of Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City’s other operating funds. There are external restrictions on the use of these monies, and accordingly, balances are shown in the financial statements as restricted. The funds may be utilized to supplement operational needs, including capital purchases, training and certain overtime expenditures. In FY 2018, revenues increased slightly. Total expenditures were lower in FY 2018, since in the prior year, there were significant capital expenditures to outfit new patrol units, purchase recording equipment for the detective bureau interview rooms, and purchase new rugged laptops for patrol units.

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|-----------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Fines and forfeitures | \$ 2,227 | \$ 4,836 | \$ (2,609) | -53.9% |
| Miscellaneous | <u>16,131</u> | <u>13,166</u> | <u>2,965</u> | 22.5% |
| | <u>\$ 18,358</u> | <u>\$ 18,002</u> | <u>\$ 356</u> | 2.0% |
| Expenditures: | | | | |
| Public safety | \$ 78,179 | \$ 89,043 | \$ (10,864) | -12.2% |
| Capital outlay | <u>48,413</u> | <u>85,282</u> | <u>(36,869)</u> | -43.2% |
| | <u>\$ 126,592</u> | <u>\$ 174,325</u> | <u>\$ (47,733)</u> | -27.4% |

All expenditures in the Public Safety Fund were approved by the City Commission. The Public Safety Fund balance as of September 30, 2018 is \$ 1,688,447, restricted for future public safety costs and initiatives.

City of Lighthouse Point, Florida
Management's Discussion and Analysis
September 30, 2018

Tennis Center Fund:

The Tennis Center Fund accounts for the activities of the City's tennis facility. While it is considered a nonmajor fund, the Tennis Center Fund is an annually appropriated operating fund.

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Charges for services | \$ 108,613 | \$ 90,035 | \$ 18,578 | 20.6% |
| Miscellaneous | 1,000 | 1,000 | - | 0.0% |
| Transfers in | <u>136,405</u> | <u>128,328</u> | <u>8,077</u> | 6.3% |
| | <u>\$ 246,018</u> | <u>\$ 219,363</u> | <u>\$ 26,655</u> | 12.2% |
| Expenditures: | | | | |
| Culture/recreation | <u>\$ 236,608</u> | <u>\$ 237,201</u> | <u>\$ (593)</u> | -0.2% |
| | <u>\$ 236,608</u> | <u>\$ 237,201</u> | <u>\$ (593)</u> | -0.2% |

For the current fiscal year, the City increased the budgeted General Fund transfer to \$ 136,405 in order to support the increased costs of operating the Tennis Center. Revenues overall were higher than the prior year due to increased membership revenue; however, expenditures continue to rise due to contractual pay increases for employees, an increased cost of City insurance benefits, and the ongoing maintenance and rehabilitation of the clay courts. As of September 30, 2018, the Tennis Center Fund had a balance of (\$ 19,506) and is shown as unassigned fund balance in the financial statements.

Debt Service Fund:

The Debt Service Fund accounts for the repayment of long term debt issued by the City. The expenditures are based upon amortization schedules. Since the annual debt service payments do not change, and property values are on the rise, the City has been able to lower the millage rate and still meet the debt service requirements. Any residual fund balance is used to lower the millage rate whenever possible.

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Ad valorem taxes | \$ 411,639 | \$ 403,725 | \$ 7,914 | 2.0% |
| Interest income | <u>207</u> | <u>147</u> | <u>60</u> | 40.8% |
| | <u>\$ 411,846</u> | <u>\$ 403,872</u> | <u>\$ 7,974</u> | 2.0% |
| Expenditures: | | | | |
| Principal | \$ 371,452 | \$ 364,088 | \$ 7,364 | 2.0% |
| Interest and other | <u>36,267</u> | <u>43,632</u> | <u>(7,365)</u> | -16.9% |
| | <u>\$ 407,719</u> | <u>\$ 407,720</u> | <u>\$ (1)</u> | 0.0% |

The Debt Service Fund Balance as of September 30, 2018 is \$ 14,952, restricted for repayment of debt service obligations.

**City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2018**

Stormwater Fund

The Stormwater Fund was established in FY 2010. The purpose of the fund is to provide resources for capital improvements and significant maintenance of the City’s stormwater management infrastructure. Although much of this had been funded by grants in the past, these grant dollars have diminished over time and are now insufficient to meet the City’s needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill. A consultant study was used to determine the benefit for individual properties of the City’s stormwater management program. The stormwater management and collection system is aging, and the City continues to assess property owners each year as a way to build a fund balance for probable major stormwater improvements in the future. The Stormwater Fund Balance as of September 30, 2018 is \$ 295,519, restricted to future maintenance and capital improvement projects in the stormwater system.

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Non ad valorem assessments | \$ 271,093 | \$ 269,214 | \$ 1,879 | 0.7% |
| Miscellaneous | <u>3,438</u> | <u>2,237</u> | <u>1,201</u> | 53.7% |
| | <u>\$ 274,531</u> | <u>\$ 271,451</u> | <u>\$ 3,080</u> | 1.1% |
| Expenditures: | | | | |
| General government | \$ 3,904 | \$ 9,281 | \$ (5,377) | -57.9% |
| Physical environment | 139,195 | 55,180 | 84,015 | 152.3% |
| Capital outlay | 125,651 | - | 125,651 | 100.0% |
| Transfers out | <u>55,000</u> | <u>55,000</u> | <u>-</u> | 0.0% |
| | <u>\$ 323,750</u> | <u>\$ 119,461</u> | <u>\$ 204,289</u> | 171.0% |

There was no change in the assessment rate, and stormwater assessment collections were slightly higher than the prior year. Miscellaneous revenues were slightly higher due to an increase in interest earnings. There was one capital project during the current year to provide for proper groundwater drainage in the area surrounding Frank McDonough Park and the Tennis Center. Other expenditures in the current year consisted primarily of repairs to existing storm drain lines, cleaning and maintenance of storm drains, and billing fees for collection of the assessment.

Infrastructure Fund:

The Infrastructure Fund was established by the City Commission to carry out general capital improvement projects, and has been primarily funded with transfers from other City funds. The infrastructure fund balance as of September 30, 2018 is \$ 552,586, committed to future capital improvement projects.

**City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2018**

The following table summarizes the fund activity for FY 2018:

| | <u>Fiscal Year 2018</u> | <u>Fiscal Year 2017</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 118,637 | \$ 117,617 | \$ 1,020 | 0.9% |
| Transfers in | - | 500,000 | (500,000) | 100.0% |
| | <u>\$ 118,637</u> | <u>\$ 617,617</u> | <u>\$ (498,980)</u> | -80.8% |
| Expenditures: | | | | |
| Physical environment | \$ 13,421 | \$ 978,246 | \$ (964,825) | -98.6% |
| Capital outlay | - | 37,439 | (37,439) | -100.0% |
| | <u>\$ 13,421</u> | <u>\$ 1,015,685</u> | <u>\$ (1,002,264)</u> | -98.7% |

Appropriations are approved typically on a project by project basis. There were no one-time transfers to the Infrastructure Fund in FY 2018, and otherwise revenues were nearly the same as in FY 2017. Current year expenditures were significantly lower, and included only one project to replace sidewalks that were damaged by trees, a good portion of which occurred as a result of Hurricane Irma.

Capital Assets and Debt Administration

Capital Assets

The City of Lighthouse Point’s investment in capital assets for its governmental activities as of September 30, 2018 amounts to \$ 23,479,113 (net of accumulated depreciation). This investment includes land, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset acquisitions or improvements during the fiscal year include the following:

- City Hall – acquisition of land for new Fire Station
- Fire Department – replaced all hand-held and mobile radios; replaced SCBA air packs and bottles with Federal grant funding; purchased a Lucas chest compression system; purchased battery-powered extrication tools; purchased new breathing air compressor; replaced ambulance cot with donated funds from a local foundation
- Police Department – replaced two patrol vehicles and one administrative vehicle; purchased a digital speed display sign and two mobile radar units
- Recreation – replaced Dan Witt park Tot Lot and playground turf; replaced two basketball goals
- Public Works – completed Stormwater drainage project at Frank McDonough Park/Tennis Center; purchased a new water tank trailer with pump
- Technology – completed installation of City-wide security surveillance system

**City of Lighthouse Point, Florida
Management's Discussion and Analysis
September 30, 2018**

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|--------------------------|--------------------------|
| Capital assets: | | |
| Land | \$ 8,826,588 | \$ 7,059,360 |
| Infrastructure | 6,545,346 | 6,574,020 |
| Buildings and land improvements | 6,060,047 | 6,188,432 |
| Vehicles | 1,079,355 | 1,214,951 |
| Equipment and fixtures | <u>967,777</u> | <u>644,173</u> |
| Total capital assets | <u>\$ 23,479,113</u> | <u>\$ 21,680,936</u> |

Additional data about the City's capital assets can be found in Note G.

Long-Term Debt and Other Long-Term Liabilities:

At the end of the fiscal year, the City had total debt and other long-term liabilities outstanding of \$ 7,351,333. A General Fund pledge to appropriate supports the capital leases, while ad valorem taxes provide the revenue stream for the repayment of the notes payable. Compensated absences are paid out upon termination based upon City policy and labor agreements. See Note L for more information on the other post-employment benefit obligation liability.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|-------------------|---------------------------|
| Governmental activities: | | | | |
| Notes payable | \$ 1,932,495 | \$ - | \$ 371,452 | \$ 1,561,043 |
| Capital leases | 777,537 | 119,509 | 222,241 | 674,805 |
| Compensated absences | 1,615,102 | 39,686 | 159,849 | 1,494,939 |
| Net pension liability | 387,347 | 2,950,918 | - | 3,338,265 |
| Net OPEB obligation, as restated (Note N) | <u>248,100</u> | <u>34,181</u> | <u>-</u> | <u>282,281</u> |
| | <u>\$ 4,960,581</u> | <u>\$ 3,144,294</u> | <u>\$ 753,542</u> | <u>\$ 7,351,333</u> |

Additional information about the City's long-term debt can be found in Note H.

Economic Factors and Next Year's Budgets and Rates

The State of Florida, by constitution, does not have a personal income tax and operates primarily through funds generated from sales, gasoline, and corporate income taxes. Local governments are not permitted to levy income taxes either and rely on property tax and a limited number of other taxes on utilities and gasoline as well as local business taxes and franchise fees to support delivery of municipal services. The City of Lighthouse Point has continued to preserve fund balance by carefully using its resources and limiting non-essential expenditures where possible.

The General Fund budget for FY 2019 was approved at \$ 16,177,892 which represents a decrease of \$ 1,128,905 (approximately 6.5%) below the amended FY 2018 budget. The operating millage was adopted at 3.5893, equal to the millage rate for the prior fiscal year. Since taxable values increased, using the same millage resulted in an increase in the ad valorem levy for FY 2019.

Requests for Information

This financial report is designed to provide a general overview of the City of Lighthouse Point for all those with an interest in the City's finances. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to the Finance Department, City of Lighthouse Point, 2200 N.E. 38th Street, Lighthouse Point, Florida 33064.

BASIC
FINANCIAL STATEMENTS

City of Lighthouse Point, Florida
Statement of Net Position
September 30, 2018

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Cash, cash equivalents, and investments | \$ 8,170,611 |
| Accounts receivable | 485,082 |
| Due from other governments | 699,672 |
| Prepays and other assets | 81,542 |
| Capital assets: | |
| Nondepreciable | 8,826,588 |
| Depreciable, net | <u>14,652,525</u> |
| Total assets | <u>32,916,020</u> |
| Deferred Outflows of Resources: | |
| Deferred outflows - related to pensions | <u>7,208,858</u> |
| Total deferred outflows of resources | <u>7,208,858</u> |
| Liabilities: | |
| Accounts payable | 454,341 |
| Accrued payroll and related taxes | 748,019 |
| Accrued interest payable | 5,167 |
| Deposits | 30,200 |
| Licenses collected in advance | 57,173 |
| Unearned revenues | 20,461 |
| Due within one year: | |
| Compensated absences payable | 132,137 |
| Notes and capital leases payable | 621,349 |
| Due in more than one year: | |
| Compensated absences payable | 1,362,802 |
| Notes and capital leases payable | 1,614,499 |
| Net pension liability | 3,338,265 |
| Other postemployment benefit obligation liability | <u>282,281</u> |
| Total liabilities | <u>8,666,694</u> |
| Deferred Inflows of Resources: | |
| Deferred inflows - related to pensions | <u>1,855,104</u> |
| Total deferred inflows of resources | <u>1,855,104</u> |
| Net Position: | |
| Net investment in capital assets | 21,228,328 |
| Restricted for: | |
| Debt service | 14,952 |
| Law enforcement trust | 1,688,447 |
| Stormwater improvements | 295,519 |
| Walt and Mary Barker library fund: | |
| Nonexpendable | 500,000 |
| Expendable | 96,904 |
| Unrestricted | <u>5,778,930</u> |
| Total net position | <u>\$ <u>29,603,080</u></u> |

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

City of Lighthouse Point, Florida
Statement of Activities
For the Year Ended September 30, 2018

| | <u>Program Revenues</u> | | | <u>Net Revenues (Expenses) and Change in Net Position</u> | |
|---|-------------------------|-------------------------------------|---|---|--|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | | <u>Capital Grants and Contributions</u> |
| Functions/Programs: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 1,823,307 | \$ 67,505 | \$ - | \$ - | \$ (1,755,802) |
| Public safety | 10,696,943 | 2,452,535 | 219,890 | - | (8,024,518) |
| Physical environment | 4,046,490 | 1,931,329 | - | - | (2,115,161) |
| Transportation | 48,582 | - | - | - | (48,582) |
| Culture/recreation | 1,329,199 | 214,804 | 24,578 | - | (1,089,817) |
| Interest expense | 49,127 | - | - | - | (49,127) |
| | <u>\$ 17,993,648</u> | <u>\$ 4,666,173</u> | <u>\$ 244,468</u> | <u>\$ -</u> | <u>(13,083,007)</u> |
| Total governmental activities | | | | | |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Ad-valorem taxes | | | | | 8,147,243 |
| Franchise taxes | | | | | 865,160 |
| Utility service taxes | | | | | 2,315,992 |
| Intergovernmental revenues (unrestricted) | | | | | 1,274,422 |
| Miscellaneous | | | | | 650,330 |
| | | | | | <u>13,253,147</u> |
| | | | | | 170,140 |
| | | | | | <u>29,432,940</u> |
| | | | | | Net Position, Beginning of Year, as restated (Note N) |
| | | | | | <u>\$ 29,603,080</u> |
| | | | | | Net Position, End of Year |

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

City of Lighthouse Point, Florida
Balance Sheet - Governmental Funds
September 30, 2018

| | Major Governmental | |
|---|---------------------------|---|
| | General Fund | Garbage and Trash Fund |
| Assets: | | |
| Cash, cash equivalents, restricted cash and investments | \$ 5,860,599 | \$ - |
| Due from other funds | - | 558,293 |
| Accounts receivable | 418,437 | 57,252 |
| Due from other governments | 699,230 | 377 |
| Prepaid expenditures | 81,542 | - |
| | <u>7,059,808</u> | <u>615,922</u> |
| Total assets | \$ <u>7,059,808</u> | \$ <u>615,922</u> |
| Liabilities: | | |
| Accounts payable | \$ 224,259 | \$ 138,893 |
| Accrued payroll and related taxes | 328,219 | - |
| Due to other funds | 1,884,625 | - |
| Deposits | 30,200 | - |
| Licenses collected in advance | 57,173 | - |
| Unearned revenue | 17,340 | - |
| | <u>2,541,816</u> | <u>138,893</u> |
| Total liabilities | <u>2,541,816</u> | <u>138,893</u> |
| Deferred Inflows of Resources: | | |
| Unavailable revenue - utility service taxes | 500,281 | - |
| Unavailable revenue - franchise and other revenues | 85,055 | 57,159 |
| Unavailable revenue - intergovernmental | 86,945 | - |
| | <u>672,281</u> | <u>57,159</u> |
| Total deferred inflows of resources | <u>672,281</u> | <u>57,159</u> |
| Fund Balances: | | |
| Nonspendable | 81,542 | - |
| Restricted | - | 26,543 |
| Committed | 1,492,589 | 393,327 |
| Assigned | 2,250,000 | - |
| Unassigned (deficit) | 21,580 | - |
| | <u>3,845,711</u> | <u>419,870</u> |
| Total fund balances | <u>3,845,711</u> | <u>419,870</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ <u>7,059,808</u> | \$ <u>615,922</u> |

| Funds | | |
|---------------------------|------------------------------------|---------------------------------|
| Public Safety Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| \$ 1,326,526 | \$ 983,486 | \$ 8,170,611 |
| 374,090 | 971,499 | 1,903,882 |
| - | 9,393 | 485,082 |
| 40 | 25 | 699,672 |
| - | - | 81,542 |
| <u>1,700,656</u> | <u>1,964,403</u> | <u>11,340,789</u> |
| \$ 12,209 | \$ 78,980 | \$ 454,341 |
| - | 4,790 | 333,009 |
| - | 19,257 | 1,903,882 |
| - | - | 30,200 |
| - | - | 57,173 |
| - | 3,121 | 20,461 |
| <u>12,209</u> | <u>106,148</u> | <u>2,799,066</u> |
| - | - | 500,281 |
| - | - | 142,214 |
| - | - | 86,945 |
| <u>-</u> | <u>-</u> | <u>729,440</u> |
| - | 500,000 | 581,542 |
| 1,688,447 | 407,375 | 2,122,365 |
| - | 970,386 | 2,856,302 |
| - | - | 2,250,000 |
| - | (19,506) | 2,074 |
| <u>1,688,447</u> | <u>1,858,255</u> | <u>7,812,283</u> |
| \$ <u>1,700,656</u> | \$ <u>1,964,403</u> | \$ <u>11,340,789</u> |

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

City of Lighthouse Point, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2018

| | | | |
|---|----|--------------------|--------------------------|
| Fund balances - total governmental funds | | \$ | 7,812,283 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | | | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p> | | | |
| The cost of capital assets is | \$ | 33,175,271 | |
| Accumulated depreciation is | | <u>(9,696,158)</u> | 23,479,113 |
| <p>Certain revenues are considered deferred inflows of resources in the fund statements due to availability of funds; under full accrual accounting they are considered revenues.</p> | | | |
| | | | 729,440 |
| <p>Certain funds related to pension assets and liabilities are not reported in the governmental funds:</p> | | | |
| Deferred outflows, related to pensions | \$ | 7,208,858 | |
| Deferred inflows, related to pensions | | <u>(1,855,104)</u> | 5,353,754 |
| <p>Long-term liabilities, including leases and bonds payable are not due and payable in the current period and therefore are not reported in the funds:</p> | | | |
| Notes and capital leases payable | \$ | (2,235,848) | |
| Accrued payroll and related taxes | | (415,010) | |
| Compensated absences payable | | (1,494,939) | |
| Accrued interest payable | | (5,167) | |
| Net pension liability | | (3,338,265) | |
| Other postemployment benefit obligation liability | | <u>(282,281)</u> | <u>(7,771,510)</u> |
| Net position of governmental activities | | \$ | <u><u>29,603,080</u></u> |

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

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

| | Major Governmental | |
|---|---------------------------|-------------------|
| | General | Garbage |
| | Fund | and |
| | | Trash |
| | | Fund |
| Revenues: | | |
| Ad valorem taxes | \$ 7,735,604 | \$ - |
| Franchise taxes | 869,133 | - |
| Utility service taxes | 2,448,572 | - |
| Licenses and permits | 1,093,785 | - |
| Intergovernmental revenues | 1,496,896 | - |
| Charges for services | 506,348 | - |
| Non advalorem assessments | 822,756 | 1,665,015 |
| Fines and forfeitures | 201,115 | - |
| Miscellaneous | 267,139 | 29,177 |
| Total revenues | 15,441,348 | 1,694,192 |
| Expenditures: | | |
| Current: | | |
| General government | 1,759,632 | - |
| Public safety | 10,272,170 | - |
| Physical environment | 1,837,355 | 1,834,072 |
| Transportation | 48,582 | - |
| Culture/recreation | 853,366 | - |
| Capital outlay | 2,463,309 | - |
| Debt service: | | |
| Principal | 222,241 | - |
| Interest and other | 14,089 | - |
| Total expenditures | 17,470,744 | 1,834,072 |
| Excess (deficiency) of revenues over expenditures | (2,029,396) | (139,880) |
| Other Financing Sources (Uses): | | |
| Capital lease | 119,509 | - |
| Transfers in | 110,000 | - |
| Transfers out | (160,405) | (55,000) |
| Total other financing sources (uses) | 69,104 | (55,000) |
| Net change in fund balance | (1,960,292) | (194,880) |
| Fund Balances, Beginning of Year | 5,806,003 | 614,750 |
| Fund Balances, End of Year | \$ 3,845,711 | \$ 419,870 |

| <hr/> | | |
|----------------------------|--|---------------------------------|
| <u>Funds</u> | | |
| <u>Public Safety Fund</u> | <u>Other Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
| \$ - | \$ 411,639 | \$ 8,147,243 |
| - | - | 869,133 |
| - | - | 2,448,572 |
| - | - | 1,093,785 |
| - | - | 1,496,896 |
| - | 108,613 | 614,961 |
| - | 271,093 | 2,758,864 |
| 2,227 | - | 203,342 |
| <u>16,131</u> | <u>284,466</u> | <u>596,913</u> |
| <u>18,358</u> | <u>1,075,811</u> | <u>18,229,709</u> |
| - | 3,904 | 1,763,536 |
| 78,179 | - | 10,350,349 |
| - | 161,146 | 3,832,573 |
| - | - | 48,582 |
| - | 321,927 | 1,175,293 |
| 48,413 | 132,970 | 2,644,692 |
| - | 371,452 | 593,693 |
| - | 36,267 | 50,356 |
| <u>126,592</u> | <u>1,027,666</u> | <u>20,459,074</u> |
| <u>(108,234)</u> | <u>48,145</u> | <u>(2,229,365)</u> |
| - | - | 119,509 |
| - | 160,405 | 270,405 |
| - | (55,000) | (270,405) |
| <u>-</u> | <u>105,405</u> | <u>119,509</u> |
| (108,234) | 153,550 | (2,109,856) |
| <u>1,796,681</u> | <u>1,704,705</u> | <u>9,922,139</u> |
| \$ <u><u>1,688,447</u></u> | \$ <u><u>1,858,255</u></u> | \$ <u><u>7,812,283</u></u> |

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

City of Lighthouse Point, 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

Net change in fund balances - total governmental funds \$ (2,109,856)

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

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

| | | |
|--|------------------|-----------|
| Expenditures for capital assets | \$ 2,644,692 | |
| Less current year provision for depreciation | <u>(842,773)</u> | 1,801,919 |

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) results in a decrease of net position. (3,742)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (62,179)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (119,509)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 593,693

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

| | | |
|---|-----------------|--------------------|
| Change in accrued interest payable | \$ 1,229 | |
| Change in accrued payroll and related taxes | (415,010) | |
| Change in compensated absences payable | 120,163 | |
| Change net pension liability | (2,950,918) | |
| Change in other postemployment benefit obligation liability | <u>(34,181)</u> | <u>(3,278,717)</u> |

Certain changes related to pension assets and liabilities are not reported in the net change in the governmental funds:

| | | |
|-----------------------------|----------------|------------------|
| Change in deferred outflows | \$ 2,697,698 | |
| Change in deferred inflows | <u>650,833</u> | <u>3,348,531</u> |

Change in net position of governmental activities \$ 170,140

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

City of Lighthouse Point, Florida
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2018

| | Budgeted amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------|---------------------|----------------------------|----------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 7,715,000 | \$ 7,735,290 | \$ 7,735,604 | \$ 314 |
| Franchise fees | 897,400 | 897,400 | 869,133 | (28,267) |
| Utility service taxes | 2,413,000 | 2,448,096 | 2,448,572 | 476 |
| Licenses and permits | 903,600 | 1,023,258 | 1,093,785 | 70,527 |
| Intergovernmental revenues | 1,392,000 | 1,495,881 | 1,496,896 | 1,015 |
| Charges for services | 465,300 | 465,300 | 506,348 | 41,048 |
| Non ad valorem assessments | 815,000 | 815,000 | 822,756 | 7,756 |
| Fines and forfeitures | 99,350 | 162,262 | 201,115 | 38,853 |
| Miscellaneous | 95,000 | 223,861 | 267,139 | 43,278 |
| Allocation of fund balance | - | 1,768,928 | - | (1,768,928) |
| Total revenues | 14,795,650 | 17,035,276 | 15,441,348 | (1,593,928) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,670,514 | 1,754,245 | 1,759,632 | (5,387) |
| Public safety | 10,299,299 | 10,207,802 | 10,272,170 | (64,368) |
| Physical environment | 1,413,668 | 1,825,620 | 1,837,355 | (11,735) |
| Transportation | 45,499 | 45,499 | 48,582 | (3,083) |
| Culture/recreation | 785,492 | 782,362 | 853,366 | (71,004) |
| Capital outlay | 430,415 | 2,540,129 | 2,463,309 | 76,820 |
| Debt service: | | | | |
| Principal | 236,830 | 222,799 | 222,241 | 558 |
| Interest and other | 16,543 | 13,531 | 14,089 | (558) |
| Total expenditures | 14,898,260 | 17,391,987 | 17,470,744 | (78,757) |
| Excess of revenues over expenditures | <u>(102,610)</u> | <u>(356,711)</u> | <u>(2,029,396)</u> | <u>(1,672,685)</u> |
| Other Financing Sources (Uses): | | | | |
| Capital lease issuance | 128,015 | 136,521 | 119,509 | (17,012) |
| Transfers in | 135,000 | 135,000 | 110,000 | (25,000) |
| Transfers out | <u>(160,405)</u> | <u>(160,405)</u> | <u>(160,405)</u> | <u>-</u> |
| Total other financing sources (uses) | 102,610 | 111,116 | 69,104 | (42,012) |
| Net change in fund balance | \$ <u>-</u> | \$ <u>(245,595)</u> | (1,960,292) | \$ <u>(1,714,697)</u> |
| Fund Balance, Beginning of Year | | | <u>5,806,003</u> | |
| Fund Balance, End of Year | | | \$ <u><u>3,845,711</u></u> | |

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

City of Lighthouse Point, Florida
Special Revenue - Garbage and Trash Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | Budgeted amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|--------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Non advalorem assessments: | | | | |
| Solid waste fees | \$ 1,644,744 | \$ 1,664,292 | \$ 1,665,015 | \$ 723 |
| Miscellaneous: | | | | |
| Recycling proceeds | 60,000 | 60,000 | 2,840 | (57,160) |
| Other | 10,300 | 10,300 | 16,530 | 6,230 |
| Interest income | 3,000 | 3,000 | 9,807 | 6,807 |
| Total miscellaneous | 73,300 | 73,300 | 29,177 | (44,123) |
| Total revenues | 1,718,044 | 1,737,592 | 1,694,192 | (43,400) |
| Expenditures: | | | | |
| Trash collection: | | | | |
| Operating expenditures | 1,688,970 | 1,834,073 | 1,834,072 | 1.00 |
| Total expenditures | 1,688,970 | 1,834,073 | 1,834,072 | 1.00 |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (55,000) | (55,000) | (55,000) | - |
| Budget surplus | 25,926 | 125,555 | - | 125,555 |
| Total other financing sources (uses) | (29,074) | 70,555 | (55,000) | 125,555 |
| Net change in fund balance | \$ - | \$ (25,926) | (194,880) | \$ (168,954) |
| Fund Balance, Beginning of Year | | | 614,750 | |
| Fund Balance, End of Year | | | \$ 419,870 | |

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

City of Lighthouse Point, Florida
Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
September 30, 2018

Assets:

Investments:

| | | |
|---------------------------------------|----|----------------|
| U.S. stock funds | \$ | 20,753,217 |
| Bond funds | | 8,834,714 |
| Money market funds and other deposits | | 7,969,109 |
| Balanced funds | | 7,638,922 |
| International stock funds | | 4,083,660 |
| Core real estate funds | | 2,348,041 |
| Specialty funds | | <u>516,529</u> |

Total 52,144,192

Employer contribution receivable 415,010

Participant loans receivable 281,437

Total assets 52,840,639

Liabilities:

-

Net Position:

Held in trust for pension and other benefits \$ 52,840,639

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

City of Lighthouse Point, Florida
Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended September 30, 2018

Additions:

Contributions:

| | |
|-----------|------------------|
| City | \$ 1,747,886 |
| Employees | <u>1,419,552</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>3,167,438</u> |
|---------------------|------------------|

Investment earnings and expenses:

| | |
|--|----------------|
| Interest, dividends and investment value changes | 3,972,810 |
| Less investment expense | <u>247,631</u> |

| | |
|-------------------------|------------------|
| Net investment earnings | <u>3,725,179</u> |
|-------------------------|------------------|

| | |
|-----------------|------------------|
| Total additions | <u>6,892,617</u> |
|-----------------|------------------|

Deductions:

| | |
|-------------------------|---------------|
| Benefits paid | 1,616,635 |
| Refund of contributions | <u>78,467</u> |

| | |
|------------------|------------------|
| Total deductions | <u>1,695,102</u> |
|------------------|------------------|

| | |
|------------------------|-----------|
| Change in net position | 5,197,515 |
|------------------------|-----------|

**Net Position Held in Trust for Pension
and Other Employee Benefits:**

| | |
|----------------------|-------------------|
| At Beginning of Year | <u>47,643,124</u> |
|----------------------|-------------------|

| | |
|----------------|-----------------------------|
| At End of Year | <u>\$ <u>52,840,639</u></u> |
|----------------|-----------------------------|

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

Note A - Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. The basic financial statements of the City of Lighthouse Point, Florida (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies relied upon for this report.

Financial Reporting entity: The City of Lighthouse Point, Florida is located in Broward County and was incorporated in 1956. The Charter of the City was approved at referendum on June 11, 1956, and the City received its State of Florida charter in 1957. The City operates under the Mayor/Commission form of government with the Mayor serving as the chief executive officer and five commissioners setting policy. The City provides the following services as authorized by its Charter: general government, public safety, physical environment, transportation, and culture/recreation. As required by GAAP, these financial statements present the City of Lighthouse Point (the primary government).

The criteria used for including component units consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of 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. Based upon this review, there were no component units or related organizations of the City.

Government-Wide and Fund Financial Statements: The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements, as well as the notes to the financial statements. Both the government-wide and fund financial statements distinguish between governmental and business-type activities.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the government as a whole and provide a financial picture of the entire government. Fiduciary Funds of the government are not included in this presentation since these resources are not available for funding general government programs.

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City has only governmental activities for the fiscal year ended September 30, 2018.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and fines and forfeitures and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not directly related to program revenue are reported as general revenue, including all taxes levied by the City as well as those shared by the State of Florida.

Note A - Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The City has only governmental and fiduciary funds for the fiscal year ended September 30, 2018.

Measurement focus and basis of accounting: Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements report information on all of the nonfiduciary activities of the government. Interfund services provided and used are not eliminated in the process of consolidation. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this perspective, generally only current assets and liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants for capital improvements are posted when earned rather than when they are received because generally the funds are reimbursements for expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a result of the differences in measurement focus and basis of accounting, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Note A - Summary of Significant Accounting Policies (continued)

The fund financial statements offer an emphasis upon the more significant sub funds within the governmental category and these are referred to as major funds. The City reports the following major governmental funds:

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

Garbage and Trash Fund - This fund accounts for revenues and expenditures associated with the collection and disposal of residential refuse as performed by a private contractor.

Public Safety Fund - This fund is used to account for the receipt and expenditure of Federal and State forfeitures stemming from the Police Department's participation in anti-crime task forces.

The City also reports on nonmajor funds within the governmental fund category including the Tennis Center Fund, Infrastructure Fund, Stormwater Fund, Special Purpose Fund, Walt and Mary Barker Library Fund and the Debt Service Fund. The Special Purpose Fund is comprised of locally generated resources for recreation support, environmental projects, cultural support, and other capital projects. Additionally, the City presents the Pension Trust Fund as a fiduciary fund, which accounts for the activities of the various pension plans provided to City employees.

The accrual basis of accounting is followed in the Pension Trust Fund. Under this method of accounting, additions are recognized in the accounting period in which they are earned and deductions are recognized in the period in which they are incurred. The Pension Trust Fund is accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net position.

Assets, liabilities, and net position or fund balance:

1. Cash and cash equivalents: Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased.
2. Accounts receivable: Accounts receivable consist of amounts due for services rendered. Management believes all accounts to be fully collectible; therefore, no allowance for doubtful accounts has been provided for in the accompanying financial statements.
3. Investments: All City investments are stated at estimated fair value. Operating funds have been invested in a pooled arrangement. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.

Note A - Summary of Significant Accounting Policies (continued)

4. Capital assets: Capital assets, which include land, buildings and land improvements, equipment and fixtures, vehicles, and infrastructure, are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$ 1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, rather than fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized such as landscaping or road paving. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the City are depreciated using the straight-line method over their estimated useful lives as follows:

| <u>Assets</u> | <u>Years</u> |
|---------------------------------|--------------|
| Buildings and land improvements | 10-50 |
| Equipment and fixtures | 5-20 |
| Infrastructure | 10-50 |
| Vehicles | 3-10 |

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age in accordance with City Commission resolution and City policy. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net position. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences payable from expendable available financial resources and only if they have matured.
6. Unearned revenue: Inflows that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.
7. Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists of notes and capital leases payable, as well as accrued compensated absences payable, net pension liability and OPEB liability. In the fund financial statements, debt proceeds are reported as other financing sources. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.
8. Deferred outflows/inflows of resources: In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. As required by GASB Statement 68, the City reports deferred outflows of resources for pension-related amounts. At September 30, 2018, the City reported deferred outflows of \$ 7,208,858 in the government-wide statements.

Note A - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that are deferred inflows of resources. The first type, unavailable revenue, arises only under a modified accrual basis of accounting, and is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from utility service taxes, franchise and other revenues and intergovernmental revenues that were earned but not received within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At September 30, 2018, the City reported deferred inflows of \$ 729,440 for this category in the fund level statements. The second type is required by GASB Statement 68 for pension related inflows. At September 30, 2018, the City reported deferred inflows of \$ 1,855,104 in the government-wide statements.

9. Net position: Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted, or unrestricted. The first category represents capital assets, less accumulated depreciation and net of any outstanding debt associated with the acquisition, construction or improvement of those assets. Restricted net position represents net position that is restricted by requirements of bond indentures of other externally imposed constraints. Unrestricted net position represents the net position of the City that is not restricted for any project or purpose.
10. Fund equity: In the fund financial statements, governmental funds report fund balance amounts in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which was first effective with the City's fiscal year 2011 financial report. Under these guidelines, the breakdown includes nonspendable and spendable fund balances.

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be converted to cash (such as inventories and prepaid amounts).

Spendable balances are placed into four distinct categories by GASB, including restricted, committed, assigned, or unassigned. For the City, the categories are presented as follows:

Nonspendable: For the City, nonspendable for the reported fiscal year is comprised exclusively of prepaid items and the principal balance of the Walt and Mary Barker Library Trust fund, which is restricted to provide for the educational enjoyment of the library by the citizens of Lighthouse Point.

Restricted: Includes fund balances of general obligation debt service, public safety fund, which is comprised of federal and state fines and forfeitures, the special assessment of the garbage and trash fund, the stormwater fund, and any spendable portion of the Walt and Mary Barker library fund.

Note A - Summary of Significant Accounting Policies (continued)

Committed: Includes all amounts that can be used only for specific purposes pursuant to constraints imposed by City Commission motion, including all encumbrances (except those in restricted funds), minimum contingency amounts established by City Commission policy, fund balance designated for the following fiscal year's budget as part of next year's budget adoption passed prior to the close to the current fiscal year end, and all other non-general fund balances (except for restricted balances as discussed earlier).

Within the committed fund balance of \$ 2,856,302 there is an amount of \$ 1,408,895 set aside for operational contingencies. This amount is established through resolution by City Commission and is adjusted annually based on the following year's adopted expenditure budgeted amounts. It can be used upon approval of the City Commission.

Assigned: This classification includes amounts that are constrained by the Mayor or his designee. The City Commission has delegated this authority to the Mayor by resolution and includes \$ 2.25 million for emergency disaster recovery within the City.

Unassigned: This category includes any fund balance remaining after calculating the previous reporting categories for 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.

Other policies:

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. However, encumbrances are also utilized in other funds, where appropriations are approved by the City Commission on an as needed basis, to formally recognize commitments of City resources. Encumbrances outstanding at year end are reported as committed fund balance and they do not constitute expenditures or liabilities. At September 30, 2018, encumbrances outstanding are as follows:

Note A - Summary of Significant Accounting Policies (continued)

| | | |
|----------------------|----|-----------------------|
| General Fund | \$ | 24,494 |
| Infrastructure Fund | | 45,000 |
| Special Purpose Fund | | <u>255,000</u> |
| Total | \$ | <u><u>324,494</u></u> |

Subsequent events: These include events have been evaluated by management through March 22, 2019, which is the date the financial statements were available to be issued.

Note B - Stewardship, Compliance and Accountability

Budgets and budgetary accounting: The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. After June 1st, when the assessed values have been released by the Property Appraiser, the Mayor, as the City’s Chief Executive Officer, submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of financing.
3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by ordinance. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered nor specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the General Fund, Garbage and Trash Fund, Tennis Center Fund, Stormwater Fund and Debt Service Fund. The budgets are adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original General Fund budget was amended during the year to provide for \$ 2,493,727 of supplemental appropriations, which includes the \$ 272,584 in encumbrances automatically added to the FY 2017/2018 appropriations. A significant portion of the budget increase was to reflect the \$ 1.75 million purchase of property, where the City’s new Fire Station/Emergency Operations Center will be constructed. This purchase will be refunded once the City’s bonds are issued in April 2019. The budget was also increased to provide for costs associated with the building division, the purchase of SCBA air packs for the Fire Department with grant proceeds, overtime and other costs related to recovering from Hurricane Irma, repairs to property and equipment paid for by insurance proceeds, and other unforeseen expenditures. Funding for the increased expenditures came from additional ad valorem receipts, communications services taxes, licenses and permits, Federal grants, miscellaneous revenues, lease purchase proceeds, and surplus carryover (fund balance).

Note C - Property Tax

Assessed property values are established by the Broward County Property Appraiser at just values, and the valuation date is January 1st preceding the start of the fiscal year. Property taxes are adopted as part of the budget process in September for the upcoming fiscal year. Payments are due November 1 with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and bear interest of eighteen percent from this date. Property is liened for unpaid taxes on June 1 of the year following the year in which the taxes were levied, and continues to accrue interest until a tax sale certificate is sold at auction.

The assessed value of property at January 1, 2017, upon which the 2017-2018 levy was based, was approximately \$ 2,244,395,000. The Broward County Revenue Collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2018 was \$ 3.5893 per \$ 1,000 and \$ 0.1910 per \$ 1,000 for debt service.

Note D - Deposits and Investments

Governmental Funds

Deposits: The City's deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. As of September 30, 2018, all non-interest bearing deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) and interest bearing deposits are insured up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

At September 30, 2018, the carrying amount of the City's deposits was \$ 1,737,439 and the combined bank balances totaled \$ 1,800,044.

Investments: The City's investment policy (Ordinance 782) permits investment or reinvestment of the City's funds, in excess of those required to meet current expenses to be paid within sixty days, primarily in: 1) the Local Government Surplus Funds Trust Fund; 2) Money market and mutual funds; 3) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in F.S. 280.02; 4) United States Treasury obligations; 5) Federal agencies and instrumentalities; 6) Repurchase agreements; 7) Commercial paper; and 8) Investment-grade bonds. Additionally, the City has established a maximum maturity of five years on any investment instruments.

Note D - Deposits and Investments (continued)

As of September 30, 2018, the City had the following governmental investments:

| Investment Type | Fair Value |
|---|--------------|
| State Board of Administration - Florida PRIME | \$ 7,652 |
| Money market funds | 4,059,010 |
| Certificates of deposit | 784,413 |
| U.S. Government sponsored agencies | 992,191 |
| Mutual funds | 589,906 |
| | \$ 6,433,172 |

Interest rate risk: The City designed its formal investment policy to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates. The City currently has interest rate risk exposure with its government agency securities. However, given that the amounts held in such investments comprise a small portion of the total investment portfolio, the City will hold these investments to maturity, thereby mitigating any potential interest rate risk. The remainder of the City’s portfolio is invested in money market accounts and certificates of deposit with no inherent interest rate risk.

Credit risk: The City’s investment policy specifically sets parameters to minimize the City’s credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions and broker/dealers with which the City will do business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The City’s money market accounts and certificates of deposits are held exclusively with qualified public depositories, and the accounts are guaranteed by the State of Florida’s depository program. The government agency securities have a Moody’s rating of Aaa, which are considered to be the highest quality and subject to the lowest level of credit risk.

Disclosure by Investment Type:

The table below summarizes the City’s Governmental Investment Funds scheduled maturities (in years) for investments held as of September 30, 2018:

| Investment Type | Fair Value | Investment Maturities (in years) | | |
|------------------------------------|--------------|----------------------------------|--------|---------|
| | | Less than 1 | 1 to 5 | 6 to 10 |
| Money market funds | \$ 4,059,010 | \$ 4,059,010 | \$ - | \$ - |
| Certificates of deposit | 784,413 | 784,413 | - | - |
| U.S. Government sponsored agencies | 992,191 | 992,191 | - | - |
| Mutual funds | 589,906 | 589,906 | - | - |
| Total | \$ 6,425,520 | \$ 6,425,520 | \$ - | \$ - |

The City invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (“Florida PRIME”). Florida PRIME is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight.

Note D - Deposits and Investments (continued)

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7 pool. The City's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2018, the City's fair value of its investment in Florida PRIME was \$ 7,562.

At September 30, 2018, the City had invested in a certificate of deposit (CD) and a public depository money market account with BankUnited. The CD amount, interest rate, and maturity date are as follows: \$ 784,413 with a fixed interest rate of 1.60% annually and maturing on January 12, 2019. The City's money market account with Bank United, which pays 1.0% annually, had an ending balance of \$ 1,054,976 at September 30, 2018. Interest rates fluctuate based upon market and economic conditions.

The City also has public depository money market accounts with the following banks as of September 30, 2018:

| | <u>Fair Value</u> | <u>Interest Rate</u> |
|------------------------|-------------------|----------------------|
| Centennial Bank | \$ 1,396,915 | 1.01% annually |
| Capital Bank | \$ 1,076,842 | 0.60% annually |
| Florida Community Bank | \$ 523,279 | 0.45% annually |

As with the other money market accounts, interest rates fluctuate on the money market account based upon market and economic conditions.

The City also held U.S. Government Sponsored Agencies with SunTrust Robinson Humphrey, which had a balance of \$ 992,191 at September 30, 2018, of which \$ 497,817 was invested with the Federal Home Loan Mortgage Company ("FHLMC") and \$ 494,374 was invested with the Federal National Mortgage Association ("FNMA"). FHLMC had a Moody's credit rating of Aaa and FHMA had a Moody's credit rating of Aaa.

The City also holds a portfolio with Charles Schwab containing the assets of the Walt and Mary Barker Library Trust, which amounted to \$ 596,904 at September 30, 2018. Of this amount, \$ 589,906 was invested in mutual funds which have a Morningstar rating range of 2 to 5 stars. In addition, the portfolio contains \$ 6,998 invested in money market funds.

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

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

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

Note D - Deposits and Investments (continued)

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

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

Investments classified as Level 2 in the primary government and fiduciary funds, in the tables below are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates), or other market corroborated inputs.

Investments classified as Level 3 in the fiduciary funds, in the table on page 45 are valued based on significant unobservable outputs based on all information available in the circumstances to the extent observable inputs are not available. The fair value of classified level 3 funds represents the value of unit positions in funds that are not publicly traded on an exchange. The fair value of the funds can be impacted by redemption restrictions imposed by the fund managers.

Fair values of investments held by the City's Governmental Investment Funds are classified at September 30, 2018 as follows:

| <u>Investments</u> | <u>Fair Value</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Investments Valued at NAV</u> |
|--|---------------------|---|--|--|--|
| U.S. Government sponsored agencies | \$ 992,191 | \$ - | \$ 992,191 | \$ - | \$ - |
| Mutual funds | <u>589,906</u> | <u>589,906</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total investments measured at fair value | 1,582,097 | <u>\$ 589,906</u> | <u>\$ 992,191</u> | <u>\$ -</u> | <u>\$ -</u> |
| Investments measured at amortized cost: | | | | | |
| Florida PRIME | 7,652 | | | | |
| Money market funds and certificates of deposit | <u>4,843,423</u> | | | | |
| | <u>\$ 6,433,172</u> | | | | |

Fiduciary Funds

The City has seven different pension plans included in the fiduciary funds. Of these plans, six are administered by the International City/County Management Association Retirement Corporation (ICMA-RC), and the other is managed by the Florida League of Cities through the Florida Municipal Pension Trust (FMPT). Four of the ICMA-RC plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City's IRS 457 deferred compensation plan, and one is a retirement health savings plan. Employees select from a diverse group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who chose to convert from the 401a plan at that time. This plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board.

Note D - Deposits and Investments (continued)

As of September 30, 2018, the City had the following Fiduciary investments:

| <u>Investment Type</u> | <u>Fair Value</u> |
|--|----------------------|
| U.S. stock funds | \$ 20,753,217 |
| Bond funds | 8,834,714 |
| Money market funds and other deposits | 7,969,109 |
| Balanced funds | 7,638,922 |
| International stock funds | 4,083,660 |
| Core real estate funds | 2,348,041 |
| Specialty funds | <u>516,529</u> |
| | <u>\$ 52,144,192</u> |

The table below summarizes the City's Fiduciary Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2018:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in years)</u> | | | |
|--|----------------------|---|---------------------|---------------------|---------------------|
| | | <u>Less than 1</u> | <u>1 to 5</u> | <u>6 to 10</u> | <u>More than 10</u> |
| U.S. Stock funds | \$ 20,753,217 | \$ 20,753,217 | \$ - | \$ - | \$ - |
| Bond funds | 8,834,714 | - | 564,391 | 8,270,323 | - |
| Money market funds and other deposits | 7,969,109 | 7,969,109 | - | - | - |
| Balanced funds | 7,638,922 | - | 7,638,922 | - | - |
| International stock funds | 4,083,660 | 4,083,660 | - | - | - |
| Core real estate funds | 2,348,041 | 2,348,041 | - | - | - |
| Specialty funds | <u>516,529</u> | <u>516,529</u> | - | - | - |
| Total | <u>\$ 52,144,192</u> | <u>\$ 35,670,556</u> | <u>\$ 8,203,313</u> | <u>\$ 8,270,323</u> | <u>\$ -</u> |

Interest rate risk: Interest rate risk exists when there is a possibility that changes in interest rate could adversely affect the fair value of the investments. To mitigate its exposure to losses in fair value, the City's fiduciary funds are invested in a well-diversified and balanced portfolio. The overall focus is on long-term growth given that the funds are for employee retirement purposes. As a means of limiting its exposure to interest rate risk, fiduciary funds diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturities.

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, retirement health savings plan, and Roth IRA. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. The fixed income portion is invested in two separate bond funds: the Broad Market High Quality bond fund, with a Fitch rating of AAF/S4 and a weighted average maturity of 6.40 years, and the Core Plus Fixed Income fund (Not rated) with a weighted average maturity of 7.00 years.

Note D - Deposits and Investments (continued)

Concentration risk: The fiduciary funds policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, or other pooled investments are excluded from this requirement. There were no individual investments that represent 5% or more in any one issuer at September 30, 2018.

Foreign currency risk: The ICMA-RC and FMPT funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds which has a balance of \$ 4,083,660 at September 30, 2018. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

The City uses a pooled cash arrangement and at any point in time some funds may carry a higher balance of cash and provide resources to other funds that carry a negative balance. Those funds requiring cash at year end are shown with a payable amount. Those funds with available cash to be loaned out are shown with a receivable amount.

Fair values of investments held by the City’s Fiduciary Investment Funds are classified at September 30, 2018 as follows:

| Investments | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Valued at NAV |
|---|----------------------|--|---|--|---------------------------------|
| U.S. stock funds | \$ 20,753,217 | \$ 9,091,280 | \$ 11,661,937 | \$ - | \$ - |
| Bond funds | 8,834,714 | 564,392 | 3,782,955 | 4,487,367 | - |
| Money market funds and other deposits | 7,969,109 | 7,969,109 | - | - | - |
| Balanced funds | 7,638,922 | 7,638,922 | - | - | - |
| International stock funds | 4,083,660 | 378,973 | 3,704,687 | - | - |
| Core real estate funds | 2,348,041 | - | - | 2,348,041 | - |
| Specialty funds | 516,529 | 516,529 | - | - | - |
| Total investments measured at fair value | <u>\$ 52,144,192</u> | <u>\$ 26,159,205</u> | <u>\$ 19,149,579</u> | <u>\$ 6,835,408</u> | <u>\$ -</u> |

Note E - Interfund Transactions

Interfund receivables and payables at September 30, 2018 were as follows:

| Fund | Receivable | Payable |
|------------------------|---------------------|---------------------|
| Major Funds: | | |
| General fund | \$ - | \$ 1,884,625 |
| Garbage and trash fund | 558,293 | - |
| Public safety fund | 374,090 | - |
| Nonmajor Funds: | | |
| Tennis center fund | - | 19,257 |
| Infrastructure fund | 552,586 | - |
| Stormwater fund | 2,041 | - |
| Special purpose fund | 416,872 | - |
| Total | \$ <u>1,903,882</u> | \$ <u>1,903,882</u> |

Interfund transfers during the year were as follows:

| Fund | Transfer In | Transfer Out |
|-------------------------|-------------------|-------------------|
| Budgeted Funds: | | |
| Major Funds: | | |
| General fund | \$ 110,000 | \$ 160,405 |
| Garbage and trash fund | - | 55,000 |
| Nonmajor Funds: | | |
| Tennis center fund | 136,405 | - |
| Stormwater fund | - | 55,000 |
| Total budgeted funds | <u>246,405</u> | <u>270,405</u> |
| Nonbudgeted Funds: | | |
| Nonmajor Funds: | | |
| Special purpose fund | <u>24,000</u> | <u>-</u> |
| Total nonbudgeted funds | <u>24,000</u> | <u>-</u> |
| Total | \$ <u>270,405</u> | \$ <u>270,405</u> |

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds. These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are actually made.

Note E - Interfund Transactions (continued)

In FY 2018, the General Fund transferred \$ 160,405 to other funds including, \$ 136,405 for the Tennis Center budgeted subsidy for facility operations, and \$ 24,000 to the Special Purpose Fund for the City’s Keeper Day and Lighthouse A’Glow celebrations. Additionally, the General fund received a total of \$ 110,000 for allocation of administrative expenses from other funds in the amount of \$ 55,000 from both the Garbage and Trash Fund and the Stormwater Fund.

Note F - Special Revenue Funds

The City has six special revenue funds. The Garbage and Trash Fund is budgeted and designed to account for revenues and expenditures associated with the collection and disposal of residential refuse. The Tennis Center Fund is budgeted and accounts for the operation of the City’s recreational facility at Frank McDonough Park. The Public Safety Fund is appropriated as needed and accounts for Federal forfeitures, State forfeitures and other fine revenues restricted by law. The Infrastructure Fund is also appropriated as needed and accounts for capital improvement projects that are funded with transfers from the General Fund or occasionally grant dollars. The Stormwater Fund provides for funding of stormwater management projects, is budgeted, and is funded by a special assessment to benefiting properties.

The Special Purpose Fund actually represents a number of special purposes accounted for within individual sub funds. These special purpose sub funds account for transactions from specific revenue sources as required by law or administrative regulations. This fund is also appropriated on an as needed basis by the City Commission. The special purpose fund maintains an internal allocation of the intended purposes of its fund balance.

As of September 30, 2018, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

| | |
|---|-------------------|
| Recreational support: | |
| Sponsor fees for recreation programs | \$ 15,686 |
| Keeper Days for annual City anniversary | 8,733 |
| LHP A’Glow for annual holiday celebration | 2,095 |
| Total | <u>26,514</u> |
| Environmental: | |
| Waterway cleanup and protection | 317,467 |
| Beautification improvements in the City | 13,711 |
| Total | <u>331,178</u> |
| Cultural support: | |
| Library | 54,067 |
| Cultural arts committee | 3,064 |
| Senior outreach | 1,592 |
| Historical committee | 126 |
| Total | <u>58,849</u> |
| Capital projects fund | <u>1,259</u> |
| Total special purpose fund | <u>\$ 417,800</u> |

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2018

Note G - Capital Assets

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

| | Balance October 1, 2017 | Additions | Retirements | Balance September 30, 2018 |
|--|-------------------------------|----------------------------|----------------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ <u>7,059,360</u> | \$ <u>1,767,228</u> | \$ <u>-</u> | \$ <u>8,826,588</u> |
| Total capital assets, not being depreciated | <u>7,059,360</u> | <u>1,767,228</u> | <u>-</u> | <u>8,826,588</u> |
| Capital assets, being depreciated | | | | |
| Buildings and land improvements | 10,824,717 | 108,393 | 950 | 10,932,160 |
| Equipment and fixtures | 2,567,184 | 546,767 | 116,915 | 2,997,036 |
| Infrastructure | 7,715,379 | 125,651 | - | 7,841,030 |
| Vehicles | <u>2,620,316</u> | <u>96,653</u> | <u>138,512</u> | <u>2,578,457</u> |
| Total capital assets being depreciated | <u>23,727,596</u> | <u>877,464</u> | <u>256,377</u> | <u>24,348,683</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and land improvements | 4,636,285 | 236,778 | 950 | 4,872,113 |
| Equipment and fixtures | 1,923,011 | 219,421 | 113,173 | 2,029,259 |
| Infrastructure | 1,141,359 | 154,325 | - | 1,295,684 |
| Vehicles | <u>1,405,365</u> | <u>232,249</u> | <u>138,512</u> | <u>1,499,102</u> |
| Total accumulated depreciation | <u>9,106,020</u> | <u>842,773</u> | <u>252,635</u> | <u>9,696,158</u> |
| Total capital assets, being depreciated, net | <u>14,621,576</u> | <u>34,691</u> | <u>3,742</u> | <u>14,652,525</u> |
| Governmental activities, capital assets, net | \$ <u><u>21,680,936</u></u> | \$ <u><u>1,801,919</u></u> | \$ <u><u>3,742</u></u> | \$ <u><u>23,479,113</u></u> |
| Total governmental activities, capital assets, net | \$ 21,680,936 | \$ 1,801,919 | \$ 3,742 | \$ 23,479,113 |
| Less: related debt | 2,710,032 | 119,509 | 593,693 | 2,235,848 |
| Less: debt service reserve | <u>10,825</u> | <u>4,112</u> | <u>-</u> | <u>14,937</u> |
| Net investment in capital assets | \$ <u><u>18,960,079</u></u> | \$ <u><u>1,682,410</u></u> | \$ <u><u>(589,951)</u></u> | \$ <u><u>21,228,328</u></u> |

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2018

Note G - Capital Assets (continued)

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

| | |
|---|------------------------------|
| Governmental activities: | |
| General government | \$ 54,120 |
| Public safety | 456,971 |
| Physical environment | 190,585 |
| Culture and recreation | <u>141,097</u> |
| Total depreciation expense - governmental activities | \$ <u><u>842,773</u></u> |

Note H - Long-Term Liabilities

The following is a summary of the changes in the long-term liabilities of the City for the year ended September 30, 2018:

| | Balance October 1, 2017 | Additions | Deletions | Balance September 30, 2018 | Due Within One Year |
|---|-------------------------------|-------------------------|-----------------------|----------------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Notes and capital lease payable: | | | | | |
| Note payable | \$ 1,932,495 | \$ - | \$ 371,452 | \$ 1,561,043 | \$ 378,811 |
| Capital leases | <u>777,537</u> | <u>119,509</u> | <u>222,241</u> | <u>674,805</u> | <u>242,538</u> |
| Total notes and capital leases payable | <u>\$ 2,710,032</u> | <u>\$ 119,509</u> | <u>\$ 593,693</u> | <u>\$ 2,235,848</u> | <u>\$ 621,349</u> |
| Other liabilities: | | | | | |
| Compensated absences payable | \$ 1,615,102 | \$ 39,686 | \$ 159,849 | \$ 1,494,939 | \$ 132,137 |
| Net pension (asset) liability | 387,347 | 2,950,918 | - | 3,338,265 | - |
| Net OPEB obligation, as restated (Note M) | <u>248,100</u> | <u>34,181</u> | <u>-</u> | <u>282,281</u> | <u>-</u> |
| Total long-term liabilities | <u>\$ 2,250,549</u> | <u>\$ 3,024,785</u> | <u>\$ 159,849</u> | <u>\$ 5,115,485</u> | <u>\$ 132,137</u> |

Because almost all employees are funded by the General Fund, it is that fund that has predominately been used to liquidate the liability for compensated absences, net pension liability and other post-employment benefits.

Note Payable: The City's Series 2002 General Obligation Bonds were refunded during FY 2011-2012 and covered in detail by previous year's report. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022. The outstanding principal balance as of September 30, 2018 is \$ 1,561,043. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2017-18 was 0.1910.

Note H - Long-Term Liabilities (continued)

Annual debt service requirements to maturity for this note are as follows:

| <u>Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|------------------|---------------------|
| 2019 | \$ 378,811 | \$ 28,907 | \$ 407,718 |
| 2020 | 386,257 | 21,461 | 407,718 |
| 2021 | 393,958 | 13,761 | 407,719 |
| 2022 | <u>402,017</u> | <u>5,962</u> | <u>407,979</u> |
| | <u>\$ 1,561,043</u> | <u>\$ 70,091</u> | <u>\$ 1,631,134</u> |

Capital leases: As of September 30, 2018, the City had obligations under five separate lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Annual debt service payments are funded by General Fund revenues. The carrying value of these assets is approximately \$ 838,000.

Series 2014: lease purchase in the amount of \$ 470,192 funded the replacement of the frontline fire engine.

Series 2015: lease purchase in the amount of \$ 197,678 funded the acquisition of an ambulance and two police interceptors.

Series 2016: lease purchase in the amount of \$ 98,000 funded the acquisition of vehicles for recreation, police administration and public works.

Series 2017: lease purchase in the amount of \$ 420,000 funded the acquisition of server replacement equipment, multi-site surveillance system, and vehicles for building and zoning, police administration, and fire rescue.

Series 2018: lease purchase in the amount of \$ 119,509 funded the acquisition of vehicles and equipment for police administration and fire rescue.

The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2018:

| <u>Year Ending September 30,</u> | <u>Series 2014</u> | <u>Series 2015</u> | <u>Series 2016</u> | <u>Series 2017</u> | <u>Series 2018</u> | <u>Total</u> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|
| 2019 | \$ 82,982 | \$ 33,303 | \$ 25,384 | \$ 88,431 | \$ 26,133 | \$ 256,233 |
| 2020 | 20,750 | 26,423 | 19,038 | 88,431 | 26,133 | 180,775 |
| 2021 | - | 13,196 | - | 88,431 | 26,133 | 127,760 |
| 2022 | - | - | - | 88,431 | 26,133 | 114,564 |
| 2023 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,133</u> | <u>26,133</u> |
| Total minimum lease payments | 103,732 | 72,922 | 44,422 | 353,724 | 130,665 | 705,465 |
| Less: amount representing interest | <u>1,558</u> | <u>2,621</u> | <u>734</u> | <u>14,591</u> | <u>11,156</u> | <u>30,660</u> |
| Present value of future minimum lease payments | <u>\$ 102,174</u> | <u>\$ 70,301</u> | <u>\$ 43,688</u> | <u>\$ 339,133</u> | <u>\$ 119,509</u> | <u>\$ 674,805</u> |

Note I - Receivables and Payables

Receivables at September 30, 2018 were as follows:

| | <u>Accounts</u> | <u>Inter- governmental</u> | <u>Total</u> |
|--------------------------|-------------------|--------------------------------|---------------------|
| Governmental activities: | | | |
| General fund | \$ 418,437 | \$ 699,230 | \$ 1,117,667 |
| Garbage and trash fund | 57,252 | 377 | 57,629 |
| Public safety fund | - | 40 | 40 |
| Tennis center fund | 9,393 | - | 9,393 |
| Stormwater fund | - | 10 | 10 |
| Debt service fund | - | 15 | 15 |
| | <u>\$ 485,082</u> | <u>\$ 699,672</u> | <u>\$ 1,184,754</u> |

Payables at September 30, 2018 were as follows:

| | <u>Total</u> |
|-------------------------------|-------------------|
| Governmental activities: | |
| General fund | \$ 224,259 |
| Garbage and trash fund | 138,893 |
| Public safety fund | 12,209 |
| Tennis center fund | 1,831 |
| Special purpose fund | 332 |
| Stormwater fund | <u>76,817</u> |
| Total governmental activities | <u>\$ 454,341</u> |

All amounts at September 30, 2018 are payable to vendors/contractors.

Note J - Pension Plans

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 78-81.

The Florida Municipal Pension Trust Fund has an annual audit performed by an independent auditor. The audited financial statements can be obtained from the Florida League of Cities, Retirement Services Division, P.O. Box 1757, Tallahassee, Florida 32302. The International City Management Association – Retirement Corporation also publishes an annual financial report that can be obtained at ICMA-RC, 777 North Capitol Street NE, Washington, DC 20002-4240.

Basis of Accounting

The Municipal Employees' Retirement Fund - Defined Contribution Plan, the Police and Fire Defined Benefit Plan, the Deferred Compensation Plan, and the Retirement Health Savings Plan (the "Plans") are accounted for on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized when due pursuant to actuarial valuations.

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

Note J - Pension Plans (continued)

Municipal Employees' Retirement Fund - Defined Contribution: In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later in this section. For the year 2018, the City made biweekly contributions to the defined contribution plan equal to 12.5% for general employees and 14% for fire, police and management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the defined contribution plan: 3% of base salary for general employees, 8% of base salary for fire employees, and 6% of base salary for all other police and management employees.

The defined contribution plans were established by City Resolution No. 681 in April 1988 for general employees, Resolution No. 841 in January 1993 for fire employees, and Resolution No. 993 in October 1997 for police officers and management employees. Amendments to the defined contribution plans can only be made by resolution.

Each participant's interest in their accrued benefits from employer contributions and associated investment earnings is vested 20% after three years of credited service and 20% for each additional year of service for the next four years. Employee contributions vest immediately.

Contributions made by the City for the fiscal year ended September 30, 2018 are as follows:

| Employee Classification | Covered Payroll | Required Contribution Amount | | | Percentage of Contributions to Total Covered Payroll |
|-------------------------|---------------------|------------------------------|-------------------|-------------------|--|
| | | City | Employee | Total | |
| General Employees | \$ 1,523,974 | \$ 190,497 | \$ 45,719 | \$ 236,216 | 15.50% |
| Firefighters | 270,900 | 37,926 | 21,672 | 59,598 | 22.00% |
| Police Officers | 100,670 | 14,094 | 6,040 | 20,134 | 20.00% |
| Management | 948,305 | 132,763 | 56,898 | 189,661 | 20.00% |
| Total | \$ 2,843,849 | \$ 375,280 | \$ 130,329 | \$ 505,609 | 17.78% |

Plan membership at September 30, 2018 consisted of the following:

| | General | Fire | Police | Management |
|---|-----------|-----------|-----------|------------|
| Retirees and beneficiaries currently receiving benefits | 6 | 7 | 2 | 9 |
| Terminated members entitled to but not yet receiving benefits | 5 | - | - | 1 |
| Current employees: | | | | |
| Fully vested | 18 | 6 | 8 | 4 |
| Partially vested | 8 | - | - | 6 |
| Nonvested | 8 | - | - | - |
| Total current employees | 34 | 6 | 8 | 10 |
| Total membership | 45 | 13 | 10 | 20 |

Note J - Pension Plans (continued)

Investment summaries at September 30, 2018, are as follows:

| Investment Type | General Employees | Firefighters | Police Officers | Management Employees |
|---------------------------|-------------------|--------------|-----------------|----------------------|
| Money Market Funds | 23% | 21% | 47% | 45% |
| Balanced Funds | 64% | 10% | 17% | 21% |
| U.S. Stock Funds | 10% | 58% | 32% | 30% |
| Bond Funds | 2% | 1% | 1% | 3% |
| International Stock Funds | 1% | 2% | 3% | 1% |
| Specialty Funds | 0% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |
| Fair Value of Investments | \$ 4,218,264 | \$ 4,400,737 | \$ 2,282,895 | \$ 5,468,941 |

All defined contribution (401a) plans provide for employee loans. Loans are limited to 50% of the employee's vested balance not to exceed \$ 50,000. Interest rates are based on prime plus 0.5%. As of September 30, 2018, participant loans outstanding amounted to \$ 281,437.

Police and Fire - Defined Benefit: Effective October 1, 2003, the City established a defined benefit pension plan for full-time police officers and firefighters. The defined benefit pension plan is a single-employer variety. In accordance with Ordinance 835, the defined benefit pension plan is mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. In FY 2018, the City contributed 22.27% of employee base salaries and employees contributed 16.34%. All investments, totaling \$ 26,089,344 at September 30, 2018, are managed by the Florida League of Cities, Inc. through the Florida Municipal Pension Trust. The plan has no past service costs because any employees who opt to purchase past service credits were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in FY 2009. As of September 30, 2018, the membership in the plan consists of 52 active participants, two former employees who are either vested or entitled to a refund of employee contributions, and thirteen retirees/beneficiaries receiving a benefit.

Net Pension (Asset) Liability

The City's net pension (asset) liability as measured as of September 30, 2018 and the total pension liability (asset) used to calculate the net pension (asset) liability was determined by an actuarial valuation as of October 1, 2017.

Actuarial assumptions. The total net pension (asset) liability in the October 1, 2017 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate: 7.00% per annum (2.92% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

Salary increases: 7.00% per annum for employees less than age 35; 6.00% per annum for employees age 35 to age 45; 5.00% per annum for employees age 45 to age 55; and 4.00% per annum for employees at least age 55.

Note J - Pension Plans (continued)

Cost-of-living increases: 3.00% as of each October 1 at least five years after retirement.

Mortality basis: Sex-distinct rates set forth in the RP-2000 Blue Collar mortality Table, with full generational improvements in mortality using Scale BB.

Retirement: 4.30% at ages 50 and 54; 4.20% at age 52, 4.40% at age 55; 4.50% at age 56; 4.70% at age 57; or 100% at normal retirement age.

Other decrements: Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55. Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.

Future contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: Since the prior measurement date, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

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

| Investment Type | Target Allocation | Expected Long-Term Real Return |
|--------------------------------------|-------------------|--------------------------------|
| Core bonds | 16% | 0.58% per annum |
| Multi-sector | 24% | 1.08% per annum |
| U.S. large cap equity | 39% | 6.08% per annum |
| U.S. small cap equity | 11% | 6.83% per annum |
| Non-U.S equity | 10% | 6.83% per annum |
| Total or weighted arithmetic average | 100% | 4.08% per annum |

Rate of Return - For the year ended September 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.49%. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate - The discount rate used to measure the total pension (asset) liability was 7.00% per annum. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position of the Plan was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

Note J - Pension Plans (continued)

Changes in the Net Pension (Asset) Liability

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances, beginning | \$ 23,829,473 | \$ (23,442,126) | \$ 387,347 |
| Changes for the year: | | | |
| Service cost | 398,297 | - | 398,297 |
| Expected interest growth | 1,658,825 | (1,684,908) | (26,083) |
| Unexpected investment income | - | (99,694) | (99,694) |
| Demographic experience | 2,898,623 | - | 2,898,623 |
| Contributions - employer | - | (1,372,606) | (1,372,606) |
| Contributions - member | - | (702,612) | (702,612) |
| Benefit payments, including refunds of member contributions | (746,176) | 746,176 | - |
| Administrative expense | - | 51,416 | 51,416 |
| Assumption changes | 1,803,577 | - | 1,803,577 |
| Net changes | 6,013,146 | (3,062,228) | 2,950,918 |
| Balances, ending | \$ 29,842,619 | \$ (26,504,354) | \$ 3,338,265 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|-------------------------------|---------------------------|-------------------------------------|---------------------------|
| Total pension liability | \$ 34,162,974 | \$ 29,842,619 | \$ 26,363,639 |
| Less fiduciary net position | (26,504,354) | (26,504,354) | (26,504,354) |
| Net pension (asset) liability | \$ 7,658,620 | \$ 3,338,265 | \$ (140,715) |

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

For the year ended September 30, 2018 the City recognized pension expense of \$ 974,994. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between actual and investment gain/loss | \$ 312,395 | \$ 938,705 |
| Change of assumptions | 4,171,024 | 670,198 |
| Demographic gain/loss | 2,725,439 | 246,201 |
| Total | \$ 7,208,858 | \$ 1,855,104 |

Note J - Pension Plans (continued)

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

| <u>Year ended September 30:</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| 2019 | \$ 1,265,486 |
| 2020 | \$ 953,093 |
| 2021 | \$ 1,334,977 |
| 2022 | \$ 1,476,213 |
| 2023 | \$ 323,985 |

Deferred Compensation Plan: Employees may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 as amended by Congress. The deferred compensation plan is available to all full-time employees of the City. Under the deferred compensation plan, employees may elect to defer a portion of their salaries and therefore defer paying taxes on such portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency subject to approval by the City. The deferred compensation plan is administered by an unrelated independent plan administrator. Under the terms of the Internal Revenue Code Section 457, all deferred compensation and income attributable to the investment returns are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator, approving investments offered to participants, monitoring compliance with maximum contribution limits, catch-up provisions, and emergency withdrawals. The current plan administrator is the International City Management Association Retirement Corporation (“ICMA-RC”). In the opinion of the City’s legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the deferred compensation plan. Due to the level of fiduciary responsibility accepted by the City, the deferred compensation fund is presented as a Pension Trust Fund in the accompanying financial statements.

Retirement Health Savings Plan: As a voluntary supplement to the employees’ required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$581,198 at September 30, 2018 and is invested by ICMA-RC per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations. Should funds not be expended, they revert back to the City plan, however the City’s policy is to distribute any remaining proceeds upon death of a participant to their beneficiaries as they have provided in writing. Based upon employee group commitments, the plan currently includes Fire Captains, Police Department non-union employees, Administrative Secretaries, the Chief Clerk of the Police Department, Fire Driver-Engineers, and Fire Rescue Supervisors.

Roth IRA: The City administration allows employees to make voluntary after-tax contributions to a Roth IRA, established through ICMA-RC. Participants choose how much to contribute to the voluntary plan, and the IRS provides guidelines on contributions and distributions.

Note K - Commitments and Contingencies

Risk management: The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City places all insurance risk, less nominal deductibles, in the hands of commercial carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note K - Commitments and Contingencies (continued)

Grants compliance: The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Florida Single Audit Act, the City was not required to conduct a “single audit” for federal or state grants. The threshold for such audits is \$ 750,000 for either level of government. For the year ended September 30, 2018, the City did not have any financial assistance that met the “single audit” threshold.

Note L - Other Post-Employment Benefits (OPEB)

During fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45. See Note N below for information on the effect of implementation on beginning net position in the government wide statements.

Plan Description and Funding Policy: The City’s only post-retirement benefit is offering retired employees the opportunity to retain the City’s health insurance coverage by paying the full premium paid by the City for active employees. For department directors only, employees who retire at age 62 with at least ten years of service receive the City health insurance until age 65 with the City paying the full premium for the retiree. At age 55 with at least ten years of service, a department director may receive 33% of the premium subsidy from the City.

Elected officials, who have served five years, are eligible to retain City health insurance at their own expense. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. An actuarial valuation was completed as of October 1, 2017 and reflects the most current estimate of the other post-employment benefit obligation liability. As of September 30, 2018, the net obligation was \$ 282,281. Consequently, the Statement of Net Position reflects this amount.

The following table provides a summary of the number of participants in the plan as of the measurement date:

| | |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 4 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 78 |
| Total plan members | <u>82</u> |

The liabilities and costs used in the valuation studies were based on numerous assumptions concerning the cost of benefits to be provided in the future, the contributions expected to be made by retirees in the future, the incidence and level of benefit coverage in the future, and the future demographic experience of the current active employees of the City and current retirees and their covered dependents. The cost developed pursuant to GASB Statement 75 is only an estimate of the true cost of providing post-employment benefits. The basis for these benefits is authorized by the City Commission by resolution.

Note L - Other Post-Employment Benefits (continued)

Currently, the City’s OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City’s reporting of current year benefit costs and expenses have been contributed from the General Fund. Contribution rates are determined by the City. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

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

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

The total OPEB liability at September 30, 2018 was based on an actuarial valuation dated October 1, 2017 with a measurement date of September 30, 2018, using the following actuarial assumptions:

| | |
|-----------------------------|--|
| Actuarial Cost Method | Entry Age Normal. |
| Discount Rate | 3.64% per annum. |
| Salary Increases | 3.00% per annum. |
| Cost-of-living Increases | Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates. |
| Healthcare Cost Trend Rates | Increases in healthcare costs are assumed to be 8.00% for the 2017/18 fiscal year graded down by 0.50% per year to 5.00% for the 2023/2024 and later fiscal years. |
| Age-related Morbidity | Healthcare costs are assumed to increase at the rate of 3.50% for each year of age. |
| Implied Subsidy | Because the insurance carrier charges the same monthly rate for health insurance regardless of age, implied monthly subsidies of \$ 350.00 for the high-deductible plan and \$ 600.00 for the POS plan have been assumed at age 62 for the 2017/18 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65. |

Note L - Other Post-Employment Benefits (continued)

| | |
|-------------------|--|
| Mortality Basis | Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB. |
| Retirement Age | For police officers and firefighters, retirement is assumed to occur at age 60 with eight years of service, at age 55 with 10 years of service, or at age 50 with 25 years of service; for general employees, retirement is assumed to occur at age 62 with eight years of service or at age 55 with 10 years of service. |
| Other Decrements | Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for police officers and firefighters). |
| Coverage Election | 25% of eligible employees who are not entitled to an explicit subsidy and 100% of eligible employees who are entitled to an explicit subsidy are assumed to elect medical coverage upon retirement or disability for life in accordance with their current health plan and coverage election; retirees are not assumed to have any dependent children. |
| COBRA | Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period. |

There were no changes in assumptions or benefits during the year ended September 30, 2018.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2017 was 3.64%. Because the City’s OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability.

Total OPEB Liability of the City: The components of the City’s net OPEB liability at September 30, 2018, are as follows:

| | |
|--|-------------------|
| Total OPEB liability | \$ 282,281 |
| OPEB Plan fiduciary net position | <u>-</u> |
| City's net OPEB liability | <u>\$ 282,281</u> |
| OPEB Plan fiduciary net position as a percentage of total OPEB liability | <u>0%</u> |

Changes in Total OPEB Liability City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2018

Note L - Other Post-Employment Benefits (continued)

Measurement year ended September 30, 2018

| | |
|------------------------------------|-------------------|
| Total OPEB liability: | |
| Service cost | \$ 29,429 |
| Interest on total OPEB liability | 10,007 |
| Benefit payments | <u>(5,255)</u> |
| Net change in total OPEB liability | 34,181 |
| Total OPEB liability, beginning | <u>248,100</u> |
| Total OPEB liability, ending | <u>\$ 282,281</u> |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability, calculated using the discount rate of 3.64%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

| | 1% Decrease <u>(2.64%)</u> | Current Discount Rate <u>(3.64%)</u> | 1% Increase <u>(4.64%)</u> |
|----------------------|-------------------------------|---|-------------------------------|
| Total OPEB liability | \$ <u>317,138</u> | \$ <u>282,281</u> | \$ <u>252,059</u> |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

| | 1% Trend Decrease <u>7.00% Decreasing to 4.00%</u> | Trend Rate Assumption <u>8.00% Decreasing to 5.00%</u> | 1% Trend Increase <u>9.00% Decreasing to 6.00%</u> |
|----------------------|--|--|--|
| Total OPEB liability | \$ <u>241,977</u> | \$ <u>282,281</u> | \$ <u>331,717</u> |

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2018, the City recognized OPEB expense of \$ 34,181. At September 30, 2018, the City has no deferred outflows of resources or deferred inflows of resources related to OPEB.

Note M - Individual Fund Disclosures

At September 30, 2018, the Tennis Center Fund has a deficit fund balance of \$ 19,506. The City expects to reduce this deficit through transfers from the General Fund in Fiscal Year 2018-2019.

Note N - Restatement of Beginning Net Position

The net position of the Governmental Activities has been adjusted due to the adoption of GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018 as follows:

| | |
|---|----------------------|
| Net Position, September 30, 2017, as previously reported | \$ 29,392,040 |
| Cumulative Affect of Application of GASB 75, Net Pension Liability | <u>40,900</u> |
| Net Position, September 30, 2017, as restated | <u>\$ 29,432,940</u> |

Note O - Subsequent Events

In the summer of 2018, the City reached agreement with both its firefighters and police officers to allow members to enroll in the Florida Retirement System (FRS). The join date for firefighters was October 1, 2018, and for police officers was March 1, 2019. Currently the City contributes 24.50% of eligible employee wages and employees contribute 3% of their wages. Employees may choose from the FRS Pension Plan (defined benefit) or FRS Investment Plan (defined contribution). There are currently 23 firefighters and 26 police officers participating in the FRS, and any vested benefit in the City’s defined benefit plan is frozen until their eventual retirement. The FRS Pension Plan is one of the largest public retirement plans in the U.S. and comprises roughly three-quarters of total assets under Florida State Board of Administration (SBA) management. The Florida State Legislature determines plan structure, benefit levels, and funding. As of the date of this report, only 4 participants remain in the City’s defined benefit plan.

On November 6, 2018, the citizens of Lighthouse Point approved a \$ 16.5 million Bond Referendum. The proceeds will be used to construct a Fire Station/Emergency Operations Center that can withstand a Category 5 hurricane as well as to purchase the land where it will be constructed, a new Public Works Building and renovation of an existing facility, a new Recreation building at Dan Witt Park, and a renovation project at the City’s Library. The bonds have been validated by the Broward County Circuit Court, and the City Commission has passed a resolution authorizing a loan from the Florida Municipal Loan Council, as well as a supplemental resolution approving the form and execution of the bond purchase contract and other documents required for closing of the bonds, scheduled for mid-April 2019.

REQUIRED SUPPLEMENTARY
INFORMATION

City of Lighthouse Point, Florida
Required Supplementary Information
Police and Fire Defined Benefit Pension Plan
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years
(unaudited)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 398,297 | \$ 371,661 | \$ 371,661 | \$ 253,497 | \$ 338,632 |
| Expected interest growth | 1,658,825 | 1,586,392 | 1,129,166 | 1,514,924 | 1,477,810 |
| Demographic experience | 2,898,623 | (426,868) | 659,097 | (32,379) | - |
| Assumption changes | 1,803,577 | - | 4,860,207 | (1,940,714) | - |
| Benefit payments, including refunds of member contributions | <u>(746,176)</u> | <u>(455,688)</u> | <u>(454,253)</u> | <u>(355,333)</u> | <u>(599,481)</u> |
| Net change in total pension liability | 6,013,146 | 1,075,497 | 6,565,878 | (560,005) | 1,216,961 |
| Total pension liability - beginning | <u>23,829,473</u> | <u>22,753,976</u> | <u>16,188,098</u> | <u>16,748,103</u> | <u>15,531,142</u> |
| Total pension liability - ending (A) | <u>\$ 29,842,619</u> | <u>\$ 23,829,473</u> | <u>\$ 22,753,976</u> | <u>\$ 16,188,098</u> | <u>\$ 16,748,103</u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,372,606 | \$ 991,535 | \$ 815,761 | \$ 776,750 | \$ 812,593 |
| Contributions - member | 702,612 | 722,202 | 564,019 | 544,741 | 561,829 |
| Net investment income (loss) | 1,733,186 | 2,653,471 | 1,400,099 | (79,907) | 1,198,583 |
| Benefit payments, including refunds of member contributions | <u>(746,176)</u> | <u>(455,688)</u> | <u>(454,253)</u> | <u>(355,333)</u> | <u>(387,047)</u> |
| Net change in plan fiduciary net position | 3,062,228 | 3,911,520 | 2,325,626 | 886,251 | 2,185,958 |
| Plan fiduciary net position - beginning | <u>23,442,126</u> | <u>19,530,606</u> | <u>17,204,980</u> | <u>16,318,729</u> | <u>14,132,771</u> |
| Plan fiduciary net position - ending (B) | <u>\$ 26,504,354</u> | <u>\$ 23,442,126</u> | <u>\$ 19,530,606</u> | <u>\$ 17,204,980</u> | <u>\$ 16,318,729</u> |
| City net pension (asset) liability - ending (A) - (B) | \$ 3,338,265 | \$ 387,347 | \$ 3,223,370 | \$ (1,016,882) | \$ 429,374 |
| Plan fiduciary net position as a percentage of the total pension (asset) liability | 88.81% | 98.37% | 85.83% | 106.28% | 97.44% |
| Covered-employee payroll | \$ 3,261,638 | \$ 3,261,638 | \$ 3,011,289 | \$ 3,043,337 | \$ 3,125,632 |
| City net pension (asset) liability as percentage of covered-employee payroll | 102.35% | 11.88% | 107.04% | -33.41% | 13.74% |

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

**City of Lighthouse Point, Florida
Required Supplementary Information
Police and Fire Defined Benefit Pension Plan
Schedule of City Contributions
Last Ten Fiscal Years
(unaudited)**

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 1,372,607 | \$ 991,535 | \$ 815,761 | \$ 776,750 | \$ 812,593 | \$ 1,194,863 | \$ 791,670 | \$ 761,846 | \$ 624,251 | \$ 283,521 |
| Actual contribution | 957,596 | 991,535 | 815,761 | 776,750 | 812,593 | 1,194,863 | 791,670 | 761,846 | 624,251 | 283,521 |
| Contribution deficiency (excess) | \$ 415,011 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 3,261,638 | \$ 3,261,638 | \$ 3,011,289 | \$ 3,043,337 | \$ 3,125,632 | \$ 3,108,447 | N/A | \$ 2,718,225 | \$ 2,572,144 | \$ 2,441,440 |
| Contributions as a percentage of covered-employee payroll | 29.36% | 30.40% | 27.09% | 25.52% | 26.00% | 38.44% | N/A | 28.03% | 24.27% | 11.61% |

Covered payroll for the 2012 year is not available.

Valuation date: October 1, 2017

Methods and assumptions used to determine contribution rates:

- Discount rate 7.00% per annum (2.92% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
- Salary increases 7.00% per annum for employees less than age 35, 6.00% per annum for employees age 35 to age 45
- 5.00% per annum for employees age 45 to age 55, and 4.00% per annum for employees at least age 55
- Cost-of-living increases 3.00% as of each October 1 at least five years after retirement
- Mortality basis Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB
- Retirement age 4.30% at ages 50 and 54, 4.20% at age 52, 4.40% at age 55, 4.50% at age 56, 4.70% at age 57, or 100% at normal retirement age.
- Other decrements Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55.
- Future contributions Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.
- Changes Since the prior measurement date, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

City of Lighthouse Point, Florida
Required Supplementary Information
Police and Fire Defined Benefit Pension Plan
Schedule of Investment Returns
Last Ten Fiscal Years
(unaudited)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 7.49% | 13.46% | 8.20% | -0.23% | 8.50% |

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

City of Lighthouse Point, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Fiscal Years
(unaudited)

| | |
|--|-------------------|
| Fiscal Year: | 2018 |
| Measurement Date: | <u>9/30/2018</u> |
| Total OPEB liability | |
| Service cost | \$ 29,429 |
| Interest | 10,007 |
| Benefits payments | <u>(5,255)</u> |
| Net change in total OPEB liability | 34,181 |
| Total OPEB liability - beginning | <u>248,100</u> |
| Total OPEB liability - ending | <u>\$ 282,281</u> |
| Covered payroll | \$ 4,992,342 |
| Total OPEB liability as a percentage of covered payroll | 5.65% |

Notes to Schedule:

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

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

OTHER SUPPLEMENTARY
INFORMATION

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------|-------------------------|------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Ad valorem taxes: | | | | |
| Current | \$ 7,715,000 | \$ 7,601,351 | \$ 7,601,351 | \$ - |
| Delinquent | - | 133,939 | 134,253 | 314 |
| | <u>7,715,000</u> | <u>7,735,290</u> | <u>7,735,604</u> | <u>314</u> |
| Franchise taxes: | | | | |
| Electricity | 850,400 | 850,400 | 819,719 | (30,681) |
| Solid waste | 47,000 | 47,000 | 49,414 | 2,414 |
| | <u>897,400</u> | <u>897,400</u> | <u>869,133</u> | <u>(28,267)</u> |
| Utility service taxes: | | | | |
| Electricity | 1,177,000 | 1,177,000 | 1,171,027 | (5,973) |
| Water | 533,500 | 533,500 | 551,744 | 18,244 |
| Gas | 1,500 | 1,500 | 929 | (571) |
| Propane | 56,000 | 56,000 | 45,895 | (10,105) |
| Communications services | 645,000 | 680,096 | 678,977 | (1,119) |
| | <u>2,413,000</u> | <u>2,448,096</u> | <u>2,448,572</u> | <u>476</u> |
| Licenses and permits: | | | | |
| Business license tax | 73,000 | 73,000 | 75,257 | 2,257 |
| Building permits | 324,000 | 437,006 | 444,205 | 7,199 |
| Plumbing permits | 74,700 | 74,700 | 81,617 | 6,917 |
| Electrical permits | 124,200 | 124,200 | 126,416 | 2,216 |
| Other | 307,700 | 314,352 | 366,290 | 51,938 |
| | <u>903,600</u> | <u>1,023,258</u> | <u>1,093,785</u> | <u>70,527</u> |
| Intergovernmental revenues: | | | | |
| State revenue sharing | 300,000 | 300,000 | 316,771 | 16,771 |
| Other state revenue sharing | 52,000 | 52,000 | 52,729 | 729 |
| Alcoholic beverage license | 7,000 | 7,000 | 881 | (6,119) |
| Gasoline tax | 191,500 | 191,500 | 192,000 | 500 |
| Half cent sales tax | 710,000 | 710,000 | 719,855 | 9,855 |
| Firefighters supplemental | 14,000 | 14,000 | 12,021 | (1,979) |
| Motor fuel rebate | 5,000 | 5,000 | 5,380 | 380 |
| County occupational license | 11,000 | 11,000 | 11,564 | 564 |
| Federal grants | 30,000 | 133,881 | 128,881 | (5,000) |
| State grants | 1,500 | 1,500 | 1,096 | (404) |
| Local grants | 70,000 | 70,000 | 55,718 | (14,282) |
| | <u>1,392,000</u> | <u>1,495,881</u> | <u>1,496,896</u> | <u>1,015</u> |

continued on next page

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------------|-------------------------|-------------------|-----------------------|-----------------------------------|
| | Original | Final | | |
| Revenues (continued) | | | | |
| Charges for services: | | | | |
| Lien search fees | 32,000 | 32,000 | 36,450 | 4,450 |
| Zoning fees | 10,000 | 10,000 | 29,899 | 19,899 |
| Merchandise sales | - | - | 1 | 1 |
| Certification, copying, research | 500 | 500 | 26 | (474) |
| City commission appeals | - | - | 225 | 225 |
| Other fees - city clerk | 500 | 500 | 904 | 404 |
| Accident reports | 400 | 400 | 1,482 | 1,082 |
| Fingerprinting fees | 5,000 | 5,000 | 5,945 | 945 |
| Alarm fees | 8,000 | 8,000 | 8,030 | 30 |
| Special detail fees | 30,000 | 30,000 | 35,513 | 5,513 |
| Fire inspection fees | 25,000 | 25,000 | 22,761 | (2,239) |
| Construction inspection fees | 1,000 | 1,000 | 5,811 | 4,811 |
| Other fees - fire | 750 | 750 | 550 | (200) |
| Ambulance fees | 245,000 | 245,000 | 252,560 | 7,560 |
| Library fees | 1,400 | 1,400 | 1,150 | (250) |
| Photostat and other fees | 1,750 | 1,750 | 2,280 | 530 |
| Registration - recreation | 42,000 | 42,000 | 39,420 | (2,580) |
| Summer recreation fees | 55,000 | 55,000 | 57,200 | 2,200 |
| Other recreation fees | 7,000 | 7,000 | 6,141 | (859) |
| | <u>465,300</u> | <u>465,300</u> | <u>506,348</u> | <u>41,048</u> |
| Non ad valorem assessments: | | | | |
| Special assessments - fire | 815,000 | 815,000 | 822,756 | 7,756 |
| | <u>815,000</u> | <u>815,000</u> | <u>822,756</u> | <u>7,756</u> |
| Fines and forfeitures: | | | | |
| Court fines | 16,000 | 16,000 | 8,250 | (7,750) |
| Library fines | 750 | 750 | 460 | (290) |
| Parking citations | 2,600 | 2,600 | 1,875 | (725) |
| Code enforcement fines | 80,000 | 142,912 | 190,530 | 47,618 |
| | <u>99,350</u> | <u>162,262</u> | <u>201,115</u> | <u>38,853</u> |
| Miscellaneous income: | | | | |
| Interest income | 40,000 | 80,807 | 61,830 | (18,977) |
| Other | 55,000 | 143,054 | 205,309 | 62,255 |
| | <u>95,000</u> | <u>223,861</u> | <u>267,139</u> | <u>43,278</u> |
| Allocation of fund balance | - | 1,768,928 | - | (1,768,928) |
| Total revenues | <u>14,795,650</u> | <u>17,035,276</u> | <u>15,441,348</u> | <u>(1,593,928)</u> |

continued on next page

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Expenditures: | | | | |
| General government: | | | | |
| Legislative - commission | | | | |
| Personal services | 42,484 | 42,484 | 43,042 | (558) |
| Operating expenditures | 67,117 | 126,032 | 108,297 | 17,735 |
| Capital outlay | - | 1,750,000 | 1,767,228 | (17,228) |
| Grants and aids | 11,195 | 11,195 | 11,195 | - |
| | <u>120,796</u> | <u>1,929,711</u> | <u>1,929,762</u> | <u>(51)</u> |
| Executive - Mayor: | | | | |
| Personal services | 29,959 | 29,959 | 29,913 | 46 |
| Operating expenditures | 16,458 | 21,916 | 23,046 | (1,130) |
| Capital outlay | - | 983 | - | 983 |
| | <u>46,417</u> | <u>52,858</u> | <u>52,959</u> | <u>(101)</u> |
| Administration/finance: | | | | |
| Personal services | 637,322 | 637,322 | 632,940 | 4,382 |
| Operating expenditures | 129,790 | 137,190 | 141,685 | (4,495) |
| Capital outlay | - | - | - | - |
| | <u>767,112</u> | <u>774,512</u> | <u>774,625</u> | <u>(113)</u> |
| City attorney: | | | | |
| Operating expenditures | <u>151,400</u> | <u>194,807</u> | <u>194,807</u> | <u>-</u> |
| Support services: | | | | |
| Personal services | 93,049 | 65,302 | 65,302 | - |
| Operating expenditures | 491,740 | 488,038 | 509,405 | (21,367) |
| Capital outlay | 25,000 | 211,643 | 189,864 | 21,779 |
| | <u>609,789</u> | <u>764,983</u> | <u>764,571</u> | <u>412</u> |
| Total general government | <u>1,695,514</u> | <u>3,716,871</u> | <u>3,716,724</u> | <u>147</u> |
| Public safety: | | | | |
| Police department: | | | | |
| Personal services | 5,188,874 | 5,081,075 | 5,078,903 | 2,172 |
| Operating expenditures | 266,444 | 302,753 | 310,486 | (7,733) |
| Capital outlay | 27,015 | 61,904 | 67,644 | (5,740) |
| | <u>5,482,333</u> | <u>5,445,732</u> | <u>5,457,033</u> | <u>(11,301)</u> |

continued on next page

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------|-------------------------|-------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Public safety (continued) | | | | |
| Fire department: | | | | |
| Personal services | 3,738,526 | 3,610,427 | 3,612,513 | (2,086) |
| Operating expenditures | 196,830 | 199,359 | 255,445 | (56,086) |
| Capital outlay | 216,700 | 323,329 | 293,747 | 29,582 |
| | <u>4,152,056</u> | <u>4,133,115</u> | <u>4,161,705</u> | <u>(28,590)</u> |
| Building department: | | | | |
| Personal services | 236,098 | 227,502 | 226,795 | 707 |
| Operating expenditures | 387,400 | 507,058 | 508,052 | (994) |
| Capital outlay | - | - | - | - |
| | <u>623,498</u> | <u>734,560</u> | <u>734,847</u> | <u>(287)</u> |
| Code enforcement: | | | | |
| Personal services | 262,462 | 256,963 | 257,702 | (739) |
| Operating expenditures | 22,665 | 22,665 | 22,274 | 391 |
| Capital outlay | - | - | - | - |
| | <u>285,127</u> | <u>279,628</u> | <u>279,976</u> | <u>(348)</u> |
| Total public safety | <u>10,543,014</u> | <u>10,593,035</u> | <u>10,633,561</u> | <u>(40,526)</u> |
| Physical environment: | | | | |
| Public works: | | | | |
| Personal services | 988,562 | 987,005 | 985,041 | 1,964 |
| Operating expenditures | 425,106 | 838,615 | 852,314 | (13,699) |
| Capital outlay | - | 15,297 | 9,242 | 6,055 |
| Total physical environment | <u>1,413,668</u> | <u>1,840,917</u> | <u>1,846,597</u> | <u>(5,680)</u> |
| Transportation: | | | | |
| Community bus: | | | | |
| Personal services | 35,579 | 35,579 | 36,168 | (589) |
| Operating expenditures | 9,920 | 9,920 | 12,414 | (2,494) |
| Total transportation | <u>45,499</u> | <u>45,499</u> | <u>48,582</u> | <u>(3,083)</u> |

continued on next page

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Culture/recreation: | | | | |
| Library: | | | | |
| Personal services | 303,458 | 297,822 | 297,793 | 29 |
| Operating expenditures | 33,380 | 31,031 | 81,158 | (50,127) |
| Capital outlay | 44,000 | 49,645 | 29,603 | 20,042 |
| | <u>380,838</u> | <u>378,498</u> | <u>408,554</u> | <u>(30,056)</u> |
| Recreation department: | | | | |
| Personal services | 265,769 | 256,349 | 255,799 | 550 |
| Operating expenditures | 182,885 | 197,160 | 218,616 | (21,456) |
| Capital outlay | 117,700 | 127,328 | 105,981 | 21,347 |
| | <u>566,354</u> | <u>580,837</u> | <u>580,396</u> | <u>441</u> |
| Total culture/recreation | <u>947,192</u> | <u>959,335</u> | <u>988,950</u> | <u>(29,615)</u> |
| Debt service: | | | | |
| Principal | 236,830 | 222,799 | 222,241 | 558 |
| Interest | 15,543 | 13,531 | 14,089 | (558) |
| Other debt service | 1,000 | - | - | - |
| Total debt service | <u>253,373</u> | <u>236,330</u> | <u>236,330</u> | <u>-</u> |
| Total expenditures | <u>14,898,260</u> | <u>17,391,987</u> | <u>17,470,744</u> | <u>(78,757)</u> |
| Excess of revenues over expenditures | <u>(102,610)</u> | <u>(356,711)</u> | <u>(2,029,396)</u> | <u>(1,672,685)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 135,000 | 135,000 | 110,000 | (25,000) |
| Transfers out | (160,405) | (160,405) | (160,405) | - |
| Capital lease issuance | 128,015 | 136,521 | 119,509 | (17,012) |
| Total other financing sources (uses) | <u>102,610</u> | <u>111,116</u> | <u>69,104</u> | <u>(42,012)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (245,595)</u> | <u>(1,960,292)</u> | <u>\$ (1,714,697)</u> |
| Fund Balance, Beginning of Year | | | <u>5,806,003</u> | |
| Fund Balance, End of Year | | | <u>\$ 3,845,711</u> | |

City of Lighthouse Point, Florida
Special Revenue - Tennis Center Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|----------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services: | | | | |
| Membership fees | \$ 60,000 | \$ 60,000 | \$ 64,236 | \$ 4,236 |
| Daily use fees | 16,000 | 16,000 | 16,190 | 190 |
| Revenue sharing | 25,000 | 25,000 | 24,996 | (4) |
| Summer camp fees | 3,000 | 3,000 | 3,191 | 191 |
| | <u>104,000</u> | <u>104,000</u> | <u>108,613</u> | <u>4,613</u> |
| Miscellaneous: | | | | |
| Other | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Total revenues | <u>105,000</u> | <u>105,000</u> | <u>109,613</u> | <u>4,613</u> |
| Expenditures: | | | | |
| Culture/recreation: | | | | |
| Personal services | 191,889 | 191,889 | 186,887 | 5,002 |
| Operating expenditures | <u>49,516</u> | <u>49,516</u> | <u>49,721</u> | <u>(205)</u> |
| Total expenditures | <u>241,405</u> | <u>241,405</u> | <u>236,608</u> | <u>4,797</u> |
| Excess (deficiency) of revenues over expenditures | (136,405) | (136,405) | (126,995) | 9,410 |
| Other Financing Sources: | | | | |
| Transfers in | <u>136,405</u> | <u>136,405</u> | <u>136,405</u> | <u>-</u> |
| Total other financing sources | <u>136,405</u> | <u>136,405</u> | <u>136,405</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | 9,410 | \$ <u>9,410</u> |
| Fund Balance (Deficit), Beginning of Year | | | <u>(28,916)</u> | |
| Fund Balance (Deficit), End of Year | | | \$ <u>(19,506)</u> | |

City of Lighthouse Point, Florida
Special Revenue - Stormwater Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-----------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Non ad valorem assessments: | | | | |
| Stormwater fees | \$ 265,000 | \$ 265,000 | \$ 271,093 | \$ 6,093 |
| | <u>265,000</u> | <u>265,000</u> | <u>271,093</u> | <u>6,093</u> |
| Miscellaneous: | | | | |
| Interest income | <u>1,500</u> | <u>1,500</u> | <u>3,438</u> | <u>1,938</u> |
| | <u>1,500</u> | <u>1,500</u> | <u>3,438</u> | <u>1,938</u> |
| Allocation of fund balance | <u>74,500</u> | <u>74,500</u> | <u>-</u> | <u>(74,500)</u> |
| Total revenues | <u>341,000</u> | <u>341,000</u> | <u>274,531</u> | <u>(66,469)</u> |
| Expenditures: | | | | |
| Finance/administration: | | | | |
| Operating expenditures | <u>8,500</u> | <u>8,500</u> | <u>3,904</u> | <u>4,596</u> |
| | <u>8,500</u> | <u>8,500</u> | <u>3,904</u> | <u>4,596</u> |
| Physical environment: | | | | |
| Operating expenditures | <u>47,500</u> | <u>47,500</u> | <u>139,195</u> | <u>(91,695)</u> |
| Capital outlay | <u>230,000</u> | <u>230,000</u> | <u>125,651</u> | <u>104,349</u> |
| | <u>277,500</u> | <u>277,500</u> | <u>264,846</u> | <u>12,654</u> |
| Total expenditures | <u>286,000</u> | <u>286,000</u> | <u>268,750</u> | <u>17,250</u> |
| Excess (deficiency) of revenues over expenditures | <u>55,000</u> | <u>55,000</u> | <u>5,781</u> | <u>(83,719)</u> |
| Other Financing sources (uses): | | | | |
| Transfers out | <u>(55,000)</u> | <u>(55,000)</u> | <u>(55,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(55,000)</u> | <u>(55,000)</u> | <u>(55,000)</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | <u>(49,219)</u> | \$ <u>(83,719)</u> |
| Fund Balance, Beginning of Year | | | <u>344,738</u> | |
| Fund Balance, End of Year | | | \$ <u>295,519</u> | |

City of Lighthouse Point, Florida
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 407,719 | \$ 407,719 | \$ 411,639 | \$ 3,920 |
| Miscellaneous: | | | | |
| Interest income | - | - | 207 | 207 |
| Total revenues | <u>407,719</u> | <u>407,719</u> | <u>411,846</u> | <u>4,127</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 371,458 | 371,458 | 371,452 | 6 |
| Interest | <u>36,261</u> | <u>36,261</u> | <u>36,267</u> | <u>(6)</u> |
| Total expenditures | <u>407,719</u> | <u>407,719</u> | <u>407,719</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>4,127</u> | <u>4,127</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | 4,127 | \$ <u>4,127</u> |
| Fund Balance, Beginning of Year | | | <u>10,825</u> | |
| Fund Balance, End of Year | | | \$ <u>14,952</u> | |

OTHER
FINANCIAL INFORMATION

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.

Tennis Center Fund - This fund accounts for membership revenues and expenditures associated with the operation of the City's nine lighted clay courts and Pro Shop located at Frank McDonough Park.

Infrastructure Fund - This fund accounts for improvements to bridges, seawalls, sidewalks, street paving, canals, buildings, and commission projects. The source of funds is primarily contributions.

Stormwater Fund - This fund was established in FY 2009/2010 to provide resources for stormwater management capital improvements and significant maintenance of stormwater infrastructure that had been funded in past years by grants.

Special Purpose Fund - This fund represents a number of special purposes accounted for within individual sub funds. These special purposes account for transactions from specific revenue sources as required by law or administrative regulations. This fund is not budgeted on an annual basis like operating funds but rather appropriated on an as needed basis by the City Commission.

Permanent Fund

Walt and Mary Barker Library Fund - This fund was established in FY 2015 to provide resources that enhance or augment the educational enjoyment of the City's library by residents. The funds were received from the Mary M. Barker Trust and shall be invested for growth and income. Each year, an amount equal to 5% of the January 1st value of the trust may be spent on library resources; however any expenditure of trust fund proceeds shall be at the discretion of the Lighthouse Point City Commission.

Debt Service Fund

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The Debt Service Fund was initially established to finance and account for the payment of interest and principal on the \$ 6,190,000 General Obligation Bonds, Series 2002. During FY 2012, the City issued a note payable in the amount of \$ 3,685,000 to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022.

City of Lighthouse Point, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

| | Special Revenue | | |
|--|-----------------------------------|--------------------------------|----------------------------|
| | Tennis Center Fund | Infrastructure Fund | Stormwater Fund |
| Assets: | | | |
| Cash and cash equivalents, and investments | \$ 100 | \$ - | \$ 370,285 |
| Due from other funds | - | 552,586 | 2,041 |
| Accounts receivable | 9,393 | - | - |
| Due from other governments | - | - | 10 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | \$ <u>9,493</u> | \$ <u>552,586</u> | \$ <u>372,336</u> |
| Liabilities and Fund Balances (Deficit): | | | |
| Accounts payable | \$ 1,831 | \$ - | \$ 76,817 |
| Accrued payroll and related taxes | 4,790 | - | - |
| Due to other funds | 19,257 | - | - |
| Unearned revenue | 3,121 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>28,999</u> | <u>-</u> | <u>76,817</u> |
| Fund balances (deficit): | | | |
| Nonspendable | - | - | - |
| Restricted | - | - | 295,519 |
| Committed | - | 552,586 | - |
| Unassigned | (19,506) | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances (deficit) | <u>(19,506)</u> | <u>552,586</u> | <u>295,519</u> |
| Total liabilities and fund balances (deficit) | \$ <u>9,493</u> | \$ <u>552,586</u> | \$ <u>372,336</u> |

| <u>Special Purpose Fund</u> | <u>Total</u> | <u>Permanent Walt and Mary Barker Library Fund</u> | <u>Debt Service Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|-----------------------------|---------------------|--|--------------------------|--|
| \$ 1,260 | \$ 371,645 | \$ 596,904 | \$ 14,937 | \$ 983,486 |
| 416,872 | 971,499 | - | - | 971,499 |
| - | 9,393 | - | - | 9,393 |
| - | 10 | - | 15 | 25 |
| <u>\$ 418,132</u> | <u>\$ 1,352,547</u> | <u>596,904</u> | <u>\$ 14,952</u> | <u>\$ 1,964,403</u> |
| \$ 332 | \$ 78,980 | \$ - | \$ - | \$ 78,980 |
| - | 4,790 | - | - | 4,790 |
| - | 19,257 | - | - | 19,257 |
| - | 3,121 | - | - | 3,121 |
| <u>332</u> | <u>106,148</u> | <u>-</u> | <u>-</u> | <u>106,148</u> |
| - | - | 500,000 | - | 500,000 |
| - | 295,519 | 96,904 | 14,952 | 407,375 |
| 417,800 | 970,386 | - | - | 970,386 |
| - | (19,506) | - | - | (19,506) |
| <u>417,800</u> | <u>1,246,399</u> | <u>596,904</u> | <u>14,952</u> | <u>1,858,255</u> |
| <u>\$ 418,132</u> | <u>\$ 1,352,547</u> | <u>\$ 596,904</u> | <u>\$ 14,952</u> | <u>\$ 1,964,403</u> |

City of Lighthouse Point, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2018

| | Special Revenue | | |
|--|-----------------------------------|--------------------------------|----------------------------|
| | Tennis Center Fund | Infrastructure Fund | Stormwater Fund |
| Revenues: | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - |
| Charges for services | 108,613 | - | - |
| Non ad valorem assessments | - | - | 271,093 |
| Miscellaneous | 1,000 | 118,637 | 3,438 |
| | <u>109,613</u> | <u>118,637</u> | <u>274,531</u> |
| Total revenues | | | |
| | <u>109,613</u> | <u>118,637</u> | <u>274,531</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | - | - | 3,904 |
| Physical environment | - | 13,421 | 139,195 |
| Culture/recreation | 236,608 | - | - |
| Capital outlay | - | - | 125,651 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| | <u>236,608</u> | <u>13,421</u> | <u>268,750</u> |
| Total expenditures | | | |
| | <u>236,608</u> | <u>13,421</u> | <u>268,750</u> |
| Excess (deficiency) of revenues over expenditures | <u>(126,995)</u> | <u>105,216</u> | <u>5,781</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 136,405 | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>(55,000)</u> |
| Total other financing sources (uses) | | | |
| | <u>136,405</u> | <u>-</u> | <u>(55,000)</u> |
| Net change in fund balance | 9,410 | 105,216 | (49,219) |
| Fund Balance (Deficit), Beginning of Year | <u>(28,916)</u> | <u>447,370</u> | <u>344,738</u> |
| Fund Balance (Deficit), End of Year | \$ <u><u>(19,506)</u></u> | \$ <u><u>552,586</u></u> | \$ <u><u>295,519</u></u> |

| <u>Special Purpose Fund</u> | <u>Total</u> | <u>Permanent Walt and Mary Barker Library Fund</u> | <u>Debt Service Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|-----------------------------|----------------------------|--|--------------------------|--|
| \$ - | \$ - | \$ - | \$ 411,639 | \$ 411,639 |
| - | 108,613 | - | - | 108,613 |
| - | 271,093 | - | - | 271,093 |
| <u>131,294</u> | <u>254,369</u> | <u>29,890</u> | <u>207</u> | <u>284,466</u> |
| <u>131,294</u> | <u>634,075</u> | <u>29,890</u> | <u>411,846</u> | <u>1,075,811</u> |
| - | 3,904 | - | - | 3,904 |
| 8,530 | 161,146 | - | - | 161,146 |
| 74,778 | 311,386 | 10,541 | - | 321,927 |
| 7,319 | 132,970 | - | - | 132,970 |
| - | - | - | 371,452 | 371,452 |
| - | - | - | 36,267 | 36,267 |
| <u>90,627</u> | <u>609,406</u> | <u>10,541</u> | <u>407,719</u> | <u>1,027,666</u> |
| <u>40,667</u> | <u>24,669</u> | <u>19,349</u> | <u>4,127</u> | <u>48,145</u> |
| 24,000 | 160,405 | - | - | 160,405 |
| - | (55,000) | - | - | (55,000) |
| <u>24,000</u> | <u>105,405</u> | <u>-</u> | <u>-</u> | <u>105,405</u> |
| 64,667 | 130,074 | 19,349 | 4,127 | 153,550 |
| <u>353,133</u> | <u>1,116,325</u> | <u>577,555</u> | <u>10,825</u> | <u>1,704,705</u> |
| \$ <u><u>417,800</u></u> | \$ <u><u>1,246,399</u></u> | \$ <u><u>596,904</u></u> | \$ <u><u>14,952</u></u> | \$ <u><u>1,858,255</u></u> |

City of Lighthouse Point, Florida
 Combining Statement of Fiduciary Net Position
 September 30, 2018

| | Defined Contribution Pension Plans | | | | |
|--|---|---------------------|---------------------|---------------------|----------------------|
| | <u>General</u> | <u>Fire</u> | <u>Police</u> | <u>Management</u> | <u>Total</u> |
| Assets: | | | | | |
| Investments | \$ 4,218,264 | \$ 4,400,737 | \$ 2,282,895 | \$ 5,468,941 | \$ 16,370,837 |
| Contributions receivable | - | - | - | - | - |
| Participant loans receivable | <u>182,127</u> | <u>32,478</u> | <u>31,806</u> | <u>35,026</u> | <u>281,437</u> |
| Total assets | 4,400,391 | 4,433,215 | 2,314,701 | 5,503,967 | 16,652,274 |
| Liabilities: | | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position: | | | | | |
| Held in trust for pension and other benefits | <u>\$ 4,400,391</u> | <u>\$ 4,433,215</u> | <u>\$ 2,314,701</u> | <u>\$ 5,503,967</u> | <u>\$ 16,652,274</u> |

| <u>Police and Fire Defined Benefit</u> | <u>Deferred Compensation</u> | <u>Retirement Health Savings Plan</u> | <u>Total</u> |
|--|----------------------------------|---|--------------------------|
| \$ 26,089,344 415,010 | \$ 9,102,813 - | \$ 581,198 - | \$ 52,144,192 415,010 |
| - | - | - | 281,437 |
| 26,504,354 | 9,102,813 | 581,198 | 52,840,639 |
| - | - | - | - |
| \$ <u>26,504,354</u> | \$ <u>9,102,813</u> | \$ <u>581,198</u> | \$ <u>52,840,639</u> |

City of Lighthouse Point, Florida
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018

| | Defined Contribution Pension Plans | | | | |
|---|---|---------------------|---------------------|---------------------|----------------------|
| | <u>General</u> | <u>Fire</u> | <u>Police</u> | <u>Management</u> | <u>Total</u> |
| Additions: | | | | | |
| Contributions | | | | | |
| City | \$ 190,497 | \$ 37,926 | \$ 14,094 | \$ 132,763 | \$ 375,280 |
| Employees | <u>45,719</u> | <u>21,672</u> | <u>6,040</u> | <u>56,898</u> | <u>130,329</u> |
| Total contributions | <u>236,216</u> | <u>59,598</u> | <u>20,134</u> | <u>189,661</u> | <u>505,609</u> |
| Investment earnings and expenses: | | | | | |
| Interest, dividend and investment value changes | 310,931 | 468,381 | 178,375 | 439,589 | 1,397,276 |
| Less investment expense | <u>32,433</u> | <u>32,673</u> | <u>17,060</u> | <u>40,565</u> | <u>122,731</u> |
| Net investment earnings | <u>278,498</u> | <u>435,708</u> | <u>161,315</u> | <u>399,024</u> | <u>1,274,545</u> |
| Total additions | <u>514,714</u> | <u>495,306</u> | <u>181,449</u> | <u>588,685</u> | <u>1,780,154</u> |
| Deductions: | | | | | |
| Benefits paid | <u>69,255</u> | <u>177,280</u> | <u>8,755</u> | <u>202,668</u> | <u>457,958</u> |
| Refund of contributions: | | | | | |
| City | - | - | - | - | - |
| Employees | <u>-</u> | <u>7,921</u> | <u>-</u> | <u>-</u> | <u>7,921</u> |
| Total deductions | <u>69,255</u> | <u>185,201</u> | <u>8,755</u> | <u>202,668</u> | <u>465,879</u> |
| Change in net position | 445,459 | 310,105 | 172,694 | 386,017 | 1,314,275 |
| Net Position Held in Trust for Pension and Other Benefits: | | | | | |
| Beginning of Year | <u>3,954,932</u> | <u>4,123,110</u> | <u>2,142,007</u> | <u>5,117,950</u> | <u>15,337,999</u> |
| End of Year | <u>\$ 4,400,391</u> | <u>\$ 4,433,215</u> | <u>\$ 2,314,701</u> | <u>\$ 5,503,967</u> | <u>\$ 16,652,274</u> |

| <u>Police and Fire Defined Benefit</u> | <u>Deferred Compensation</u> | <u>Retirement Health Savings Plan</u> | <u>Total</u> |
|--|----------------------------------|---|-----------------------------|
| \$ 1,372,606 | \$ - | \$ - | \$ 1,747,886 |
| <u>702,612</u> | <u>472,060</u> | <u>114,551</u> | <u>1,419,552</u> |
| <u>2,075,218</u> | <u>472,060</u> | <u>114,551</u> | <u>3,167,438</u> |
| 1,784,602 | 752,967 | 37,965 | 3,972,810 |
| <u>51,416</u> | <u>66,815</u> | <u>6,669</u> | <u>247,631</u> |
| <u>1,733,186</u> | <u>686,152</u> | <u>31,296</u> | <u>3,725,179</u> |
| <u>3,808,404</u> | <u>1,158,212</u> | <u>145,847</u> | <u>6,892,617</u> |
| <u>675,630</u> | <u>457,045</u> | <u>26,002</u> | <u>1,616,635</u> |
| - | - | - | - |
| <u>70,546</u> | <u>-</u> | <u>-</u> | <u>78,467</u> |
| <u>746,176</u> | <u>457,045</u> | <u>26,002</u> | <u>1,695,102</u> |
| 3,062,228 | 701,167 | 119,845 | 5,197,515 |
| <u>23,442,126</u> | <u>8,401,646</u> | <u>461,353</u> | <u>47,643,124</u> |
| \$ <u><u>26,504,354</u></u> | \$ <u><u>9,102,813</u></u> | \$ <u><u>581,198</u></u> | \$ <u><u>52,840,639</u></u> |

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

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

| Contents | <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. | 82-89 |
| Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax. | 90-96 |
| Debt Capacity These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. | 97-101 |
| 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. | 102-103 |
| 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. | 104-109 |

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

City of Lighthouse Point, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | Fiscal | | | |
|--|---------------------------------|--------------------------|--------------------------|--------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 21,228,328 | \$ 18,960,079 | \$ 19,261,328 | \$ 17,949,228 |
| Restricted | 2,595,822 | 2,951,222 | 2,680,004 | 3,995,702 |
| Unrestricted | <u>5,778,930</u> | <u>7,480,739</u> | <u>7,603,373</u> | <u>7,469,821</u> |
| Total governmental activities net position | <u>\$ 29,603,080</u> | <u>\$ 29,392,040</u> | <u>\$ 29,544,705</u> | <u>\$ 29,414,751</u> |

Notes: The City has no business-type activities.

Table 1

| Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| \$ 16,691,679 | \$ 16,705,644 | \$ 15,540,755 | \$ 15,392,168 | \$ 15,316,538 | \$ 14,921,902 |
| 3,250,412 | 3,191,909 | 3,331,058 | 3,410,406 | 4,048,277 | 4,529,846 |
| <u>5,899,447</u> | <u>6,421,799</u> | <u>6,339,706</u> | <u>6,237,128</u> | <u>6,110,724</u> | <u>5,407,842</u> |
| <u>\$ 25,841,538</u> | <u>\$ 26,319,352</u> | <u>\$ 25,211,519</u> | <u>\$ 25,039,702</u> | <u>\$ 25,475,539</u> | <u>\$ 24,859,590</u> |

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

| | Fiscal | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2018 | 2017 | 2016 | 2015 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 1,823,307 | \$ 1,781,048 | \$ 1,717,475 | \$ 1,624,496 |
| Public safety | 10,696,943 | 10,120,375 | 9,827,589 | 8,684,687 |
| Physical environment | 4,046,490 | 4,380,588 | 4,054,749 | 3,550,580 |
| Transportation | 48,582 | 44,246 | 42,655 | 43,471 |
| Culture/recreation | 1,329,199 | 1,286,251 | 1,262,675 | 1,196,903 |
| Interest expense | 49,127 | 50,790 | 60,161 | 65,540 |
| Total governmental activities expenses | <u>17,993,648</u> | <u>\$ 17,663,298</u> | <u>\$ 16,965,304</u> | <u>\$ 15,165,677</u> |
| Program Revenues: | | | | |
| Charges for services: | | | | |
| General government | \$ 67,505 | \$ 48,203 | \$ 53,324 | \$ 51,423 |
| Public safety | 2,452,535 | 2,477,037 | 2,423,816 | 2,040,455 |
| Physical environment | 1,931,329 | 1,936,657 | 2,133,587 | 2,100,378 |
| Culture/recreation | 214,804 | 189,145 | 184,524 | 161,164 |
| Operating grants and contributions | 244,468 | 130,980 | 129,830 | 162,097 |
| Capital grants and contributions | - | - | - | 1,202,548 |
| Total governmental activities program revenues | <u>\$ 4,910,641</u> | <u>\$ 4,782,022</u> | <u>\$ 4,925,081</u> | <u>\$ 5,718,065</u> |
| Total governmental activities net expense | <u>\$ 13,083,007</u> | <u>\$ 12,881,276</u> | <u>\$ 12,040,223</u> | <u>\$ 9,447,612</u> |
| General Revenues and Change in Net Position: | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 8,147,243 | \$ 7,652,001 | \$ 7,270,669 | \$ 6,928,063 |
| Franchise taxes | 865,160 | 873,192 | 850,214 | 864,725 |
| Utility service taxes | 2,315,992 | 2,264,796 | 2,212,221 | 2,256,338 |
| Intergovernmental revenues | 1,274,422 | 1,297,569 | 1,209,109 | 1,166,306 |
| Miscellaneous | 650,330 | 641,053 | 627,964 | 1,805,393 |
| Total general revenues | <u>\$ 13,253,147</u> | <u>\$ 12,728,611</u> | <u>\$ 12,170,177</u> | <u>\$ 13,020,825</u> |
| Change in net position | <u>\$ 170,140</u> | <u>\$ (152,665)</u> | <u>\$ 129,954</u> | <u>\$ 3,573,213</u> |

Table 2

| | | | | | | Year |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------|
| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | |
| \$ 1,465,093 | \$ 1,415,364 | \$ 1,320,586 | \$ 1,370,967 | \$ 1,363,611 | \$ 1,440,339 | |
| 9,134,305 | 8,686,485 | 8,903,618 | 8,569,761 | 8,428,182 | 8,161,594 | |
| 3,506,609 | 3,854,194 | 3,284,930 | 3,989,844 | 4,413,816 | 4,776,528 | |
| 46,027 | 44,667 | 40,788 | 40,474 | 39,679 | 40,852 | |
| 1,122,567 | 1,156,366 | 1,115,321 | 1,201,806 | 1,166,238 | 1,141,223 | |
| 71,369 | 77,180 | 206,131 | 197,849 | 215,231 | 229,439 | |
| <u>\$ 15,345,970</u> | <u>\$ 15,234,256</u> | <u>\$ 14,871,374</u> | <u>\$ 15,370,701</u> | <u>\$ 15,626,757</u> | <u>\$ 15,789,975</u> | |
| \$ 34,564 | \$ 27,335 | \$ 30,614 | \$ 22,940 | \$ 13,861 | \$ 11,479 | |
| 1,891,940 | 1,603,627 | 1,858,897 | 1,609,068 | 1,363,035 | 1,256,534 | |
| 2,068,101 | 2,236,065 | 2,264,373 | 2,369,597 | 2,487,291 | 1,901,360 | |
| 150,725 | 125,904 | 136,784 | 142,928 | 139,700 | 142,078 | |
| 119,455 | 153,494 | 93,412 | 222,371 | 188,259 | 214,979 | |
| - | - | 155,985 | 102,386 | 261,156 | 369,768 | |
| <u>\$ 4,264,785</u> | <u>\$ 4,146,425</u> | <u>\$ 4,540,065</u> | <u>\$ 4,469,290</u> | <u>\$ 4,453,302</u> | <u>\$ 3,896,198</u> | |
| <u>\$ 11,081,185</u> | <u>\$ 11,087,831</u> | <u>\$ 10,331,309</u> | <u>\$ 10,901,411</u> | <u>\$ 11,173,455</u> | <u>\$ 11,893,777</u> | |
| \$ 6,583,961 | \$ 6,393,001 | \$ 6,120,388 | \$ 6,138,909 | \$ 6,945,061 | \$ 7,080,510 | |
| 869,058 | 862,148 | 825,196 | 929,559 | 970,558 | 1,011,721 | |
| 3,124,968 | 2,195,295 | 2,184,080 | 2,135,681 | 2,116,737 | 1,930,017 | |
| 1,153,978 | 1,288,713 | 1,089,223 | 1,073,390 | 1,352,185 | 1,276,444 | |
| 416,655 | 537,573 | 284,239 | 188,035 | 404,863 | 669,478 | |
| <u>\$ 12,148,620</u> | <u>11,276,730</u> | <u>10,503,126</u> | <u>10,465,574</u> | <u>11,789,404</u> | <u>\$ 11,968,170</u> | |
| <u>\$ 1,067,435</u> | <u>\$ 188,899</u> | <u>\$ 171,817</u> | <u>\$ (435,837)</u> | <u>\$ 615,949</u> | <u>\$ 74,393</u> | |

City of Lighthouse Point, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | Fiscal | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| General Fund: | | | | |
| Nonspendable | \$ 81,542 | \$ 76,661 | \$ 62,003 | \$ 59,549 |
| Committed | 1,492,589 | 1,598,527 | 1,365,837 | 1,379,797 |
| Assigned | 2,250,000 | 3,750,000 | 3,750,000 | 3,750,000 |
| Unassigned | <u>21,580</u> | <u>380,815</u> | <u>887,155</u> | <u>349,186</u> |
| Total general fund | \$ <u>3,845,711</u> | \$ <u>5,806,003</u> | \$ <u>6,064,995</u> | \$ <u>5,538,532</u> |
| All Other Governmental Funds: | | | | |
| Major Funds: | | | | |
| Garbage and trash fund: | | | | |
| Restricted | \$ 26,543 | \$ 221,423 | \$ - | \$ - |
| Committed | 393,327 | 393,327 | 393,327 | 324,682 |
| Public safety fund: | | | | |
| Restricted | 1,688,447 | 1,796,681 | 1,953,004 | 2,069,312 |
| Committed | - | - | - | - |
| Nonmajor Funds: | | | | |
| Infrastructure fund: | | | | |
| Committed | 552,586 | 447,370 | 845,438 | 1,355,656 |
| Debt service fund: | | | | |
| Restricted | 14,952 | 10,825 | 14,673 | 14,103 |
| Walt and Mary Barker Library fund: | | | | |
| Nonspendable | 500,000 | 500,000 | 500,000 | 473,483 |
| Restricted | 96,904 | 77,555 | 19,579 | - |
| Other nonmajor funds: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 295,519 | 344,738 | 192,748 | 1,438,804 |
| Committed | 417,800 | 353,133 | 322,932 | 295,443 |
| Unassigned (deficit) | <u>(19,506)</u> | <u>(28,916)</u> | <u>(11,078)</u> | <u>(8,826)</u> |
| Total all other governmental funds | \$ <u>3,966,572</u> | \$ <u>4,116,136</u> | \$ <u>4,230,623</u> | \$ <u>5,962,657</u> |

Note: The General Fund contained no restricted funds in the last ten years.

Table 3

| Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| \$ 57,923 | \$ 550,156 | \$ 64,938 | \$ 89,064 | \$ 414,244 | \$ 363,675 |
| 1,560,813 | 1,665,151 | 1,889,680 | 2,245,350 | 2,028,184 | 1,208,392 |
| 3,750,000 | 3,250,000 | 3,750,000 | 3,750,000 | 3,823,043 | 3,794,819 |
| 158,139 | 174,354 | 249,129 | 125,363 | 142,563 | 183,131 |
| <u>\$ 5,526,875</u> | <u>\$ 5,639,661</u> | <u>\$ 5,953,747</u> | <u>\$ 6,209,777</u> | <u>\$ 6,408,034</u> | <u>\$ 5,550,017</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 342,805 | 471,867 | 520,338 | 617,829 | 796,575 | 861,392 |
| 2,202,826 | 2,328,298 | 2,656,131 | 2,925,378 | 2,984,981 | 3,290,715 |
| - | - | - | - | 1,225 | - |
| - | - | - | - | - | - |
| 7,580 | 323 | 4,226 | 56,363 | 50,095 | 43,319 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 750 | - | - | - | - |
| 1,040,006 | 863,288 | 670,701 | 428,665 | 172,244 | - |
| 1,046,300 | 859,603 | 744,121 | 761,417 | 989,080 | 1,318,266 |
| (9,641) | - | - | (6,522) | (1,847) | - |
| <u>\$ 4,629,876</u> | <u>\$ 4,524,129</u> | <u>\$ 4,595,517</u> | <u>\$ 4,783,130</u> | <u>\$ 4,992,353</u> | <u>\$ 5,513,692</u> |

City of Lighthouse Point, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | Fiscal Year | | | |
|---|-----------------------|---------------------|-----------------------|---------------------|
| | 2018 | 2017 | 2016 | 2015 |
| Revenues: | | | | |
| Ad valorem taxes | \$ 8,147,243 | \$ 7,652,001 | \$ 7,270,669 | \$ 6,928,063 |
| Franchise fees | 869,133 | 867,349 | 847,516 | 874,245 |
| Utility service taxes | 2,448,572 | 2,397,754 | 2,360,010 | 2,353,013 |
| Licenses and permits | 1,093,785 | 953,071 | 1,083,509 | 913,141 |
| Intergovernmental revenues | 1,496,896 | 1,431,410 | 1,348,559 | 1,333,079 |
| * Charges for services | 614,961 | 565,855 | 2,423,630 | 2,368,838 |
| * Nonadvalorem assessments | 2,758,864 | 2,549,895 | 885,813 | 883,227 |
| Fines and forfeitures | 203,342 | 582,221 | 402,299 | 188,214 |
| Interest income | 104,127 | 91,912 | 65,359 | 74,328 |
| Miscellaneous | 492,786 | 586,528 | 566,985 | 2,946,439 |
| Total revenues | 18,229,709 | 17,677,996 | 17,254,349 | 18,862,587 |
| Expenditures: | | | | |
| General government | 1,763,537 | 1,735,223 | 1,651,595 | 1,542,644 |
| Public safety | 10,350,349 | 10,355,168 | 9,650,329 | 9,320,877 |
| Physical environment | 3,832,573 | 4,176,377 | 3,887,800 | 3,406,984 |
| Transportation | 48,582 | 44,246 | 42,655 | 43,471 |
| Culture/recreation | 1,175,293 | 1,155,759 | 1,099,429 | 1,120,957 |
| Capital outlay | 2,644,692 | 449,298 | 1,680,540 | 1,737,933 |
| Debt service: | | | | |
| Principal | 593,693 | 503,408 | 484,229 | 476,214 |
| Interest | 50,356 | 51,996 | 60,343 | 66,747 |
| Other | - | - | 1,000 | - |
| Total expenditures | 20,459,075 | 18,471,475 | 18,557,920 | 17,715,827 |
| Excess of revenues over (under) expenditures | (2,229,366) | (793,479) | (1,303,571) | 1,146,760 |
| Other Financing Sources (Uses): | | | | |
| Capital leases | 119,509 | 420,000 | 98,000 | 197,678 |
| Net proceeds of notes payable | - | - | - | - |
| Payment to fiscal agent | - | - | - | - |
| Transfers in | 270,405 | 762,328 | 313,784 | 336,889 |
| Transfers out | (270,405) | (762,328) | (313,784) | (336,889) |
| Total other financing sources (uses) | 119,509 | 420,000 | 98,000 | 197,678 |
| Net change in fund balances | \$ <u>(2,109,857)</u> | \$ <u>(373,479)</u> | \$ <u>(1,205,571)</u> | \$ <u>1,344,438</u> |
| Debt service as a % of noncapital expenditures | 3.6% | 3.1% | 3.2% | 3.4% |

* Beginning in FY17, solid waste fees for the garbage and trash fund were designated as non ad valorem assessments.

Table 4

| | | Fiscal Year | | | | | | | | | |
|----|-------------------|-------------|-------------------|------|-------------------|------|-------------------|----|-------------------|----|-------------------|
| | | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | | | | |
| \$ | 6,583,961 | \$ | 6,393,001 | \$ | 6,120,388 | \$ | 6,138,909 | \$ | 6,945,061 | \$ | 7,080,510 |
| | 862,847 | | 864,519 | | 905,559 | | 929,559 | | 970,558 | | 1,011,721 |
| | 2,260,186 | | 2,239,104 | | 2,138,837 | | 2,139,372 | | 2,120,424 | | 1,932,024 |
| | 707,214 | | 605,477 | | 635,114 | | 529,905 | | 530,797 | | 417,812 |
| | 1,278,800 | | 1,432,563 | | 1,328,975 | | 1,398,147 | | 1,455,493 | | 1,587,770 |
| | 2,250,635 | | 2,412,786 | | 2,689,844 | | 2,789,909 | | 2,891,524 | | 2,339,440 |
| | 883,144 | | 841,554 | | 576,532 | | 577,446 | | 581,566 | | 554,199 |
| | 304,337 | | 133,114 | | 389,178 | | 247,273 | | 346,107 | | 273,421 |
| | 41,337 | | 33,226 | | 49,056 | | 42,643 | | 117,250 | | 123,842 |
| | 419,966 | | 518,735 | | 228,658 | | 153,676 | | 294,943 | | 606,343 |
| | <u>15,592,427</u> | | <u>15,474,079</u> | | <u>15,062,141</u> | | <u>14,946,839</u> | | <u>16,253,723</u> | | <u>15,927,082</u> |
| | 1,433,511 | | 1,345,069 | | 1,307,179 | | 1,291,841 | | 1,284,206 | | 1,285,048 |
| | 8,901,379 | | 8,782,071 | | 8,578,790 | | 8,184,831 | | 7,943,944 | | 7,656,733 |
| | 3,417,866 | | 3,712,686 | | 3,470,209 | | 3,845,327 | | 4,254,355 | | 4,579,722 |
| | 46,027 | | 44,579 | | 40,807 | | 40,365 | | 39,662 | | 43,198 |
| | 986,683 | | 1,000,339 | | 1,037,569 | | 1,061,719 | | 1,013,857 | | 1,009,842 |
| | 686,317 | | 397,492 | | 534,520 | | 284,292 | | 769,111 | | 590,233 |
| | 525,369 | | 499,021 | | 460,611 | | 446,369 | | 457,481 | | 451,335 |
| | 72,506 | | 78,296 | | 202,774 | | 199,025 | | 217,673 | | 229,641 |
| | - | | - | | 20,000 | | 550 | | 550 | | 550 |
| | <u>16,069,658</u> | | <u>15,859,553</u> | | <u>15,652,459</u> | | <u>15,354,319</u> | | <u>15,980,839</u> | | <u>15,846,302</u> |
| | <u>(477,231)</u> | | <u>(385,474)</u> | | <u>(590,318)</u> | | <u>(407,480)</u> | | <u>272,884</u> | | <u>80,780</u> |
| | 470,192 | | - | | 126,675 | | - | | 63,795 | | 47,562 |
| | - | | - | | 3,685,000 | | - | | - | | - |
| | - | | - | | (3,665,000) | | - | | - | | - |
| | 273,000 | | 235,511 | | 180,000 | | 221,051 | | 118,564 | | 306,017 |
| | <u>(273,000)</u> | | <u>(235,511)</u> | | <u>(180,000)</u> | | <u>(221,051)</u> | | <u>(118,564)</u> | | <u>(306,017)</u> |
| | <u>470,192</u> | | <u>-</u> | | <u>146,675</u> | | <u>-</u> | | <u>63,795</u> | | <u>47,562</u> |
| \$ | <u>(7,039)</u> | \$ | <u>(385,474)</u> | \$ | <u>(443,643)</u> | \$ | <u>(407,480)</u> | \$ | <u>336,679</u> | \$ | <u>128,342</u> |
| | 3.9% | | 3.7% | | 4.5% | | 4.3% | | 4.4% | | 4.5% |

City of Lighthouse Point, Florida
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

| Fiscal Year | Tax Year | Real Property | | | Personal Property |
|--------------------|-----------------|----------------------|-------------------|---------------|--------------------------|
| | | Residential | Commercial | Other | |
| 2009 | 2008 | 2,830,154 | 158,127 | 22,048 | 25,537 |
| 2010 | 2009 | 2,269,144 | 161,598 | 22,154 | 24,775 |
| 2011 | 2010 | 1,853,180 | 151,486 | 23,355 | 22,922 |
| 2012 | 2011 | 1,897,551 | 144,278 | 22,972 | 23,332 |
| 2013 | 2012 | 1,994,093 | 143,483 | 24,009 | 21,967 |
| 2014 | 2013 | 2,109,780 | 140,854 | 28,578 | 24,317 |
| 2015 | 2014 | 2,370,635 | 140,326 | 29,413 | 25,995 |
| 2016 | 2015 | 2,630,639 | 141,754 | 30,113 | 26,671 |
| 2017 | 2016 | 2,780,511 | 155,879 | 30,118 | 27,196 |
| 2018 | 2017 | 2,973,368 | 167,257 | 30,789 | 28,922 |

Note: Other includes institutional, government, and miscellaneous property uses.

Source: Broward County Property Appraiser

Table 5

| <u>Less: Exemptions</u> | | <u>Total Taxable Assessed Value</u> | <u>City Direct Tax Rate</u> | <u>Estimated Actual Taxable Value</u> | <u>Net Assessed Value as a Percentage of Estimated Actual Value</u> |
|-------------------------|--------------------------|-------------------------------------|-----------------------------|---------------------------------------|---|
| <u>Real Property</u> | <u>Personal Property</u> | | | | |
| 941,210 | 5,159 | 2,089,497 | 3.5142 | 3,035,867 | 68.83% |
| 617,028 | 4,568 | 1,856,075 | 3.8825 | 2,477,671 | 74.91% |
| 406,911 | 4,075 | 1,639,957 | 3.8825 | 2,050,943 | 79.96% |
| 435,107 | 4,230 | 1,648,796 | 3.8602 | 2,088,133 | 78.96% |
| 472,386 | 3,996 | 1,707,170 | 3.8691 | 2,183,551 | 78.18% |
| 523,322 | 3,946 | 1,776,261 | 3.8307 | 2,303,550 | 77.11% |
| 679,481 | 4,978 | 1,881,910 | 3.8175 | 2,566,369 | 73.33% |
| 844,533 | 4,979 | 1,979,665 | 3.8028 | 2,829,177 | 69.97% |
| 896,758 | 5,305 | 2,091,641 | 3.7892 | 2,993,718 | 69.87% |
| 950,577 | 5,350 | 2,244,409 | 3.7803 | 3,200,337 | 70.13% |

City of Lighthouse Point, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year | City of Lighthouse Point | | | Broward County | | | School Board |
|----------------|--------------------------|----------------------|--------------------|-------------------|----------------------|----------------------|-------------------|
| | Operating Millage | Debt Service Millage | Total City Millage | Operating Millage | Debt Service Millage | Total County Millage | Operating Millage |
| 2008/09 | 3.2822 | 0.2320 | 3.5142 | 4.8889 | 0.4256 | 5.3145 | 7.4170 |
| 2009/10 | 3.6188 | 0.2637 | 3.8825 | 4.8889 | 0.4256 | 5.3145 | 7.4310 |
| 2010/11 | 3.6188 | 0.2637 | 3.8825 | 5.1021 | 0.4509 | 5.5530 | 7.6310 |
| 2011/12 | 3.5893 | 0.2709 | 3.8602 | 5.1860 | 0.3670 | 5.5530 | 7.4180 |
| 2012/13 | 3.5893 | 0.2798 | 3.8691 | 5.2576 | 0.2954 | 5.5530 | 7.4560 |
| 2013/14 | 3.5893 | 0.2414 | 3.8307 | 5.4400 | 0.2830 | 5.7230 | 7.4800 |
| 2015/14 | 3.5893 | 0.2282 | 3.8175 | 5.4584 | 0.2646 | 5.7230 | 7.4380 |
| 2016/15 | 3.5893 | 0.2135 | 3.8028 | 5.4741 | 0.2489 | 5.7230 | 7.2030 |
| 2017/16 | 3.5893 | 0.1999 | 3.7892 | 5.4474 | 0.2216 | 5.6690 | 6.8360 |
| 2018/17 | 3.5893 | 0.1910 | 3.7803 | 5.4623 | 0.2067 | 5.6690 | 6.4740 |

Source: Broward County Property Appraiser

Table 6

| School Board | | Overlapping Rates | | | | | Total Direct and Overlapping Rate |
|----------------------|----------------------------|------------------------|---|------------------------------------|---------------------------------|--------------------------|-----------------------------------|
| | | Child Services Council | South Florida Water Management District | Florida Inland Navigation District | North Broward Hospital District | Hillsboro Inlet District | |
| Debt Service Millage | Total School Board Millage | | | | | | |
| - | 7.4170 | 0.3754 | 0.6240 | 0.0345 | 1.7059 | 0.0860 | 19.0715 |
| - | 7.4310 | 0.4243 | 0.6240 | 0.0345 | 1.7059 | 0.0860 | 19.5027 |
| - | 7.6310 | 0.4696 | 0.6240 | 0.0345 | 1.8750 | 0.0860 | 20.1556 |
| - | 7.4180 | 0.4789 | 0.4363 | 0.0345 | 1.8750 | 0.0860 | 19.7419 |
| - | 7.4560 | 0.4902 | 0.4289 | 0.0345 | 1.8564 | 0.0860 | 19.7741 |
| - | 7.4800 | 0.4882 | 0.4110 | 0.0345 | 1.7554 | 0.0860 | 19.8088 |
| - | 7.4380 | 0.4882 | 0.3842 | 0.0345 | 1.5939 | 0.0860 | 19.5653 |
| 0.0710 | 7.2740 | 0.4882 | 0.3551 | 0.0320 | 1.4425 | 0.0860 | 19.2036 |
| 0.0703 | 6.9063 | 0.4882 | 0.3307 | 0.0320 | 1.3462 | 0.0860 | 18.6476 |
| 0.0654 | 6.5394 | 0.4882 | 0.3100 | 0.0320 | 1.2483 | 0.0860 | 18.1532 |

**City of Lighthouse Point, Florida
Principal Property Taxpayers
Current Year and Ten Years Ago**

Table 7

| Taxpayer | Fiscal Year 2018 | | | Fiscal Year 2009 | | |
|---|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Centro Heritage Venetian Isle | \$ 18,411,720 | 1 | 0.82% | \$ 21,192,760 | 1 | 1.02% |
| Florida Power & Light Co | 9,021,073 | 2 | 0.40% | | | |
| Acheson, James C & Suzanne J | 8,509,960 | 3 | 0.38% | 8,700,000 | 4 | 0.42% |
| Lighthouse Point Yacht Club | 6,421,400 | 4 | 0.29% | | | |
| Grove Gateway LLC & JCS Investment Mgmt | 6,299,810 | 5 | 0.28% | 5,368,490 | 10 | 0.26% |
| Wye, Jane & Thomas | 5,986,160 | 6 | 0.27% | | | |
| Verrillo, James & Teresa | 5,603,850 | 7 | 0.25% | 9,062,980 | 3 | 0.54% |
| ACL Holdings LLC | 5,469,610 | 8 | 0.24% | | | |
| Foxman, Leonard A Trustee Leonard A Foxman Liv Tr | 5,183,040 | 9 | 0.23% | | | |
| Rosen, Lawrence | 4,978,500 | 10 | 0.22% | | | |
| Beacon Light Partners LTD | - | | - | 11,193,670 | 2 | 0.54% |
| Sheehan Pontiac | - | | - | 7,245,030 | 5 | 0.35% |
| Silver Seas Hotel, Inc. | - | | - | 6,998,360 | 6 | 0.34% |
| Louis R. Bianculli | - | | - | 5,942,000 | 7 | 0.29% |
| Shawn and Susan Ryan | - | | - | 5,824,220 | 8 | 0.28% |
| First States Investors 5000A | - | | - | 5,780,470 | 9 | 0.28% |
| Total | \$ 75,885,123 | | 3.38% | \$ 87,307,980 | | 4.32% |

Source: Broward County Revenue Collector

**City of Lighthouse Point, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>Taxes Levied for the Fiscal Year</u> | | |
|--------------------|---|-----------------|------------------|
| | <u>Gross Levy</u> | <u>Discount</u> | <u>Net Levy</u> |
| 2009 | 7,368,624 | 316,056 | 7,052,568 |
| 2010 | 7,208,468 | 309,283 | 6,899,185 |
| 2011 | 6,380,071 | 273,740 | 6,106,331 |
| 2012 | 6,382,448 | 273,944 | 6,108,504 |
| 2013 | 6,610,703 | 283,841 | 6,326,862 |
| 2014 | 6,812,658 | 340,039 | 6,472,619 |
| 2015 | 7,195,575 | 358,575 | 6,837,000 |
| 2016 | 7,535,473 | 372,364 | 7,163,109 |
| 2017 | 7,930,348 | 359,908 | 7,570,440 |
| 2018 | 8,495,187 | 372,468 | 8,122,719 |

Notes: Florida Statutes provide for up to a 4% discount for timely payment of property taxes.

Collections in subsequent years include prior year's collections, corrections, and penalties.

Source: Broward County Property Appraiser

Table 8

| Collected within the Fiscal Year of the Levy | | Collections In Subsequent Years | Total Collections to Date | |
|---|-----------------------------|--|---------------------------|-----------------------------|
| Amount | Percentage of Gross Levy | | Amount | Percentage of Gross Levy |
| 6,627,949 | 89.95% | 98,399 | 6,726,348 | 91.28% |
| 6,846,662 | 94.98% | 212,441 | 7,059,103 | 97.93% |
| 5,926,606 | 92.89% | 188,496 | 6,115,102 | 95.85% |
| 5,931,892 | 92.94% | 164,493 | 6,096,385 | 95.52% |
| 6,228,508 | 94.22% | 162,200 | 6,390,708 | 96.67% |
| 6,421,761 | 94.26% | 159,268 | 6,581,029 | 96.60% |
| 6,768,795 | 94.07% | 170,320 | 6,939,115 | 96.44% |
| 7,100,350 | 94.23% | 188,367 | 7,288,717 | 96.73% |
| 7,463,634 | 94.11% | 141,396 | 7,605,030 | 95.90% |
| 8,005,847 | 94.24% | - | 8,005,847 | 94.24% |

City of Lighthouse Point, Florida
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

| Fiscal Year | Governmental Activities | | | Total Primary Government | Per Capita Personal Income | Percentage of Personal Income | Per Capita |
|--------------------|---------------------------------|-----------------------|----------------------|---------------------------------|-----------------------------------|--------------------------------------|-------------------|
| | General Obligation Bonds | Capital Leases | Notes Payable | | | | |
| 2009 | 4,505,000 | 661,440 | - | 5,166,440 | 40,437 | 1.16% | 469 |
| 2010 | 4,235,000 | 537,755 | - | 4,772,755 | 41,481 | 1.05% | 436 |
| 2011 | 3,955,000 | 371,386 | - | 4,326,386 | 42,194 | 0.99% | 418 |
| 2012 | - | 328,452 | 3,684,000 | 4,012,452 | 43,351 | 0.88% | 381 |
| 2013 | - | 166,208 | 3,347,222 | 3,513,430 | 43,792 | 0.77% | 338 |
| 2014 | - | 454,476 | 3,003,777 | 3,458,253 | 43,283 | 0.77% | 333 |
| 2015 | - | 526,137 | 2,653,532 | 3,179,669 | 44,909 | 0.68% | 307 |
| 2016 | - | 496,857 | 2,296,583 | 2,793,440 | 46,906 | 0.57% | 266 |
| 2017 | - | 777,537 | 1,932,495 | 2,710,032 | 48,680 | 0.53% | 257 |
| 2018 | - | 674,805 | 1,561,043 | 2,235,848 | N/A | N/A | N/A |

Sources: Per capita personal income provided by the Bureau of Economic Analysis, U.S. Department of Commerce (<http://www.bea.gov>).

Notes: Per capita personal income is representative of Miami/Ft. Lauderdale/Pompano Beach metropolitan area.

The City had no notes payable prior to fiscal year 2012. The 2012 notes were issued to refund the 2002 General Obligation Bonds.

City of Lighthouse Point, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 10

| Fiscal Year | General Obligation Bonds | Taxable Value | Percentage of Actual Taxable Value of Property | Per Capita |
|--------------------|---------------------------------|----------------------|---|-------------------|
| 2009 | 4,505,000 | 2,076,613,016 | 0.22% | 409 |
| 2010 | 4,235,000 | 1,843,382,439 | 0.23% | 387 |
| 2011 | 3,955,000 | 1,631,901,386 | 0.24% | 382 |
| 2012 | - | 1,648,795,869 | 0.00% | - |
| 2013 | - | 1,707,169,924 | 0.00% | - |
| 2014 | - | 1,776,261,097 | 0.00% | - |
| 2015 | - | 1,881,909,580 | 0.00% | - |
| 2016 | - | 1,979,665,674 | 0.00% | - |
| 2017 | - | 2,091,641,994 | 0.00% | - |
| 2018 | - | 2,244,395,332 | 0.00% | - |

Source: Broward County Property Appraiser's Office

Note: The City issued General Obligation Bonds in 2002, which were refunded in fiscal year 2012 with a promissory note.

**City of Lighthouse Point, Florida
Direct and Overlapping Activities Debt
As of September 30, 2018**

Table 11

| <u>Jurisdiction</u> | <u>Net Debt Outstanding</u> | <u>Estimate Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|-----------------------------------|---------------------------------|---|---|
| Broward County | \$ 181,970,000 | 1.27% | \$ 2,311,019 |
| School Board of Broward County | 1,662,914,000 | 1.16% | <u>19,289,802</u> |
| Subtotal, overlapping debt | | | 21,600,821 |
| City direct debt | | | <u>2,710,032</u> |
| Total direct and overlapping debt | | | \$ <u><u>24,310,853</u></u> |

Sources: Debt outstanding data provided by each governmental unit.

Notes: The estimated percentage applicable is derived using taxable value data provided by the Broward County Property Appraiser, Form DR-403. That percentage is multiplied by the total County debt outstanding.

The School Board of Broward County debt outstanding is as of June 30, 2018.

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.

The City does not have any pledged revenue.

**City of Lighthouse Point, Florida
Demographic and Economic Statistics
Last Ten Calendar Years**

Table 14

| <u>Calendar Year</u> | <u>Population</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> | <u>Personal Income</u> | |
|----------------------|-------------------|--------------------------|--------------------------|------------------------|-------------------|
| | | | | <u>Total</u> | <u>Per Capita</u> |
| 2009 | 11,020 | 255,738 | 6.0% | 70,090,397 | 40,437 |
| 2010 | 10,955 | 255,203 | 10.0% | 72,712,604 | 41,481 |
| 2011 | 10,344 | 256,872 | 11.5% | 75,315,293 | 42,194 |
| 2012 | 10,536 | 258,803 | 9.0% | 78,687,882 | 43,351 |
| 2013 | 10,401 | 260,796 | 8.4% | 80,525,783 | 43,792 |
| 2014 | 10,374 | 262,563 | 6.4% | 80,905,552 | 43,283 |
| 2015 | 10,358 | 265,401 | 5.6% | 85,167,498 | 44,909 |
| 2016 | 10,506 | 268,836 | 5.0% | 89,572,271 | 46,906 |
| 2017 | 10,526 | 271,105 | 4.6% | 94,239,400 | 48,680 |
| 2018 | 10,560 | 271,517 | 3.9% | N/A | N/A |

Sources: School enrollment data provided by the School Board of Broward County.
Unemployment rates provided by the U.S. Department of Labor, Bureau of Labor Statistics
Personal income data provided by the Bureau of Economic Analysis, U.S. Department of Commerce

Notes: School Enrollment data is County-wide.

Unemployment rates are representative of Miami / Fort Lauderdale / Pompano Beach metropolitan area.

Per capita personal income are representative of Fort Lauderdale / Pompano Beach / Deerfield Beach metropolitan area.

**City of Lighthouse Point, Florida
Principal Employers
Current Year and Nine Years Ago**

Table 15

| Employer | Type of Business | Fiscal Year 2018 | | | Fiscal Year 2014 | | |
|------------------------------|------------------|------------------|------|---------------|------------------|------|---------------|
| | | Employees | Rank | Total County | Employees | Rank | Total County |
| Publix Supermarkets | Retail | 193 | 1 | 0.019% | 275 | 1 | 0.027% |
| City of Lighthouse Point | Municipality | 105 | 2 | 0.010% | 103 | 2 | 0.010% |
| Hendrick Honda | Automotive | 103 | 3 | 0.010% | * | * | * |
| Sheehan Buick GMC, Inc. | Automotive | 100 | 4 | 0.010% | * | * | * |
| Bonefish Mac's Sports Grille | Restaurant | 100 | 4 | 0.010% | 85 | 4 | 0.008% |
| Lighthouse Point Yacht Club | Restaurant | 85 | 5 | 0.008% | 84 | 5 | 0.008% |
| Papa's Raw Bar | Restaurant | 63 | 6 | 0.006% | * | * | * |
| Phil Smith Kia | Automotive | 52 | 7 | 0.005% | * | * | * |
| McDonald's | Restaurant | 48 | 8 | 0.005% | * | * | * |
| The Nauti Dawg Marina Café | Restaurant | 46 | 9 | 0.005% | 48 | 6 | 0.005% |
| TJ Maxx | Retail | 43 | 10 | 0.004% | * | * | * |
| Pompano Honda | Automotive | | | | 99 | 3 | 0.010% |
| Total | | 938 | | 0.092% | 694 | | 0.068% |

Source: Individual businesses upon payment of annual business tax.

* Data not available for fiscal year 2014

Note: This schedule is intended to present information for the current year and nine years ago. However, information prior to FY 2014 is not available as this was the first year businesses provided this information.

City of Lighthouse Point, Florida
Number of Employees by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| General government: | | | | |
| Finance and Administration | <u>5.00</u> | <u>5.00</u> | <u>5.00</u> | <u>5.00</u> |
| Subtotal | <u>5.00</u> | <u>5.00</u> | <u>5.00</u> | <u>5.00</u> |
| Public Safety: | | | | |
| Police | <u>42.05</u> | <u>42.03</u> | <u>43.00</u> | <u>43.00</u> |
| Fire | <u>27.00</u> | <u>27.00</u> | <u>27.00</u> | <u>27.00</u> |
| Building | <u>3.00</u> | <u>3.50</u> | <u>3.50</u> | <u>3.00</u> |
| Code Enforcement | <u>3.00</u> | <u>3.00</u> | <u>3.00</u> | <u>3.00</u> |
| Subtotal | <u>75.05</u> | <u>75.53</u> | <u>76.50</u> | <u>76.00</u> |
| Public Works | <u>12.00</u> | <u>12.00</u> | <u>12.00</u> | <u>12.00</u> |
| Transportation | <u>0.82</u> | <u>0.82</u> | <u>0.88</u> | <u>0.88</u> |
| Culture/Recreation: | | | | |
| Library | <u>4.10</u> | <u>4.10</u> | <u>3.90</u> | <u>3.90</u> |
| Recreation | <u>8.00</u> | <u>7.60</u> | <u>7.68</u> | <u>6.04</u> |
| Subtotal | <u>12.10</u> | <u>11.70</u> | <u>11.58</u> | <u>9.94</u> |
| Total authorized employees | <u><u>104.97</u></u> | <u><u>105.05</u></u> | <u><u>105.96</u></u> | <u><u>103.82</u></u> |

Source: City of Lighthouse Point departmental staff.

Note: All employee counts are reported as Full-Time Equivalent (FTE).

Table 16

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 42.50 | 42.50 | 42.50 | 41.50 | 43.00 | 42.60 |
| 27.00 | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 |
| 3.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 3.00 | 3.00 | 3.00 | 2.50 | 3.07 | 3.07 |
| 75.50 | 74.50 | 75.50 | 74.00 | 76.07 | 75.67 |
| 12.00 | 12.00 | 12.00 | 14.00 | 15.00 | 15.00 |
| 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | 1.09 |
| 3.90 | 3.45 | 4.45 | 4.45 | 3.45 | 3.95 |
| 6.04 | 6.04 | 6.04 | 6.04 | 6.04 | 6.04 |
| 9.94 | 9.49 | 10.49 | 10.49 | 9.49 | 9.99 |
| 103.32 | 101.87 | 103.87 | 104.37 | 106.44 | 106.75 |

City of Lighthouse Point, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------------|---------------|---------------|---------------|---------------|
| General government: | | | | |
| Square miles | 2.49 | 2.49 | 2.49 | 2.49 |
| Elections | | | | |
| Registered voters | 6,855 | 8,379 | 8,640 | 7,827 |
| Votes cast in last election | - | 2,235 | - | 1,722 |
| Lien searches processed | 478 | 530 | 506 | 525 |
| Business licenses issued | 480 | 494 | 449 | 415 |
| Ordinances prepared and adopted | 16 | 9 | 16 | 10 |
| Resolutions prepared and adopted | 65 | 60 | 64 | 57 |
| Commission minutes prepared adopted | 30 | 19 | 21 | 29 |
| Agenda packets prepared | 25 | 17 | 19 | 26 |
| Public safety: | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Uniformed employees | 34 | 34 | 34 | 34 |
| Calls-for-service handled | 10,380 | 10,615 | 10,724 | 10,940 |
| Traffic accidents handled | 427 | 455 | 451 | 400 |
| Traffic citations/warnings issued | 2,354 | 2,231 | 3,070 | 3,462 |
| Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Uniformed employees | 26 | 26 | 26 | 26 |
| Incidents responded to | 1,460 | 1,704 | 1,397 | 1,444 |
| Building | | | | |
| Permits issued | 3,149 | 3,070 | 3,297 | 2,863 |
| Value of construction | \$ 50,925,434 | \$ 41,555,309 | \$ 42,754,614 | \$ 33,659,276 |
| Physical environment | | | | |
| Miles of streets | 41.12 | 41.12 | 41.12 | 41.12 |
| Miles of waterways | 18.00 | 18.00 | 18.00 | 18.00 |
| Culture/Recreation | | | | |
| Library | | | | |
| Books in collection | 40,688 | 42,593 | 41,761 | 41,841 |
| Circulation | 41,117 | 41,272 | 39,482 | 40,377 |
| Volunteer hours | 8,498 | 9,447 | 10,000 | 10,400 |
| Recreation | | | | |
| Facilities | | | | |
| Al Fletcher Park acreage | 0.50 | 0.50 | 0.50 | 0.50 |
| Dan Witt Park acreage | 6.00 | 6.00 | 6.00 | 6.00 |
| DeGroff Park acreage | 4.60 | 4.60 | 4.60 | 4.60 |
| Exchange Club park acreage | 14.00 | 14.00 | 14.00 | 14.00 |
| Frank McDonough Park acreage | 6.10 | 6.10 | 6.10 | 6.10 |
| Tennis Center | 1 | 1 | 1 | 1 |

Source: City of Lighthouse Point departmental staff.

Notes:

Library circulation dropped when the City changed to a fee-for-service library for non-residents (adults over the age of 14 years) as of July 1, 2011.

Table 17

| | <u>2013</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|----|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2.49 | 2.49 | 2.49 | 2.49 | 2.49 | 2.49 |
| | 7,894 | 7,894 | 7,894 | 7,622 | 7,771 | 7,578 |
| | 2,639 | 2,639 | 2,639 | 2,614 | 2,614 | 2,614 |
| | 459 | 459 | 440 | 346 | 361 | 246 |
| | 460 | 460 | 462 | 481 | 500 | 509 |
| | 3 | 3 | 9 | 8 | 4 | 5 |
| | 51 | 51 | 57 | 50 | 61 | 60 |
| | 25 | 25 | 26 | 28 | 24 | 28 |
| | 20 | 20 | 26 | 24 | 24 | 24 |
| | 1 | 1 | 1 | 1 | 1 | 1 |
| | 34 | 34 | 33 | 33 | 33 | 35 |
| | 8,516 | 8,516 | 8,330 | 7,986 | 7,925 | 8,387 |
| | 347 | 347 | 324 | 362 | 339 | 314 |
| | 2,366 | 2,366 | 2,299 | 2,530 | 2,086 | 4,308 |
| | 1 | 1 | 1 | 1 | 1 | 1 |
| | 26 | 26 | 26 | 26 | 26 | 26 |
| | 1,235 | 1,235 | 1,297 | 1,293 | 1,242 | 1,202 |
| | 2,634 | 2,634 | 1,548 | 2,322 | 2,288 | 1,801 |
| \$ | 26,680,297 | 26,680,297 | 25,131,177 | 19,231,270 | 18,457,987 | 14,663,933 |
| | 41.12 | 41.12 | 41.12 | 41.12 | 41.12 | 41.12 |
| | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| | 38,323 | 38,323 | 42,227 | 41,662 | 37,721 | 38,756 |
| | 42,673 | 42,673 | 42,681 | 59,759 | 71,910 | 70,693 |
| | 10,200 | 10,200 | 10,166 | 8,600 | 8,250 | 8,600 |
| | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| | 4.60 | 4.60 | 4.60 | 4.60 | 4.60 | 4.60 |
| | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 |
| | 6.10 | 6.10 | 6.10 | 6.10 | 6.10 | 6.10 |
| | 1 | 1 | 1 | 1 | 1 | 1 |

City of Lighthouse Point, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | 2018 | 2017 | 2016 | 2015 |
|---------------------------|---------------|-------------|-------------|-------------|
| Governmental activities: | | | | |
| General government | | | | |
| Miles of streets | 41.12 | 41.12 | 41.12 | 41.12 |
| Square feet of buildings | 55,208 | 55,208 | 55,208 | 55,208 |
| Public safety: | | | | |
| Number of police stations | 1 | 1 | 1 | 1 |
| Number of fire stations | 1 | 1 | 1 | 1 |
| Culture/Recreation: | | | | |
| Libraries | 1 | 1 | 1 | 1 |
| Acres of parks | 31 | 31 | 31 | 31 |
| Number of parks | 5 | 5 | 5 | 5 |

Source: City Departments

Table 18

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 41.12 55,208 | 41.12 55,208 | 41.12 55,208 | 41.12 55,208 | 41.12 55,208 | 41.12 55,208 |
| 1 1 | 1 1 | 1 1 | 1 1 | 1 1 | 1 1 |
| 1 31 5 | 1 31 5 | 1 31 5 | 1 31 5 | 1 31 5 | 1 31 5 |

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*

Independent Auditor's Report to City Management

Independent Auditor's Report on Compliance with Section 218.415 Florida Statutes

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 City Commissioners
City of Lighthouse Point, Florida
Lighthouse Point, 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, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, 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 March 22, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 22, 2019

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

To the Honorable Mayor and City Commissioners
City of Lighthouse Point, Florida
Lighthouse Point, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 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 the *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 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, which are dated March 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 address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established in 1957 under the provision of Chapter 57-1534 of the laws of the State of Florida. The City does not have any component units.

Financial Condition and Management

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

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

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

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 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 22, 2019

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

To the Honorable Mayor and City Commissioners
City of Lighthouse Point, Florida
Lighthouse Point, Florida

We have examined the City of Lighthouse Point, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the City's compliance with the specific requirements. Our responsibility is to express an opinion on the City's compliance with the specific requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 22, 2019

CPA's + Trusted Advisors