



Lauderdale Lakes
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lauderdalelakes.org

COMPREHENSIVE Annual Financial Report

For The Year Ended September 30, 2019

PREPARED BY
City of Lauderdale Lakes
Financial Services Department

THE CITY OF
LAUDERDALE
LAKES
FLORIDA

WE
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Lauderdale Lakes

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Lauderdale Lakes

INTRODUCTORY SECTION



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April 30, 2020

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

As mandated by both local ordinances and state statutes, the Comprehensive Annual Financial Report (the "CAFR") of the City of Lauderdale Lakes, Florida (the City), for the Fiscal Year ended September 30, 2019, is hereby submitted. In accordance with the philosophy shared by city management, this report provides full disclosure of financial information in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Additionally, an audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

MANAGEMENT RESPONSIBILITY

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

INTERNAL CONTROLS

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

AUDIT PROCESS

The City's financial statements have been audited by HCT Certified Public Accountants and Consultants, LLC. The goal of the auditor was to provide reasonable assurance that the financial statements, for fiscal year ended September 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and financial decision made by management; and evaluating the overall financial statement presentation. The independent auditors, based on their audit, rendered an unmodified opinion that the financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. In addition, the independent audit of the City's financial statements was designed to meet the federal and state mandated "Single Audit" Act which was created to meet the special needs of federal and state agencies. The standards governing Uniform Guidance Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements relating to the administration of federal and state awards. For fiscal year ended September 30, 2019, the City did not meet the spending threshold and thus single audit reports have not been included in a separate report.

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

INTRODUCTION TO THE ANNUAL FINANCIAL REPORT

The Annual Financial Report is divided into three sections:

- **Introductory Section:** This section contains the letter of transmittal, a list of principal officials as of September 30, 2019, and the City's organizational chart.
- **Financial Section:** This section includes the independent auditor's report management discussion and analysis, the basic financial statements and notes that provide an overview of the City's financial position and operating results, required supplementary information and the combining statements of non-major funds and other schedules.
- **Statistical Section:** This section contains unaudited financial data and debt statistics which are generally presented in a multiyear format. The statistical section is included in the year ended September 30, 2019 report.

PROFILE OF THE GOVERNMENT

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

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

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

The Lauderdale Lakes Community Redevelopment Agency (CRA) was successful in achieving the established goals by implementing various projects and programs.

The Commercial Facade Improvement Program was established to revitalize the commercial district and positively impact commercial property values. This program provides matching funds to make significant improvements with a focus on facade, signage, landscaping, parking areas and lighting features. In Fiscal Year 2018, funds totaling \$169,000 were approved and allocated for facade improvements at the Lauderdale Lakes Industrial Park which encompasses over 200 commercial bays. This project is currently underway and scheduled for completion in 2020.

In September of 2017, an agreement between American Land Ventures and the Lauderdale Lakes Community Redevelopment Agency was executed to acquire a 19-acre site for the development of single-family homes. To date, the project is moving through the pre-development approval process to build 77 single-family homes overlooking a beautiful lake and serene park. This development will create homeownership opportunities in the CRA district.

The Lauderdale Lakes Community Redevelopment Agency and City of Lauderdale Lakes continued to work in collaboration with Broward County on the construction and installation of new bus shelters. After several years, this project is nearing completion. The CRA contributed \$185,000 towards this project.

The Northwest 31st Avenue Roadway Improvement Project consists of the installation of sidewalks, lighting features and landscaping for an estimated cost of \$1.4 million. The Northwest 31 Avenue Corridor is a key focal point in the CRA Redevelopment Plan. The CRA funding allocation totaling \$200,000 was the remaining amount needed to complete the project.

The Redevelopment Plan contemplates redevelopment projects on the NW 31 Avenue Corridor that capitalizes on its strategic location, proximity to schools and recreational opportunities. During the public participation process, the residents and business owners identified the need for a Trailhead Park to complement the C-13 Canal Greenway Trail. The CRA acquired a .22 acre lot to construct a park that will include recreational features and greenway trail amenities. In Fiscal Year 2019, the CRA funded professional services for design and engineering services to develop the Trailhead Park.

The Lauderdale Lakes Community Redevelopment Agency, through the Business First! Initiative, promoted resources, training and networking opportunities at the Educational and Cultural Center (ECC). Business activities include forums, entrepreneurial workshops, computer training and business expos. The Lauderdale Lakes Educational and Cultural Center is an entrepreneurial hub that serves to host activities targeted to businesses in the CRA district. Over one hundred (100) businesses participated in the activities conducted throughout the year.

FINANCIAL REPORTING

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

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

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

LONG-TERM FINANCIAL PLAN

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

During fiscal year 2019, the City paid off its outstanding obligation to the Broward Sheriff's Office (BSO). The City extended its existing 5-year services agreement with BSO police and fire rescue and continues negotiations. It is anticipated that the final agreement will be ratified by the City Commission during fiscal year 2020.

The City also adopted financial goals and objectives by which to measure the City's overall performance and financial recovery from poor economic conditions. The City Commission and City Management continued to review and evaluate the budgetary line items and give consideration to the elimination or reduction of expenditures to manage accumulated debt. The City Administration continues to make recommendations to immediately reduce and manage expenses across the board, including personnel costs and contractual services. In fiscal year 2019, the City maintained the increased level of charges for services to meet anticipated soundness and stability which resulted in positive changes in City's financial condition.

MAJOR INITIATIVES AND CAPITAL PROJECTS

During fiscal year 2019, the City continued to effectively deal with its financial challenge. The achievements are as follows:

- Completed Chiller Replacement project;
- Completed City Hall Emergency Generator project;
- Completed Air handler Refurbishment project;
- Completed Water Pollutant Tactics project;
- Provided monthly budget reports to inform the Mayor, City Commission, City Management and external stakeholders of the City's financial condition;
- Achieved a balance budget as of year ended September 30, 2019;
- Continued the implementation of the adopted Strategic Plan goals, objectives, initiatives and performance measures;

INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association for the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City received this award for its FY 2018 CAFR.

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "P. Alleyne", on a light blue background.

Phil Alleyne, P.E.
City Manager

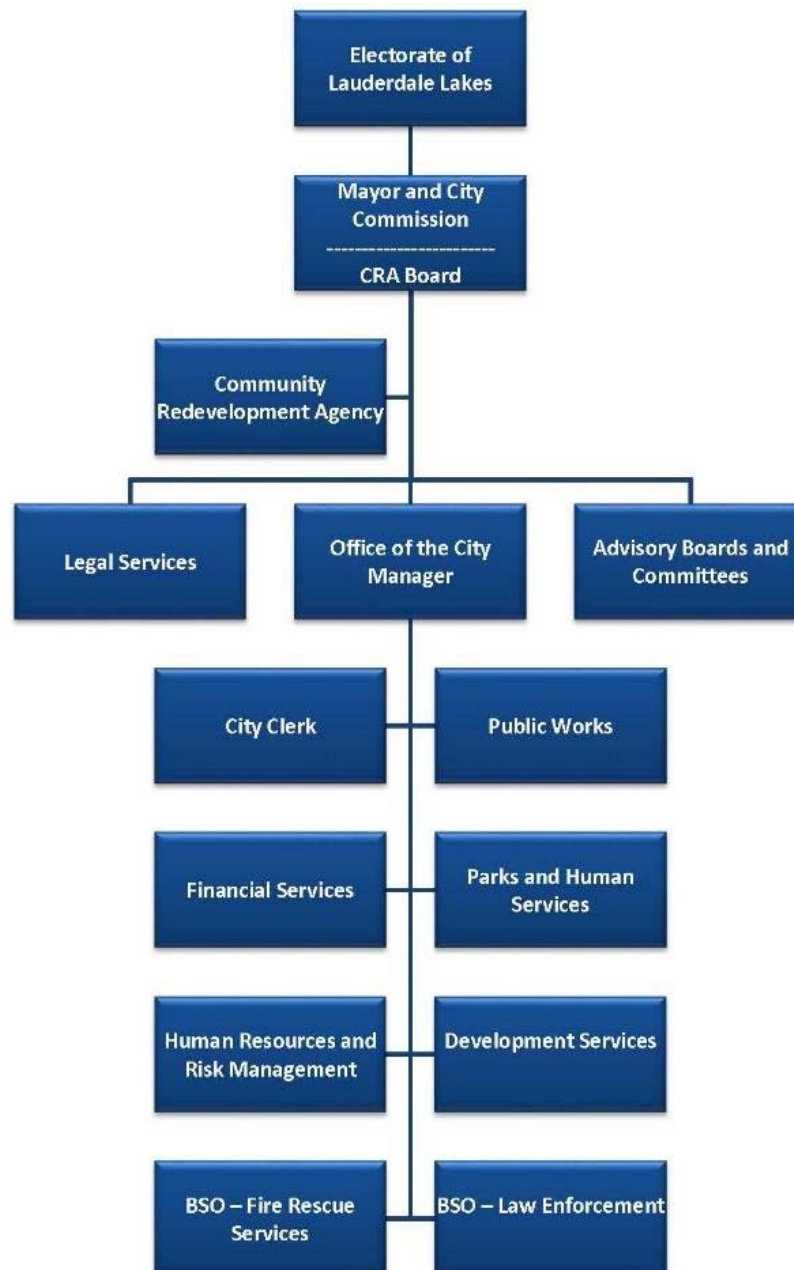
A handwritten signature in blue ink, appearing to read "Margaret Dalley-Johns", on a light blue background.

Margaret Dalley-Johns, CPA
Financial Services Director



Lauderdale Lakes

ORGANIZATIONAL CHART





Lauderdale Lakes

Commission/City Manager Form of Government

MAYOR

Hazelle Rogers

VICE MAYOR

Veronica Edwards Phillips

COMMISSIONERS

Beverly Williams

Marilyn Davis

Sandra Davey

CITY MANAGER

Phil Alleyne, P.E. City Manager

CITY ATTORNEY

Sidney Calloway, Esquire

DEPARTMENT OF FINANCIAL SERVICES

Margaret Dalley-Johns, CPA, Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

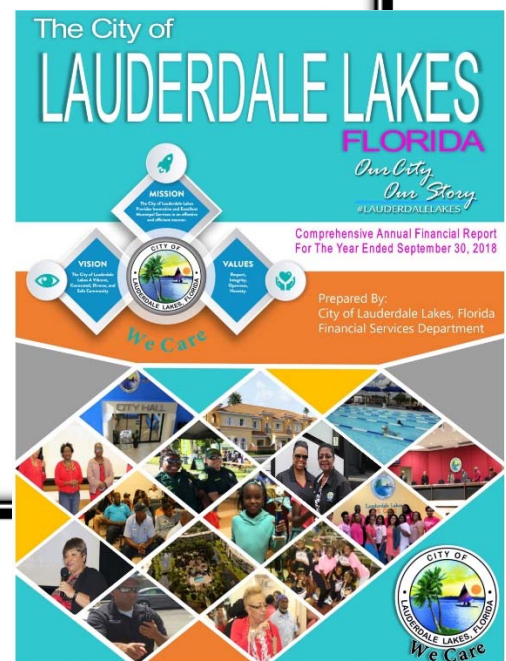
**City of Lauderdale Lakes
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO





Lauderdale Lakes

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida (the 'City') as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Florida Retirement System Pension Plan (included in the general and enterprise funds), which represents, .42%, 1.76% and .46%, respectively of the assets, net position and expenditures of the Fiduciary Funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Lauderdale Lakes, Florida is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, *Rule of the Auditor General*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Adjustments

As described in Note 12 to the financial statements, in 2019, the City made adjustments to its capital assets beginning balances in both governmental and proprietary funds based on a valuation and inventory study that was performed. 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, budgetary comparison information, schedules relating to Pensions and other post-employment benefits on pages 5–14 and 59-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
April 30, 2020



Lauderdale Lakes

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

As management of the City of Lauderdale Lakes, Florida (the "City"), we offer the readers of this narrative representation of the City's financial performance for the fiscal year ended September 30, 2019. The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR) is designed to:

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

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

Financial Highlights

The following are the highlights of financial activity for the fiscal year ended September 30, 2019:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$ 47,423,094 (net position).
- The City's governmental net position increased by \$ 6,147,328 mainly due to maintaining revenues categorized as charges for services and similar activity in the City's overall expenses from the prior year. There was a \$ 9,877,688 prior period adjustment to the beginning fund balance. This was due to the capital asset inventory which took place during FY 2018.
- As of the close of fiscal year 2019, the City's governmental funds reported combined ending fund balance of \$ 19,549,636. Per GASB Statement No. 54, the fund balances are classified approximately as follows:
\$ 292,654 is Non-Spendable, 2) \$ 5,881,037 is Restricted, 3) \$ 500,000 is Committed, 4) \$ 1,225,493 is Assigned and 5) \$ 11,650,452 is Unassigned.
- The City's governmental activities reflected \$ 30,724,438 in expenses and \$ 36,871,766 million in revenues and transfers. The City's governmental revenues exceeded expenses, providing a) \$ 6,147,328 increase in net position.
- The business-type activities for the City reflected \$ 3,774,383 in expenses and transfers out against \$ 4,128,772 recognized in revenues that resulted in a \$ 354,388 increase in net position.
- The Community Redevelopment Agency (the "CRA") fund revenues exceeded its expenditures by \$ 1,111,567. The CRA remained current with all debt obligations and received payment from the City in the amount of \$210,000 in accordance with a forbearance agreement.

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

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, social services, culture and recreation, and economic and physical environment. The business-type activities consist of stormwater services, solid waste/recycling services and building services.

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

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

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

Governmental funds

Governmental funds are reported in the fund financial statements. These funds encompass the same functions reported as governmental activities in the government-wide financial statements; however, the focus is very different with fund statements providing a distinctive view of the City's

governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two financial perspectives may provide insight into the long-term impact of short-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives. Individual fund financial data for each of these non-major governmental funds is provided in the form of combining statements on pages 73 and 74 of this report.

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

Proprietary Funds

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

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

The accompanying notes to the financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 26 through 57 of this report.

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

Required supplementary information can be found on pages 58 through 71 of this report.

City of Lauderdale Lakes, Florida
Management's Discussion and Analysis
September 30, 2019

Government-Wide Financial Analysis

Summary of net position: The overall net position of the City decreased in 2019. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six (6) basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

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

Net position may serve as a useful indicator of the City's financial position. The City's total net position as reflected on the Statement of Net Position was \$47,423,094 at the close of this fiscal year. This was a decrease of approximately 5% compared to last year's net position of \$50,061,102.

The largest portion of the City's net position reflects its 50% investment in capital assets (e.g.; land, building, and equipment), less any related debt used to acquire those assets that are still outstanding. Capital assets are used to provide services to citizens; and thus, they are not available for future spending. The City's investment in its capital assets is reported net of related debt. The resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business -Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 20,867,452	\$ 16,934,617	\$ 5,559,930	\$ 6,214,970	\$ 26,427,382	\$ 23,149,587
Capital asset (net)	31,584,153	41,405,745	7,595,194	5,676,904	39,179,347	47,082,649
Total assets	52,451,605	58,340,362	13,155,124	11,891,874	65,606,729	70,232,236
Total deferred outflow of resources	219,423	271,058	59,984	72,054	279,407	343,112
Current and other liabilities	3,374,172	4,068,214	723,022	566,194	4,097,194	4,634,408
Long term liabilities	14,022,137	15,559,222	220,648	234,190	14,242,785	15,793,412
Total liabilities	17,396,309	19,627,436	943,670	800,384	18,339,979	20,427,820
Total deferred inflows of resources	92,885	71,789	30,178	14,638	123,063	86,427
Net Position:						
Net Investment in capital assets	17,652,450	23,695,008	7,585,117	5,676,904	25,237,567	29,371,912
Restricted	5,881,037	2,536,149	-	-	5,881,037	2,536,149
Unrestricted (deficit)	11,648,348	12,681,038	4,656,142	5,472,003	16,304,490	18,153,041
Total net position	\$ 35,181,835	\$ 38,912,195	\$ 12,241,259	\$ 11,148,907	\$ 47,423,094	\$ 50,061,102

City of Lauderdale Lakes, Florida
Management's Discussion and Analysis
September 30, 2019

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

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

For the Year Ended September 30, 2019:

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

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

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

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

The three primary governmental revenues as reflected on the Statement of Activities are comprised of property taxes, charges for services and unrestricted, intergovernmental revenues for fiscal year 2019. For fiscal year 2019, property taxes of \$11,618,690 represents 32% of revenues while charges for services of \$10,101,077 comprise 28% of revenues and unrestricted intergovernmental revenues of \$4,065,918 comprised 11% of revenues. Other major sources of revenues include \$3,238,666 in franchise and other taxes or 9%; \$2,701,854 from utility taxes or 7% and operating grants/contribution comprise 7% or \$2,437,826.

City of Lauderdale Lakes, Florida
Management's Discussion and Analysis
September 30, 2019

The following table that appears below reflects the City's revenues and expenses for fiscal year 2019 compared to fiscal year 2018, with the resulting change in net position:

	Governmental Activities		Business -Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,101,077	\$ 8,628,102	\$ 4,101,371	\$ 3,844,671	\$ 14,202,448	\$ 12,472,773
Operating grants and contributions	2,437,826	930,533	-	-	2,437,826	930,533
Capital grants and contributions	229,413	118,950	-	7,820	229,413	126,770
General revenues:						
Property taxes and tax increments	11,618,690	10,667,706	-	-	11,618,690	10,667,706
Sales, use and motor fuel taxes	640,071	636,299	-	-	640,071	636,299
Franchise and other taxes	3,238,666	3,042,613	-	-	3,238,666	3,042,613
Utility taxes	2,701,854	2,626,888	-	-	2,701,854	2,626,888
Unrestricted:						
Intergovernmental revenue	4,065,918	4,055,425	-	-	4,065,918	4,055,425
Investment earnings	263,725	202,043	-	-	263,725	202,043
Miscellaneous	916,783	262,072	27,401	5,803	944,184	267,875
Total revenues	36,214,023	31,170,631	4,128,772	3,858,294	40,342,795	35,028,925
Expenses:						
General government	5,147,586	5,938,015	-	-	5,147,586	5,938,015
Public safety	17,909,903	17,393,101	-	-	17,909,903	17,393,101
Economic and physical environment	3,363,641	3,721,221	-	-	3,363,641	3,721,221
Social services	1,117,536	844,719	-	-	1,117,536	844,719
Culture and recreation	1,881,536	2,117,167	-	-	1,881,536	2,117,167
Highways, streets and transportation	644,858	691,785	-	-	644,858	691,785
Interest on long-term debt	659,379	682,993	-	-	659,379	682,993
Storm water	-	-	1,301,330	1,421,378	1,301,330	1,421,378
Solid waste /recycling	-	-	1,088,983	1,122,802	1,088,983	1,122,802
Building services	-	-	726,328	717,718	726,328	717,718
Total expenses	30,724,438	31,389,001	3,116,641	3,261,898	33,841,079	34,650,899
Increase in net position before transfers	5,489,585	(218,370)	1,012,131	596,396	6,501,716	378,026
Transfers	657,743	747,563	(657,743)	(747,563)	-	-
Increase in net position	6,147,328	529,193	354,388	(151,167)	6,501,716	378,026
Net position, October 1	38,912,195	38,383,002	11,148,907	11,300,074	50,061,102	49,683,076
Prior Period Adjustment	(9,877,688)	-	737,964	-	(9,139,724)	-
Net position, September 30	\$ 35,181,835	\$ 38,912,195	\$ 12,241,259	\$ 11,148,907	\$ 47,423,094	\$ 50,061,102

Governmental activity: When compared with fiscal year 2018, there was an increase in property taxes of \$950,984 or 9%, due to an increase in assessed valuation of property within the City. The operating millage rate in fiscal year 2019 increased to 8.60 mills, from 8.50 mills in fiscal 2018.

Governmental expenses are largely concentrated in one function, public safety, which comprises Police and Fire Rescue Services (provided by the Broward Sheriff's Office). Public safety expenses totaling \$16,717,911 and \$17,393,101 represents 52% and 55% of total governmental expenses in 2019 and 2018, respectively.

Business-type activity: Revenues earned by business-type activities are primarily concentrated in one source, charges for services of \$ 4,101,371. This represents the fees charged for each of the City's enterprise funds; stormwater of \$ 1,923,740 solid waste/recycling of \$ 1,305,798 and building services of \$871,833. The City must examine all rates and fees to ensure that these funds operate at full cost recovery.

During fiscal year 2019 the fees charged to stormwater customers remained the same at \$6.25 monthly. Charges for services in the stormwater fund increased by \$26,601 from the prior year. The stormwater fund increased its net position by \$273,327. Solid waste fee also remained the same at \$260 for fiscal year 2019. Total operating revenue in the solid waste fund increased by \$41,876 from the prior year.

Building services experienced an increase in revenue in fiscal year 2019 due to the growth in private construction projects in the City. The net position in the building services fund decreased slightly by \$7,887. Overall, the Business-type activities net positions increased by \$348,656.

Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$19,549,636, an increase of \$3,867,809 in comparison with 2018.

The General Fund

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

The general fund increased its fund balance by \$2,629,686 during fiscal year 2019. This increase was mainly caused by an increase from property tax revenue and charges for services in 2019.

Total fund balance in the General Fund was \$13,631,664 as of September 30, 2019, \$287,818 of this amount is non-spendable, \$500,000 of committed fund balance, \$509,307 of assigned fund balances and the remaining fund balance of \$ 12,334,539 is unassigned.

Major Special Revenue Funds

The Fire Rescue Fund expenditures exceeded its revenues by \$61,129, resulting in a deficit fund balance of \$28,484 at September 30, 2019.

The City's Grants Fund showed a fund balance deficit of \$684,087 as of September 30, 2019, increasing by \$9,903 from the prior year. The City Commission must designate what the next action will be to eliminate the deficits.

The CRA fund revenues exceeded its expenditures by \$871,567. The CRA fund had a positive fund balance of \$4,505,426 for the fiscal year ended September 30, 2019.

General Fund Budgetary Highlights

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

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

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

- The base revenue budget was \$19,842,762. Differences between estimated and actual revenues totaled \$3,097,396. These differences were mostly attributed to more than expected revenues from franchise fees, utility taxes, and intergovernmental revenues.
- Actual expenditures were less than the final budget by \$319,642. The differences were mostly due to the reduction in expenditures of operating and capital assets.

Capital Assets and Debt Administration

Capital assets: The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2019 amount to \$39,179,347 compared to \$47,082,649 from the previous year. Among the major projects were public works vehicles and equipment.

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

City of Lauderdale Lakes, Florida
Management's Discussion and Analysis
September 30, 2019

City of Lauderdale Lakes
Capital Assets
September 30, 2019

	Governmental Activities		Business -Type Activties		Total	
	2019	2018	2019	2018	2019	2018
Capital assets, net of depreciation:						
Land	\$ 21,364,799	\$ 18,576,965	\$ -	\$ -	\$ 21,364,799	\$ 18,576,965
Construction in progress	211,113	546,984	-	-	211,113	546,984
Buildings	177,017	3,707,242	233,963	240,839	410,980	3,948,081
Machinery, equipment and vehicles	3,286,259	175,885	311,601	725,689	3,597,860	901,574
Infrastructure	6,544,965	18,398,669	7,049,630	4,747,255	13,594,595	23,145,924
Total	\$ 31,584,153	\$ 41,405,745	\$ 7,595,194	\$ 5,713,783	\$ 39,179,347	\$ 47,119,528

Debt administration: Presented below is a table showing the City's total outstanding debt as of September 30, 2019 compared to 2018.

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

City of Lauderdale Lakes
Outstanding Debt
September 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Long-Term debt:						
General obligation bonds	\$ 7,089,722	\$ 7,899,630	\$ -	\$ -	\$ 7,089,722	\$ 7,899,630
Revenue bonds	2,569,600	2,762,700	-	-	2,569,600	2,762,700
Note Payable - CRA	4,272,381	4,910,617	-	-	4,272,381	4,910,617
Capital lease	-	-	10,076	54,571	10,076	54,571
BSO repayment agreement	-	821,023	-	-	-	821,023
Net pension liability	658,799	660,307	175,124	175,525	833,923	835,832
Other post-employment benefit obligation	575,207	517,946	-	-	575,207	517,946
Compensated absences	711,784	620,893	56,907	60,736	768,691	681,629
Total	\$ 15,877,493	\$ 18,193,116	\$ 242,107	\$ 290,832	\$ 16,119,600	\$ 18,483,948

Economic Factors and Next Year's Budget

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

2020 Budget:

Fiscal year 2020 reflects no increase in the operating millage rate of \$8.60 per \$1,000 of taxable value to the residents of the City. At the adopted rate, the City will generate \$10,416,698 in property tax revenue (minus tax increment financing to the CRA). This is an increase of 16.36% from the tax revenue receipts of \$8,952,078 in FY 2019.

The fiscal year 2020 budget is based on several key factors: (1) the operating millage rate of \$8.60 per \$1,000 of taxable value while still maintaining key services; (2) increased property tax revenue estimates due to the 14.75% increase in the City's 2019 property tax base (3) slight increase in the Solid Waste assessment rates for residential properties from \$270 to \$272; (4) no increase in the voter approved 2005 General Obligation (GO) Bond for capital improvements, the rate remains the same at \$1.095 per \$1,000 of taxable value; and (5) continuation of the Broward Sheriff's Office (BSO) Police, Emergency Medical Services and Fire Rescue Services. The City extended the current agreement for one year, with the Broward Sheriff's Office (BSO) for Police, Emergency Medical Services and Fire Rescue Services, while continuing to negotiate a new contract.

The adopted fiscal year 2020 General Fund budget at \$22,557,809 increased from the amended fiscal year 2019 expenditure budget of \$21,555,154. In fiscal year 2020 the projected revenue for all funds of the City totaled \$49,255,824 increased by \$5,152,654 from the fiscal year 2019 final revenue of \$44,103,170. This increase is largely attributed to revenue increases anticipated in the General, Capital Improvement, Fire, Grants, Community Redevelopment Agency Funds to maintain the current levels of service.

In 2020, the City will continue to experience relief in its financial condition due to the improving economy, re-alignment of the City resources, and strategic financial management and planning. As the City moves forward, it endeavors to seek opportunities to leverage its resources to benefit the residents of Lauderdale Lakes. The City continues its focus on implementation of the community's vision for the future and the Redevelopment Plan to improve infrastructure, roadways, canals, streetscape, and stormwater drainage systems.

Requests for Information

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



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Lauderdale Lakes

BASIC FINANCIAL STATEMENTS

City of Lauderdale Lakes, Florida
Statement of Net Position
September 30, 2019

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets:			
Current assets:			
Pooled cash and cash equivalents	\$ 9,180,004	\$ 5,438,778	\$14,618,782
Investments	4,209,726	-	4,209,726
Receivables (net)	1,371,457	15,633	1,387,090
Due from other governments	1,926,780	100,791	2,027,571
Prepays	292,654	4,728	297,382
Restricted cash	3,886,831	-	3,886,831
Capital assets not being depreciated	21,575,912	-	21,575,912
Capital assets being depreciated	10,008,241	7,595,194	17,603,435
Total assets	52,451,605	13,155,124	65,606,729
Deferred Outflows of Resources:			
Deferred outflows related to pension	219,423	59,984	279,407
Liabilities:			
Accounts payable and accrued liabilities	1,186,434	698,754	1,885,188
Due to other governments	1,275	496	1,771
Other liabilities	10,494	-	10,494
Unearned revenue	119,614	-	119,614
Accrued interest payable	200,998	2,314	203,312
Noncurrent liabilities:			
Due within one year:			
Compensated absences	142,357	11,381	153,738
Bonds and notes	1,713,000	10,077	1,723,077
Due in more than one year:			
Bonds and notes	12,218,704	-	12,218,704
Compensated absences	569,427	45,524	614,951
Net pension liability	658,799	175,124	833,923
Net OPEB obligation	575,207	-	575,207
Total liabilities	17,396,309	943,670	18,339,979
Deferred Inflows of Resources:			
Deferred inflows related to pension	92,885	30,178	123,063
Net Position:			
Net investment in capital assets	17,652,450	7,585,117	25,237,567
Restricted for:			
Community services	4,525,440	-	4,525,440
Park projects	1,148,818	-	1,148,818
Law enforcement	84,007	-	84,007
Fire services	(28,484)	-	(28,484)
Code enforcement	5,320	-	5,320
Debt service	145,936	-	145,936
Unrestricted:	11,648,348	4,656,142	16,304,490
Total net position	\$ 35,181,835	\$ 12,241,259	\$47,423,094

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

City of Lauderdale Lakes, Florida
Statement of Activities
For the Year Ended September 30, 2019

Functions/Program	Net (Expense) Revenue and Changes in Net Position				
	Program Revenues		Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 5,156,650	\$ 1,735,623	\$ 1,512,387	\$ -	\$ (1,908,640)
Public safety	17,905,891	8,022,836	187,333	-	(9,695,722)
Economic and physical environment	3,358,588	50,286	66,400	-	(3,241,902)
Social services	1,117,536	74,993	554,058	229,413	(259,072)
Culture and recreation	1,881,536	217,339	117,648	-	(1,546,549)
Highways, streets and transportation	644,858	-	-	-	(644,858)
Interest on long-term debt	659,379	-	-	-	(659,379)
Total governmental activities	30,724,438	10,101,077	2,437,826	229,413	(17,956,122)
Business-type activities:					
Building Services	726,328	871,833	-	-	145,505
Solid Waste / Recycling Fund	1,088,982	1,305,798	-	-	216,815
Stormwater Utility Fund	1,301,330	1,923,740	-	-	622,410
Total business-type activities	3,116,640	4,101,371	-	-	984,730
Total primary government	33,841,078	14,202,448	2,437,826	229,413	(16,971,392)
General revenues:					
Property taxes and tax increments				11,618,690	11,618,690
Sales, use and motor fuel taxes				640,071	640,071
Franchise and other taxes				3,238,666	3,238,666
Utility taxes				2,701,854	2,701,854
Unrestricted intergovernmental revenue				4,065,919	4,065,919
Unrestricted investment earnings				263,725	263,725
Miscellaneous				916,782	944,183
Transfers:				27,401	
Total general revenues, special items, and transfers				(657,743)	
Change in net position				(630,342)	23,473,108
Net position - beginning				354,388	6,501,716
Prior Period Adjustment*				11,148,907	50,061,102
Net position - ending				737,964	(9,139,724)
				\$ 12,241,259	\$ 47,423,094

* See Note 12 for further information.

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

City of Lauderdale Lakes, Florida
Balance Sheet
Governmental Funds
September 30, 2019

	General Fund	Fire Rescue Fund	Grants Fund	Community Redevelopment Agency	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Pooled cash and cash equivalents	\$ 6,382,907	\$ -	\$ -	\$ -	\$2,797,097	\$ 9,180,004
Investments	4,209,726	-	-	-	-	4,209,726
Receivables (net of allowance for collectibles):						
Accounts	1,124,892	226,150	-	-	-	1,351,042
Intergovernmental	1,709,890	1,467	114,066	-	20,415	1,845,838
Due from other funds	1,803,000	-	-	-	101,357	1,904,357
Advance from General Fund	-	-	-	1,118,031	-	1,118,031
Prepaid items	287,818	-	-	4,836	-	292,654
Restricted cash	-	-	-	3,886,831	-	3,886,831
Total assets	<u>15,518,233</u>	<u>227,617</u>	<u>114,066</u>	<u>5,009,698</u>	<u>\$2,918,869</u>	<u>\$ 23,788,483</u>
LIABILITIES						
Accounts payable and accrued liabilities	703,845	-	139,656	1,154	341,779	1,186,434
Due to other funds		190,161	657,747	503,118	451,973	1,802,999
Due to other governments	525	-	750	-	-	1,275
Advance to community redevelopment fund	1,118,031	-	-	-	-	1,118,031
Other liabilities	10,494	-	-	-	-	10,494
Unearned revenue	53,674	65,940	-	-	-	119,614
Total liabilities	<u>1,886,569</u>	<u>256,101</u>	<u>798,153</u>	<u>504,272</u>	<u>793,752</u>	<u>\$ 4,238,847</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	287,818	-	-	4,836	-	292,654
Restricted for:						
Community services	-	-	-	4,500,590	-	4,500,590
Park projects	-	-	-	-	1,148,818	1,148,818
Law enforcement	-	-	-	-	84,007	84,007
Fire services	-	(28,484)	-	-	-	(28,484)
Code enforcement	-	-	-	-	5,320	5,320
Community development	-	-	-	-	24,850	24,850
Debt Service	-	-	-	-	145,936	145,936
Committed for:						
Budget stabilization and emergency preparedness	500,000	-	-	-	-	500,000
Assigned for:						
Capital projects	509,307	-	-	-	716,186	1,225,493
Unassigned:						
Special revenue (deficit)	-	-	(684,087)	-	-	(684,087)
General fund	12,334,539	-	-	-	-	12,334,539
Total fund balances (deficits)	<u>\$ 13,631,664</u>	<u>\$ (28,484)</u>	<u>\$ (684,087)</u>	<u>\$ 4,505,426</u>	<u>\$2,125,117</u>	<u>\$ 19,549,636</u>
Total liabilities and fund balances (deficits)	<u>\$ 15,518,233</u>	<u>\$ 227,617</u>	<u>\$ 114,066</u>	<u>\$ 5,009,698</u>	<u>\$2,918,869</u>	<u>\$ 23,788,483</u>

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

City of Lauderdale Lakes, Florida
Reconciliation of the Fund Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2019

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

Total fund balances of governmental funds in the balance sheet	\$ 19,549,636
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	60,854,643
Less accumulated depreciation	(29,270,490)

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

Net pension liability	(658,799)
Deferred outflows related to pension	219,423
Deferred inflows related to pension	(92,885)

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

Net OPEB obligation	(575,207)
Accrued interest payable	(200,998)
Compensated absences payable	(711,784)
Debt	(13,931,704)

Net Position of Governmental Activities	\$ 35,181,835
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The accompanying notes to basic financial statements are an integral part of these statements.

City of Lauderdale Lakes, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2019

	General Fund	Fire Rescue Fund	Grants Fund	Community Redevelopment Agency Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes and tax increments	\$ 7,774,659	\$ -	\$ -	\$ 2,666,612	\$ 1,177,419	\$ 11,618,690
Sales, use and motor fuel taxes	-	-	-	-	640,071	640,071
Franchise and other taxes	3,238,666	-	-	-	-	3,238,666
Utility taxes	2,701,854	-	-	-	-	2,701,854
Revenue intergovernmental	4,134,559	-	-	-	35,359	4,169,918
Special assessments	-	6,294,414	-	-	-	6,294,414
Charges for services	1,335,567	492,924	-	-	146,141	1,974,632
Licenses and permits	1,735,556	-	-	-	-	1,735,556
Fines and forfeitures	67,214	-	-	-	7,048	74,262
Investment income	250,133	-	-	13,592	-	263,725
Miscellaneous	207,963	22,213	-	-	708,819	938,995
Governmental grants	1,512,387	-	550,443	-	500,409	2,563,239
Total revenues	<u>22,958,558</u>	<u>6,809,551</u>	<u>550,443</u>	<u>2,680,204</u>	<u>3,215,266</u>	<u>36,214,022</u>
EXPENDITURES						
Current:						
General government	4,814,528	-	-	-	-	4,814,528
Public safety	10,070,236	6,626,250	-	-	21,425	16,717,911
Public works	1,803,862	-	-	-	-	1,803,862
Culture and recreation	1,753,763	-	127,773	-	-	1,881,536
Economic and physical environment	765,621	-	-	566,152	125	1,331,898
Highways and streets	-	-	-	-	644,858	644,858
Social services	415,594	-	63,034	-	638,908	1,117,536
Capital outlay	283,888	-	349,733	122,748	776,061	1,532,430
Debt service:						-
Principal	812,637	244,430	-	633,043	809,908	2,500,018
Interest and fiscal changes	93,909	-	-	246,694	318,776	659,379
Total expenditures	<u>20,814,038</u>	<u>6,870,680</u>	<u>540,540</u>	<u>1,568,637</u>	<u>3,210,061</u>	<u>33,003,956</u>
Excess (deficiency) of revenues over expenditures	<u>2,144,520</u>	<u>(61,129)</u>	<u>9,903</u>	<u>1,111,567</u>	<u>5,205</u>	<u>3,210,066</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	897,743	-	-	-	412,577	1,310,320
Transfers Out	(412,577)	-	-	(240,000)	-	(652,577)
Total other financing sources (uses)	<u>485,166</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>412,577</u>	<u>657,743</u>
Net change in fund balances	2,629,686	(61,129)	9,903	871,567	417,782	3,867,809
Fund balances - beginning	11,001,978	32,645	(693,990)	3,633,859	1,707,335	15,681,827
Fund balances - ending	<u>\$ 13,631,664</u>	<u>\$ (28,484)</u>	<u>\$ (684,087)</u>	<u>\$ 4,505,426</u>	<u>\$ 2,125,117</u>	<u>\$ 19,549,636</u>

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

City of Lauderdale Lakes, Florida
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2019

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

Net change in fund balances - total governmental funds	\$ 3,867,809
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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	1,198,884
Changes in capital assets inventory	(284,128)
Less current year provision for depreciation	(1,197,097)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	2,500,018
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Certain items reported in the statement of activities do not
require the use of current financial resources and therefore are
not reported as expenditures in the governmental funds:

Change in accrued interest payable	(54,263)
Change in net pension liability	(1,508)
Change in deferred outflows related to pension	(51,635)
Change in deferred inflows related to pension	21,096
Change in net OPEB obligation	57,261
Change in compensated absences payable	<u>90,891</u>

Change in Net Position of Governmental Activities	\$ <u>6,147,328</u>
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The accompanying notes to basic financial statements are an integral part of these statements.

City of Lauderdale Lakes, Florida
Statement of Net Position
Proprietary Funds
September 30, 2019

	Business-type Activities			
	Stormwater Utility Fund	Solid Waste / Recycling Fund	Building Services	Total Enterprise Funds
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 2,654,716	\$ 1,857,413	\$ 926,649	\$ 5,438,778
Receivables (net of allowance for collectibles)	-	15,633	-	15,633
Prepaid	-	-	4,728	4,728
Intergovernmental	100,433	358	-	100,791
Total current assets	<u>2,755,149</u>	<u>1,873,404</u>	<u>931,377</u>	<u>5,559,930</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>7,186,543</u>	<u>156,549</u>	<u>252,102</u>	<u>7,595,194</u>
Total noncurrent assets	<u>7,186,543</u>	<u>156,549</u>	<u>252,102</u>	<u>7,595,194</u>
Total assets	<u>9,941,692</u>	<u>2,029,953</u>	<u>1,183,479</u>	<u>13,155,124</u>
Deferred Outflows of Resources:				
Deferred outflows related to pension	58,327	-	1,656	59,983
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	166,286	168,975	363,493	698,754
Due to other governments	496	-	-	496
Accrued interest payable	2,314	-	-	2,314
Current portion of loans payable	10,077	-	-	10,077
Current portion of compensated absences	<u>8,078</u>	<u>-</u>	<u>3,303</u>	<u>11,381</u>
Total current liabilities	<u>187,251</u>	<u>168,975</u>	<u>366,796</u>	<u>723,022</u>
Noncurrent liabilities:				
Compensated absences net of current portion	32,311	-	13,213	45,524
Net pension liabilities	<u>175,124</u>	<u>-</u>	<u>-</u>	<u>175,124</u>
Total noncurrent liabilities	<u>207,435</u>	<u>-</u>	<u>13,213</u>	<u>220,648</u>
Total liabilities	<u>394,686</u>	<u>168,975</u>	<u>380,009</u>	<u>943,670</u>
Deferred Inflows of Resources:				
Deferred inflows related to pension	<u>30,178</u>	<u>-</u>	<u>-</u>	<u>30,178</u>
NET POSITION				
Net investment in capital assets	7,176,466	156,549	252,102	7,585,117
Unrestricted	<u>2,398,689</u>	<u>1,704,429</u>	<u>553,024</u>	<u>4,656,142</u>
Total net position	<u>\$ 9,575,155</u>	<u>\$ 1,860,978</u>	<u>\$ 805,126</u>	<u>\$12,241,259</u>

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

City of Lauderdale Lakes, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			
	Major Funds		Nonmajor Fund	
	Stormwater Utility Fund	Solid Waste / Recycling Fund	Building Services	Total Enterprise Funds
OPERATING REVENUES				
Charges for services	\$1,923,740	\$ 1,305,798	\$ 871,833	\$ 4,101,371
Miscellaneous	-	27,401	-	27,401
Total operating revenues	1,923,740	1,333,199	871,833	4,128,772
OPERATING EXPENSES				
Personnel costs	884,487	43,967	378,797	1,307,251
Operating expenses	225,586	1,033,200	325,242	1,584,028
Provision for depreciation	186,393	11,815	22,289	220,497
Total operating expenses	1,296,466	1,088,982	726,328	3,111,776
Operating income	627,274	244,217	145,505	1,016,996
NONOPERATING EXPENSES				
Interest expense	4,864	-	-	4,864
Income before transfers	622,410	244,217	145,505	1,012,132
Transfers				
Transfers out	(349,083)	(161,000)	(147,660)	(657,743)
Change in net position	273,327	83,217	(2,155)	354,388
Net position - beginning of year	8,560,997	1,619,533	968,377	11,148,907
Plus adjustment to beginning net position*	740,831	158,228	(161,096)	737,964
Net position - end of year	\$9,575,155	\$ 1,860,978	\$ 805,126	\$ 12,241,259

* See Note 12

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

City of Lauderdale Lakes, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities Enterprise Funds			
	Major Funds		Nonmajor Fund	Total Enterprise Funds
	Stormwater Fund	Solid Waste Fund	Building Services Fund	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 1,923,740	\$ 1,393,214	\$ 939,613	\$ 4,256,567
Payments to employees	(884,487)	(43,967)	(378,797)	(1,307,251)
Payments to suppliers	(225,586)	(1,033,200)	(324,418)	(1,583,204)
Net cash provided (used) by operating activities	813,667	316,047	236,398	1,366,112
Cash Flows from Non-Capital Financing				
Transfers to other funds	(349,083)	(161,000)	(147,660)	(657,743)
Net cash provided (used) by noncapital financing activities	(349,083)	(161,000)	(147,660)	(657,743)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(1,023,717)	-	(42,350)	(1,066,067)
Repayments of capital debt	(44,495)	-	-	(44,495)
Interest paid	(4,864)	-	(6,556)	(11,420)
Net cash provided (used) by capital and related financing activities	(1,073,076)	-	(48,906)	(1,121,982)
Net increase (decrease) in cash and cash equivalents	(608,492)	155,047	39,832	(413,613)
Pooled Cash and Cash Equivalents - beginning of year	3,263,208	1,702,366	886,817	5,852,391
Pooled Cash and Cash Equivalents - end of year	\$ 2,654,716	\$ 1,857,413	\$ 926,649	\$ 5,438,778
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 622,410	\$ 244,217	\$ 138,949	\$ 1,005,576
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Provision for depreciation	186,393	11,815	22,289	220,497
(Increase) decrease in:				
Receivables	(34,943)	(14,423)	-	(49,366)
Prepays	-	-	916	916
Deferred outflows of resources	(13,726)	-	(1,656)	(15,382)
Increase (decrease) in:				
Accounts payable and accrued liabilities	48,326	74,438	74,244	197,008
Deferred inflows of resources	11,095	-	-	11,095
Net pension Liability	(401)	-	-	(401)
Compensated absences	(5,487)	-	1,656	(3,831)
Total adjustments	191,257	71,830	97,449	360,536
Net cash provided by operating activities	\$ 813,667	\$ 316,047	\$ 236,398	\$ 1,366,112

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



Lauderdale Lakes

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

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

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

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

The Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. They also distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are financed through taxes and

Note 1 – Summary of Significant Accounting Policies (Continued)

intergovernmental revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to external parties.

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

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

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

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

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

The City reports the following major governmental funds:

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

Resources of all funds have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is recorded as earned and is allocated monthly based upon equity of the respective funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2019.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission. The Broward County Property Appraiser then incorporates the City’s millage into the total tax levy, which includes the County, the County School Board, and other agency tax requirements. The millage rate assessed by the City for the year ended September 30, 2019 was 8.6 mills (\$8.6 per \$1,000 of taxable assessed valuation). Non ad valorem special assessments for the enterprise funds are separate and distinct from the ad valorem tax levy as these amounts are assessed to recover costs associated with providing services to the residents and businesses within the City.

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Date of management review: Subsequent events were evaluated through April 30, 2020, which is the date the financial statements were available to be issued.

Note 2 – Deposits and Investments

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

Deposits: In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all amounts presented as deposits are insured or collateralized.

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

Note 2 – Deposits and Investments (Continued)

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

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

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

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

The City had the following investments as of September 30, 2019:

<u>Investment</u>	<u>Value</u>	<u>Maturities</u>
Certificates of deposit:		
Bank United, NA	\$ 1,053,255	Weighted average days to maturity is 3 days
Anthem Bank & Trust	2,086,276	Weighted average duration is 0.9 years
Florida PRIME	14,672	Weighted average days to maturity is 50 days
Florida Local Government Investment Trust	<u>1,055,523</u>	Weighted average duration is 1.43 years
	<u>\$ 4,209,726</u>	

Note 2 – Deposits and Investments (Continued)

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

Note 3 – Receivables and Payables

Receivables for the City's individual major funds and nonmajor funds at September 30, 2019, in aggregate, are comprised of the following amounts, net of allowances:

Receivables:	General Fund	Fire Rescue Fund	Grant Fund	Other Nonmajor Governmental Funds	Stormwater Fund	Solid Waste Fund	Total
Intergovernmental	\$ 1,709,890	\$ 1,467	\$ 114,066	\$ 101,357	\$ 100,433	\$ 358	\$ 2,027,571
Business tax receipts	195,031	-	-	-	-	-	195,031
Alzheimer care	-	-	-	20,415	-	-	20,415
Emergency medical services	114,312	-	-	-	-	-	114,312
Fire inspections	-	224,390	-	-	-	-	224,390
Utilities	809,523	-	-	-	-	15,633	825,156
Other	6,026	1,760	-	-	-	-	7,786
Gross receivables	<u>2,834,782</u>	<u>227,617</u>	<u>114,066</u>	<u>121,772</u>	<u>100,433</u>	<u>15,991</u>	<u>3,414,661</u>
Less allowance for uncollectibles:	(74,695)	(138,586)	-	-	-	-	(213,281)
Total receivables	<u>\$ 2,760,087</u>	<u>\$ 89,031</u>	<u>\$ 114,066</u>	<u>\$ 121,772</u>	<u>\$ 100,433</u>	<u>\$ 15,991</u>	<u>\$ 3,201,380</u>

Account payable and accrued liabilities for the City's individual major and nonmajor funds at September 30, 2019 are as follows:

	General Fund	Grant Fund	Community Redevelopment Agency Funds	Other Nonmajor Governmental Funds	Stormwater Fund	Solid Waste Fund	Building Services Fund	Total
Vendors	\$ 408,633	\$ 139,656	\$ -	\$ 292,456	\$ 137,969	\$ 167,531	\$ 33,218	\$ 1,179,463
Payroll liabilities	295,212	-	1,154	49,323	28,317	1,444	3,284	378,734
Due to other governments	525	750	-	-	496	-	326,991	328,762
	<u>\$ 704,370</u>	<u>\$ 140,406</u>	<u>\$ 1,154</u>	<u>\$ 341,779</u>	<u>\$ 166,782</u>	<u>\$ 168,975</u>	<u>\$ 363,493</u>	<u>\$ 1,886,959</u>

City of Lauderdale Lakes, Florida
Notes to the Financial Statements
September 30, 2019

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	(See Note 12) Change in Inventory	Ending Balance
Governmental Activities					
Capital Assets not being Depreciated:					
Land	\$ 18,576,965	\$ -	\$ -	\$ 2,787,834	\$ 21,364,799
Construction in Progress	546,984	203,359	-	(539,230)	211,113
Total capital assets not being depreciated	<u>19,123,949</u>	<u>203,359</u>	<u>-</u>	<u>2,248,604</u>	<u>21,575,912</u>
Capital Assets being Depreciated:					
Buildings	9,118,986	55,752	-	84,745	9,259,483
Machinery, Equipment and Vehicles	3,791,592	373,208	55,100	1,188,061	5,297,761
Infrastructure	<u>32,559,147</u>	<u>621,665</u>	<u>-</u>	<u>(8,459,324)</u>	<u>24,721,488</u>
Total capital assets being depreciated	<u>45,469,725</u>	<u>1,050,625</u>	<u>55,100</u>	<u>(7,186,518)</u>	<u>39,278,732</u>
Total capital assets	<u>64,593,674</u>	<u>1,253,984</u>	<u>55,100</u>	<u>(4,937,914)</u>	<u>60,854,644</u>
Less Accumulated Depreciation:					
Buildings	5,411,744	316,145	-	3,354,577	9,082,466
Machinery, Equipment and Vehicles	3,615,707	205,100	54,310	(1,754,996)	2,011,501
Infrastructure	<u>14,160,478</u>	<u>675,852</u>	<u>-</u>	<u>3,340,193</u>	<u>18,176,523</u>
Total accumulated depreciation	<u>23,187,929</u>	<u>1,197,097</u>	<u>54,310</u>	<u>4,939,774</u>	<u>29,270,490</u>
Total capital assets being depreciated, net	<u>22,281,796</u>	<u>(146,472)</u>	<u>790</u>	<u>(12,126,292)</u>	<u>10,008,242</u>
Governmental activities capital assets, net	<u>\$ 41,405,745</u>	<u>\$ 56,887</u>	<u>\$ 790</u>	<u>\$ (9,877,688)</u>	<u>\$ 31,584,154</u>

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Note 4 – Capital Assets (Continued)

Depreciation was charged to governmental activities functions/programs of the City during the year ended September 30, 2019 as follows:

Governmental activities:	
General government	\$ 609,356
Culture and recreation	211,056
Public safety	28,105
Public works	276,893
Social services	35,320
Economic and physical environment	36,367
	<u>\$ 1,197,097</u>
Total provision for depreciation- governmental activities	

	Beginning Balance	Increases	Decreases	(See Note 12) Inventory Changes	Ending Balance
Business-Type Activities					
Capital Assets being Depreciated:					
Automobiles	\$ 936,025	\$ 34,573	\$ 16,000	\$ (835,426)	\$ 119,172
Building / Building Improvements	257,267	36,050	-	(48,938)	244,379
Improvements Other than Building (Infrastructure)	284,416	-	-	(208,226)	76,190
Machinery and Equipment	770,117	54,714	-	(139,737)	685,094
Storm Drainage	1,925,256	-	-	(383,214)	1,542,042
Canals	5,320,501	1,310,387	-	1,604,300	8,235,188
Box Culverts	285,258	-	-	13,050	298,308
Total capital assets	<u>9,778,840</u>	<u>1,435,724</u>	<u>16,000</u>	<u>1,809</u>	<u>11,200,373</u>
Total capital assets being depreciated					
Less Accumulated Depreciation:					
Automobiles	476,517	35,164	16,000	(436,681)	59,000
Buildings / Building Improvements	13,889	10,416	-	(13,889)	10,416
Improvements Other than Building (Infrastructure)	2,540	3,810	-	(2,540)	3,810
Machinery and Equipment	575,715	45,325	-	(247,547)	373,493
Storm Drainage	776,113	-	-	102,316	878,429
Canals	2,022,934	123,170	-	(91,578)	2,054,526
Box Culverts	269,129	2,612	-	(46,236)	225,505
Total accumulated depreciation	<u>4,136,837</u>	<u>220,497</u>	<u>16,000</u>	<u>(736,155)</u>	<u>3,605,179</u>
Business-type activities capital assets, net	<u>\$ 5,642,003</u>	<u>\$ 1,215,227</u>	<u>\$ -</u>	<u>\$ 737,964</u>	<u>\$7,595,194</u>

Note 4 – Capital Assets (Continued)

Depreciation was charged to business-type activities functions/programs of the City during the year ended September 30, 2019 as follows:

Business-type activities:	
Enterprise-Stormwater	\$ 186,393
Enterprise-Solid waste	11,815
Enterprise- Building services	<u>22,289</u>
 Total provision for depreciation- business -type activities	 <u>\$ 220,497</u>

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Note 5 – Interfund Balances, Advances and Transfers

Interfund Balances: The composition of interfund balances at September 30, 2019, is as follows:

Due from:	2005 GO		Total
	General Fund	Bond Construction Fund	
Fire Fund	\$ 190,161	\$ -	\$ 190,161
Grants Fund	657,747	-	657,747
Community Redevelopment Agency Fund	503,118	-	503,118
Arts	378	-	378
Alzheimer's Fund	220,648	-	220,648
CDBG Fun	12,331	-	12,331
Construction Fund	-	218,797	218,797
	<u>\$ 1,584,383</u>	<u>\$ 218,797</u>	<u>\$ 1,803,180</u>

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

Advances from Community Redevelopment Agency: The General Fund was previously the recipient of funds totaling \$2,568,031 from the CRA. The City and the CRA have entered into an agreement for repayment of these funds. The agreement requires annual payments of \$150,000 beginning January 2013 through January 2019, at which time the remaining balance is due. No interest is due on the outstanding obligation. As of September 30, 2019, the remaining balance to be paid by the General Fund to the CRA was \$1,118,031 and is reflected as an advance in the accompanying balance sheet—governmental funds.

Interfund Transfers: The composition of interfund transfers during the year ended September 30, 2019 were as follows:

Transfer Out	Transfer In		Total
	General Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 412,577	\$ 412,577
Community Redevelopment Agency Fund	240,000	-	240,000
Stormwater Fund	349,083	-	349,083
Solid Waste Fund	161,000	-	161,000
Building Services Fund	147,660	-	147,660
	<u>\$ 897,743</u>	<u>\$ 412,577</u>	<u>\$1,310,320</u>

Note 6 – Long-Term Debt

The following schedule details the City's long-term liability and obligation activity for governmental and business-type activities for the year ended September 30, 2019:

	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt	\$ 7,899,630	\$ -	\$ 809,908	\$ 7,089,722	\$ 851,400
Revenue bonds	2,762,700	-	193,100	2,569,600	201,900
Notes payable - CRA	4,910,617	-	638,236	4,272,381	659,700
BSO repayment agreement	821,023	-	821,023	-	-
Net pension liability	660,307 *	-	1,508	658,799	-
Net OPEB liability	517,946	57,261	-	575,207	-
Compensated absences payable	620,893	90,891	-	711,784	142,357
Total governmental activities	\$ 18,193,116	\$ 148,152	\$ 2,463,775	\$ 15,877,493	\$ 1,855,357
Business-type activities:					
Capital lease	\$ 54,571	\$ -	\$ 44,495	\$ 10,076	\$ 10,076
Net pension liability	175,525	-	401	175,124	-
Compensated absences payable	60,736	-	5,487	56,907	11,381
Total business-type activities	290,832	-	50,383	242,107	21,457
Total long-term debt	\$ 18,483,948	\$ 148,152	\$ 2,514,158	\$ 16,119,600	\$ 1,876,814

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

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

2005 General Obligation Bonds (SunTrust Bank)

The City previously issued \$ 6,697,503 of General Obligation Bonds, Series 2005 to finance various capital improvement projects throughout the City. Principal and interest are due semi-annually through January 2025. The Bonds bear interest at 3.84% and is secured and payable from a pledge of ad-valorem tax revenues. At September 30, 2019, the outstanding principal balance on the bonds was \$2,490,000.

Note 6 – Long-Term Debt (Continued)

General Obligation Bond, Series 2007 (Bank of America)

The City previously issued \$8,302,497 of General Obligation Bonds, Series 2007 to finance various capital improvement projects throughout the City. Principal and interest are due semi-annually through January 2028. The Bonds bear interest at 3.81% and are secured and payable from a pledge of ad-valorem tax revenues. At September 30, 2019, the outstanding principal balance of the bonds was \$4,600,000.

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

Year Ending September 30,	Principal	Interest
2020	\$ 851,400	\$ 262,800
2021	894,000	229,800
2022	937,800	195,200
2023	982,700	159,000
2024	1,038,900	120,900
2025-2028	2,384,900	171,100
	<u>\$ 7,089,700</u>	<u>\$ 1,138,800</u>

Revenue Bonds:

Refunding Revenue Bond, Series 2015 (BB&T)

On April 1, 2015, the City entered into a loan agreement in the amount of \$3,308,200 for the purpose of refinancing and refunding of the FMLC Series 2005C Bonds. Principal payments are due annually through April 2030 with interest payments due semi-annually at a rate of 3.07%. The loan is subject in all respects to the payment of obligations secured by a pledge of the City's non-ad valorem revenues. At September 30, 2019, the outstanding balance was \$2,570,000.

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

Year Ending September 30,	Principal	Interest
2020	\$ 201,900	\$ 78,900
2021	205,200	72,600
2022	213,000	66,400
2023	220,600	59,900
2024	222,900	53,100
2025-2029	1,233,300	157,600
2030	272,700	8,300
	<u>\$ 2,569,600</u>	<u>\$ 496,800</u>

Note 6 – Long-Term Debt (Continued)

Notes Payable:

SunTrust Bank CRA Line of Credit, Series 2007

The City's CRA previously executed a line of credit agreement with SunTrust Bank for \$10,000,000 of which a total of \$6,296,815 was drawn upon. This line of credit bears interest at 5.10% per annum with principal and interest payable semi-annually through April 2025. As of September 30, 2019 the outstanding balance on the line-of-credit was \$3,097,000.

Sun Trust Bank CRA Line of Credit, Series 2008

The City's CRA previously executed a line of credit agreement with SunTrust Bank for \$3,055,000. This line of credit bears interest at 4.52% per annum with semiannual principal and interest payments through December 2024. The line of credit was established to assist with CRA's portion of the joint project with Broward County for the construction of the Library and the Educational & Cultural Center. As of September 30, 2019 the outstanding balance on the line-of-credit was \$1,175,000.

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

Year Ending September 30,	Principal	Interest
2020	\$ 659,700	\$ 202,700
2021	691,900	170,500
2022	725,700	137,000
2023	761,100	101,200
2024	798,300	64,000
2025	709,000	25,000
	<u>\$ 4,345,700</u>	<u>\$ 700,400</u>

As of September 30, 2019, the City has complied with all significant loan covenants and restrictions.

Repayment Agreement:

Broward Sheriff's Office Police and Fire Services

The City previously entered into a repayment agreement with Broward Sheriff's Office ("BSO") for the repayment of past due consideration for public safety services. Payment of the balance was due semi-annually with a final lump sum payment due in April 2016. The City and BSO amended its repayment agreement to extend the maturity of the outstanding balance through 2019. The amended agreement also provides the City a credit totaling \$1 million to be applied over the remaining term of the repayment period. The outstanding balance on the obligation was paid off in full during fiscal year 2019.

Note 7 – Risk Management

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

Note 8 – Commitments and Contingencies

Significant Agreements: The City previously entered into an agreement with the Broward Sherriff Office (“BSO”) to provide public safety services through September 30, 2019, with a renewal option for one additional five year term upon mutual agreement of the parties. The agreement may be terminated upon default or if written notice of ninety days is given by either party. The City budgeted approximately \$16,974,000, due in monthly installments for public safety services for the year ended September 30, 2019 to be provided for under this agreement. For the year ending September 30, 2019, the City has budgeted approximately \$17,848,400 for public safety services under this agreement.

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

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

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Note 9 – Florida Retirement System

General Information: As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature. As of September 30, 2019, the FRS and HIS Plans are closed to new employees. The City’s net pension liability is related to all participating employees prior to January 1, 1996.

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

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

Pension Plan

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

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

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

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

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

Note 9 – Florida Retirement System (Continued)

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

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

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

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

Contributions: Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows:

Regular - 8.26% and 8.47%; Special Risk Administrative Support – 34.98% and 38.59%;
Senior Management Service - 24.06% and 25.41%; Elected Officers' – 48.70% and 48.8%; and DROP participants - 14.03% and 14.60%.

Note 9 – Florida Retirement System (Continued)

These employer contribution rates include 1.66% HIS Plan subsidy and the fee of .06 for administration of FRS plan for the periods October 1, 2018 through September 30, 2019.

The City's contributions, including employee contributions, to the Pension Plan totaled \$86,249 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2019, the City reported a liability of \$ 581,952 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's 2018-2019 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the City's proportion was .00168%, which was a decrease from .00192% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the City recognized pension expense of \$136,174. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 34,517	\$ 361
Change in assumptions	149,471	-
Net difference between projected and actual earnings on pension plan investments	-	32,197
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	23,734	42,973
City pension plan contributions Subsequent to the measurement date	12,308	-
Total	<u>\$ 220,030</u>	<u>\$ 75,531</u>

City contributions subsequent to the measurement date of \$12,305 reported as deferred outflows of resources related to the Pension Plan and will be recognized as a reduction of the net pension liability in the year ended September 30, 2019.

Note 9 – Florida Retirement System (Continued)

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

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2020	\$ 4,534
2021	4,837
2022	4,264
2023	4,591
2024	1,933
Thereafter	-
Total	<u>\$ 20,159</u>

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Asset Valuation Method	Fair Market Value

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.6%	1.7%

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

Note 9 – Florida Retirement System (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's proportion share of the net pension liability to changes in the discount rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
City's proportionate share of the net pension liability for FRS	\$ 1,006,001	\$ 581,952	\$ 227,799

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

HIS Plan:

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

Benefits Provided: For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through September 30, 2019 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$1,097 for the fiscal year ended September 30, 2019.

Note 9 – Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2019, the City reported a liability of \$ 251,971 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2017-2018 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was .0023%, which was a decrease from .0001% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$20,044. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,060	\$ 309
Change in assumptions	29,173	20,594
Net difference between projected and actual earnings on pension plan investments	163	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	22,551	21,142
City pension plan contributions Subsequent to the measurement date	2,774	-
Total	<u>\$ 57,721</u>	<u>\$ 42,045</u>

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Note 9 – Florida Retirement System (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$2,774 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows (Outflows), net
2020	\$ 3,262
2021	4,248
2022	3,565
2023	2,073
2024	2,499
Thereafter	537
Total	<u>\$ 16,184</u>

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

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50 %

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

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was decreased from 3.87% to 3.5%.

Discount Rate: The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.50%) or one percentage point higher (4.50%) than the current rate:

Note 9 – Florida Retirement System (Continued)

	1% Decrease 2.50%	Current Discount Rate 3.507%	1% Increase 4.50%
City's proportionate share of the net pension liability for HIS	\$ 287,637	\$ 251,971	\$ 222,265

Note 10 – Defined Contribution Plans

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

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

The City Commission may amend the provisions of the plans, which are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility and does not include the plan assets in its financial statements. For fiscal year ending September 30, 2019, the City's contributions to both plans totaled \$511,807.

Note 11 – Other Post-Employment Benefits

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

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

Note 11 – Other Post-Employment Benefits (Continued)

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

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

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

The following table provides information concerning actuarial methods and assumptions:

Valuation date:	October 1, 2017
Measurement date:	September 30, 2019
Discount rate:	3.58% per annum
Salary increases:	3.00% per annum
Healthcare cost trend rates:	Increases are assumed to be 8.00% for 2017/2018 graded down by 0.50% per year to 5.00% for 2023/2024
Cost-of-living increases:	Assumed to increase with the healthcare cost trend rates
Age-related morbidity:	Assumed to increase at the rate of 3.50% for each year of age
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB

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

Note 11 – Other Post-Employment Benefits (Continued)

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

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

Total OPEB Liability: The City's total OPEB liability of \$575,207 was measured as of September 30, 2019, and was determined by the actuarial valuation on October 1, 2017.

Changes in the Total OPEB Liability:

Net OPEB Liability as of September 30, 2018	\$517,946
Plus OPEB expense for 2018/19	54,849
Minus employer contributions for the 2018/19 fiscal year	-
Plus changes in balance of deferred outflows of resources	2,412
Minus change in balance of deferred inflow of resources	-
Net OPEB Liability as of September 30, 2019	<u>\$575,207</u>

Fiduciary net position as a total of	
OPEB liability	N/A
Covered payroll	\$4,538,009
OPEB liability as a % of covered payroll	12.68%

Sensitivity Analysis: The following presents the net OPEB liability of the City, calculated using the discount rate of 3.58%, as well as what the City of Lauderdale Lakes, Florida's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58 %) than the current rate:

	1% Decrease 2.58%	Current 3.58%	1% Increase 4.58%
Net OPEB Liability	\$625,164	\$575,207	\$530,647

Note 11 – Other Post-Employment Benefits (Continued)

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 504,594	\$575,207	\$657,942

OPEB Expenses and deferred outflow of resources and deferred inflows of resources related to OPEB:

For the year ended September 30, 2019, the City recognized OPEB expense of \$54,849. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2018	\$ -	\$ -
Change due to:	-	-
Amortization payments	(254)	-
Investment gain/loss	-	-
Demographic gain/loss	-	-
Assumption changes	2,666	-
Total change	2,412	-
Balance as of September 30, 2019	\$ 2,412	\$ -

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Note 11 – Other Post-Employment Benefits (Continued)

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2019	\$ 2,412	\$ -
Amount recognized in the 2019/20 OPEB expense		
Investment gain/loss	\$ -	\$ -
Demographic gain/loss	\$ -	\$ -
Assumption changes	\$ 254	\$ -
Total	\$ 254	\$ -
Balance as of September 30, 2020	\$ 2,158	\$ -
Amount Recognized in the 2020/21 OPEB expense		
Investment gain/loss	-	-
Demographic gain/loss	-	-
Assumption changes	254	-
Total	\$ 254	\$ -
Balance as of September 30, 2021	\$ 1,904	\$ -
2021/22 OPEB expense		
Investment gain/loss	-	-
Demographic gain/loss	-	-
Assumption changes	254	-
Total	\$ 254	\$ -
Balance as of September 30, 2022	\$ 1,650	\$ -
2022/23 OPEB expense		
Investment gain/loss	-	-
Demographic gain/loss	-	-
Assumption changes	254	-
Total	\$ 254	\$ -
Balance as of September 30, 2023	\$ 1,396	\$ -
2023/24 OPEB expense		
Investment gain/loss	-	-
Demographic gain/loss	-	-
Assumption changes	254	-
Total	\$ 254	\$ -
Balance as of September 30, 2024	\$ 1,142	\$ -

Note 12 – Prior Period Adjustment

The City performed an inventory of capital assets during fiscal year 2018, resulting in a prior period adjustment that affected the governmental and business type activities. The results of the inventory were electronically uploaded to capital assets accounting module. The prior period adjustment reduced the governmental net position by \$9,877,688 and increased the business type activities by \$737,964.

Note 13 - Subsequent events

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closing of businesses resulting in high unemployment. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on residents and their ability to pay their mortgages, and the effect on the housing market and foreclosures, all of which are uncertain and cannot be reasonably estimated at this time.



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Lauderdale Lakes

REQUIRED SUPPLEMENTARY INFORMATION

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Amounts	
Ad valorem taxes	\$ 7,714,423	\$ 7,714,423	\$ 7,774,659	\$ 60,236
Intergovernmental	4,352,296	4,352,296	4,134,559	(217,737)
Communication Services Tax	800,000	800,000	618,428	(181,572)
Franchise fees	2,063,100	2,063,100	2,620,238	557,138
Utility taxes	2,447,500	2,447,500	2,701,854	254,354
Charges for services	1,092,960	1,122,960	1,335,567	212,607
Fines and forfeitures	176,500	176,500	67,214	(109,286)
Licenses and permits	476,268	912,445	1,735,556	823,111
Investment income	30,038	30,038	250,133	220,095
Miscellaneous	223,500	223,500	207,963	(15,537)
Governmental Grants	-	-	1,512,387	1,512,387
Total revenues	19,376,585	19,842,762	22,958,558	1,603,408
EXPENDITURES				
Current:				
General government:				
Mayor and commission	312,363	317,363	293,706	23,657
City attorney	282,000	282,000	373,825	(91,825)
City clerk	310,980	310,480	325,873	(15,393)
City manager	767,120	763,651	813,450	(49,799)
Finance and information technology	1,355,862	1,388,029	1,387,561	468
General administration	1,424,648	1,468,848	1,317,435	151,413
Human resources	291,077	290,477	285,097	5,380
Boards	33,900	33,900	17,581	16,319
Total general government	4,777,950	4,854,748	4,814,528	40,220
Public safety:				
Police	7,486,902	7,547,184	7,854,967	(307,783)
Fire/EMS	2,207,123	2,223,123	2,215,267	7,856
Code Enforcement	532,498	498,087	416,111	81,976
Total public safety	10,226,523	10,268,394	10,486,345	(217,951)
Public works:				
Maintenance	2,013,767	2,087,277	1,803,862	283,415
Total public works	2,013,767	2,087,277	1,803,862	283,415
Parks and Human Services:				
Culture and Recreation	1,845,824	1,869,975	1,753,763	116,212
Social Services	382,886	416,999	415,594	1,406
Total parks and human services	2,228,710	2,286,974	2,169,357	117,617

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2019

Continued

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Physical environment:				
Community development	\$ 122,087	\$ 124,387	\$ 111,199	\$ 13,188
Economic development	331,092	329,792	238,311	91,481
Total physical environment	453,179	454,179	349,510	104,669
Capital outlay:	99,685	299,360	283,888	15,472
Total capital outlay	99,685	299,360	283,888	15,472
Debt service:				
Principal	829,510	761,411	812,637	(51,226)
Interest	99,816	92,733	93,909	(1,176)
Total debt service	929,326	854,144	906,547	(52,403)
Total expenditures	20,729,140	21,105,076	20,814,038	291,039
Excess (deficiency) of revenues over expenditure:	(1,352,555)	(1,262,314)	2,144,520	3,406,834
OTHER FINANCING SOURCES (USES):				
Transfer in	1,541,456	1,712,392	897,743	(814,649)
Transfer out	188,900	450,077	(412,577)	862,654
Total other financing sources (uses)	1,730,356	2,162,469	485,166	48,006
Net change in fund balance	\$ 377,801	\$ 900,155	\$ 2,629,686	\$ 3,454,840

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 Fire Rescue Fund
 For the Year Ended September 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Special assessments	\$ 6,513,180	\$ 6,513,180	\$ 6,294,414	\$ (218,766)
Charges for services	341,000	341,000	492,924	151,924
Miscellaneous	16,500	16,500	22,213	5,713
Total revenues	<u>6,870,680</u>	<u>6,870,680</u>	<u>6,809,551</u>	<u>(61,129)</u>
EXPENDITURES				
Current:				
Public safety-fire	6,627,572	6,627,572	6,626,250	1,322
Debt service:				
Interest	243,108	243,108	244,430	(1,322)
Total expenditures	<u>6,870,680</u>	<u>6,870,680</u>	<u>6,870,680</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(61,129)</u>	<u>(61,129)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,129)</u>	<u>\$ (61,129)</u>

City of Lauderdale Lakes, Florida
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended September 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Grants	\$ 1,500,500	\$ 1,506,649	\$ 550,443	\$ (956,206)
Total revenues	1,500,500	1,506,649	550,443	(956,206)
EXPENDITURES				
Current:				
Public safety:				
Police	100,000	100,000	83,333	16,667
Culture and recreation	108,000	113,000	108,424	4,576
Social Services	92,500	93,649	82,383	11,266
Capital outlay	1,200,000	1,200,000	266,400	933,600
Total expenditures	1,500,500	1,506,649	540,540	966,109
Excess (deficiency) of revenue over expenditures	-	-	9,903	9,903
Net change in fund balance	\$ -	\$ -	\$ 9,903	\$ 9,903

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
Community Redevelopment Agency Fund
For the Year Ended September 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Ad valorem taxes	\$ 2,679,490	\$ 2,679,490	\$ 2,666,612	\$ (12,878)
Investment income	500	500	13,592	13,092
Miscellaneous	150,000	150,000	-	(150,000)
Total revenues	2,829,990	2,829,990	2,680,204	(149,786)
EXPENDITURES				
Current:				
Economic and physical	2,941,365	2,939,765	566,152	2,373,613
Capital outlay	1,005,000	1,006,600	122,748	883,852
Debt service:				
Principal	624,289	638,289	633,043	5,246
Interest	259,336	245,336	246,694	(1,358)
Total expenditures	4,829,990	4,829,990	1,568,637	3,261,353
Excess (deficiency) of revenues over expenditures	(2,000,000)	(2,000,000)	1,111,567	3,111,567
OTHER FINANCING SOURCES:				
Transfers in (out)	(240,000)	(240,000)	(240,000)	
Appropriated Fund Balance	2,000,000	2,000,000	-	(2,000,000)
Total other financing sources	1,760,000	1,760,000	(240,000)	(2,000,000)
Net change in fund balance	\$ -	\$ -	\$ 871,567	\$ 1,111,567

City of Lauderdale Lakes, Florida
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended September 30, 2019

Note 1 – Budgetary Information

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

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

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

General Fund - City Attorney	\$ 91,825
General Fund - City Clerk	\$ 15,393
General Fund - City Manager	\$ 49,799
General Fund - Public Safety Police	\$307,783
Fire Fund - Public Safety Fire	\$ 61,129

City of Lauderdale Lakes, Florida
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Health Care Benefits

	FISCAL YEAR ENDING SEPTEMBER 30,								
	2019	2018	2017	2015	2014	2013	2012	2011	2010
Total OPEB Liability									
Service Cost	\$ 59,047	\$ 58,503	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	20,219	18,522	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	254	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(24,671)	(18,696)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	54,849	58,329							
Total OPEB liability, beginning	517,946	459,617	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	575,207	517,946	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fudiciary Net Position									
Employer contributions	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Investment income	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(24,671)	(18,696)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expense	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	(24,671)	(18,696)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Feduciary Net Position ending (b)	(24,671)	(18,696)							
Net OPEB liabiity, ending =(a) - (b)	\$ 599,878	\$ 536,642	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total OPEB liability	-4.29%	-3.61%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 4,538,009	\$ 4,538,009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a % of covered payroll	12.68%	11.41%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Lauderdale Lakes, Florida proportion of the net pension liability	0.0016898%	0.0019216%	0.0017481%	0.0017721%	0.0017691%	0.0016991%
City of Lauderdale Lakes, Florida proportion of the net pension liability	\$ 581,952	\$ 578,794	\$ 517,077	\$ 447,710	\$ 228,502	\$ 103,667
City of Lauderdale Lakes, Florida's covered payroll	\$ 745,666	\$ 742,764	\$ 742,764	\$ 683,659	\$ 675,277	\$ 630,362
City of Lauderdale Lakes, Florida's proportionate share of net pension liability as a percentage of its covered payroll	78.04%	77.92%	69.62%	65.49%	33.84%	16.45%
Plan fiduciary net position as a percentage of total pension liability	78.98%	79.41%	83.89%	84.88%	92.00%	96.09%

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Lauderdale Lakes, Florida proportion of the net pension liability	0.0023000%	0.0024285%	0.002237755%	0.002305449%	0.002184697%	0.002091962%
City of Lauderdale Lakes, Florida proportion of the net pension liability	\$ 251,970	\$ 257,038	\$ 239,271	\$ 268,691	\$ 222,805	\$ 195,604
City of Lauderdale Lakes, Florida's covered payroll	\$ 745,666	\$ 742,764	\$ 742,764	\$ 683,659	\$ 675,277	\$ 630,362
City of Lauderdale Lakes, Florida's proportionate share of net pension liability as a percentage of its employee payroll	33.79%	34.61%	32.21%	39.30%	32.99%	31.03%
Plan fiduciary net position as a percentage of total pension liability	2.10%	2.15%	1.64%	0.97%	0.50%	0.99%

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

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

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2019	\$ 12,505	\$ 12,505	\$ -	\$ 745,666	1.68%
2018	13,170	13,170	-	668,723	1.97%
2017	12,330	12,330	-	742,764	1.66%
2016	11,349	11,349	-	683,659	1.66%
2015	9,238	9,238	-	675,277	1.37%
2014	7,666	7,666	-	630,362	1.22%

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

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

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2019	\$ 12,505	\$ 12,505	\$ -	\$ 745,666	1.68%
2018	13,170	13,170	-	668,723	1.97%
2017	12,330	12,330	-	742,764	1.66%
2016	11,349	11,349	-	683,659	1.66%
2015	9,238	9,238	-	675,277	1.37%
2014	7,666	7,666	-	630,362	1.22%

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

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

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

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

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



Lauderdale Lakes

OTHER FINANCIAL INFORMATION: COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

Community Development Block Grant (CDBG) Programs Fund - Formerly, the Minor Home Repair Program Fund. The fund was created to account for CDBG grants, which includes the Minor Home Repair Program and Purchase Assistance Program.

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

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

Home Repair Assistance Program Fund – This fund was created to assist income-eligible residents with minor home repairs to air conditioning units and other minor repairs. Funds are generated through the liens amnesty programs.

Capital Projects Funds

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

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

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

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

Debt Service Fund

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

City of Lauderdale Lakes, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Capital Projects Funds												Total Nonmajor Governmental Funds
	Impact Fee Fund	Arts in Public Places	Law Enforcement Trust Fund	Code Enforcement Trust Fund	Minor Home Repair Fund	Transportation Funds	Alzheimer Care Center Funds	CDBG Programs	Capital Projects Fund	Construction Fund	Bond Construction Fund	Debt Service Fund	
Assets:													
Pooled cash and cash equivalents	\$ 1,225,734	\$ -	\$ 84,007	\$ 5,320	\$ 173,548	\$ 69,596	\$ 240	\$ -	\$ 446,568	\$ -	\$ 646,365	\$ 145,719	\$ 2,797,097
Due from other governments	-	-	-	-	10,500	-	79,650	10,990	-	-	-	217	101,357
Receivables, net	-	-	-	-	-	-	20,415	-	-	-	-	-	20,415
Total assets	\$ 1,225,734	\$ -	\$ 84,007	\$ 5,320	\$ 184,048	\$ 69,596	\$ 100,305	\$ 10,990	\$ 446,568	\$ -	\$ 646,365	\$ 145,936	\$ 2,918,869
Liabilities and Fund Balances:													
Liabilities:													
Accounts payable and accrued liabilities	\$ 76,539	\$ -	\$ -	\$ -	\$ -	\$ 83,326	\$ 23,964	\$ -	\$ 157,950	\$ -	\$ -	\$ -	\$ 341,779
Due to other funds	-	377	-	-	-	-	220,468	12,331	-	218,797	-	-	451,973
Total liabilities	76,539	377	-	-	-	83,326	244,432	12,331	157,950	218,797	-	-	793,752
Fund Balances (Deficit):													
Restricted for:													
Debt service	-	-	-	-	-	-	-	-	-	-	-	145,936	145,936
Park projects	1,149,195	(377)	-	-	-	-	-	-	-	-	-	-	1,148,818
Law enforcement	-	-	84,007	-	-	-	-	-	-	-	-	-	84,007
Code enforcement	-	-	-	5,320	-	-	-	-	-	-	-	-	5,320
Community development	-	-	-	-	184,048	(13,730)	(144,127)	(1,341)	-	-	-	-	24,850
Assigned for:													
Capital projects	-	-	-	-	-	-	-	-	288,618	(218,797)	646,365	-	716,186
Total fund Balances	1,149,195	(377)	84,007	5,320	184,048	(13,730)	(144,127)	(1,341)	288,618	(218,797)	646,365	145,936	2,125,117
Total liabilities and fund balances	\$ 1,225,734	\$ -	\$ 84,007	\$ 5,320	\$ 184,048	\$ 69,596	\$ 100,305	\$ 10,990	\$ 446,568	\$ -	\$ 646,365	\$ 145,936	\$ 2,918,869

City of Lauderdale Lakes, Florida
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2019

		Special Revenue Funds										Capital Projects Funds					Total Nonmajor
Impact	Arts in	Law Enforcement	Code Enforcement	Minor Home	Transportation	Alzheimer Care	CDBG Program	Capital Projects	Construction	Bond	Debt Service						
Fee Fund	Public Places	Trust Fund	Trust Fund	Repair Fund	Funds	Funds	Funds	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds
Revenues:																	
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177,419	\$ 1,177,419
Intergovernmental	-	-	-	-	-	35,359	-	-	-	-	-	-	-	-	-	35,359	35,359
Sales, use, and motor fuel taxes	-	-	-	-	-	640,071	-	-	-	-	-	-	-	-	-	640,071	640,071
Charges for services	-	-	-	-	-	-	74,993	71,148	-	-	-	-	-	-	-	146,141	146,141
Fines and forfeitures	-	-	7,048	-	-	-	-	-	-	-	-	-	-	-	-	7,048	7,048
Governmental grants	-	-	-	-	-	-	306,074	194,335	-	-	-	-	-	-	-	500,409	500,409
Miscellaneous	693,195	-	-	14,524	-	-	1,100	-	-	-	-	-	-	-	-	708,819	708,819
Total revenues	693,195	-	7,048	-	14,524	675,430	382,167	71,148	-	-	-	-	-	-	-	3,215,266	3,215,266
Expenditures:																	
Current:																	
Public safety	-	-	16,745	4,680	-	-	-	-	-	-	-	-	-	-	-	21,425	21,425
environment	-	-	-	-	125	-	-	-	-	-	-	-	-	-	-	125	125
Highway and street	-	-	-	-	-	644,858	-	-	-	-	-	-	-	-	-	644,858	644,858
Social services programs	-	6,977	-	-	-	-	436,254	195,676	-	-	-	-	-	-	-	638,907	638,907
Capital outlay	76,538	-	-	-	-	19,618	5,090	674,816	-	-	-	-	-	-	-	776,062	776,062
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	809,908	809,908
Interest and fiscal charges	-	-	-	-	-	364	-	-	-	-	-	-	-	-	-	318,776	318,776
Total expenditures	76,538	6,977	16,745	4,680	125	664,840	441,344	674,816	-	-	-	-	-	-	-	3,210,061	3,210,061
Excess (deficiency) of revenues over expenditures	616,657	(6,977)	(9,697)	(4,680)	14,399	10,590	(59,177)	(1,341)	(603,668)	-	-	-	-	-	-	5,205	5,205
Other Financing Sources (Uses):																	
Transfers in	-	-	-	-	-	-	-	412,577	-	-	-	-	-	-	-	412,577	-
Net change in fund balance	616,657	(6,977)	(9,697)	(4,680)	14,399	10,590	(59,177)	(1,341)	(191,091)	-	-	-	-	-	-	417,782	417,782
Fund Balances (Deficit), beginning	532,539	6,600	93,704	10,000	169,649	(24,320)	(84,950)	-	479,709	646,364	96,837	-	-	-	-	1,707,335	1,707,335
Fund Balances (Deficit), ending	\$ 1,149,196	\$ (377)	\$ 84,007	\$ 5,320	\$ 184,048	\$ (13,730)	\$ (144,128)	\$ (1,341)	\$ 288,618	\$ 646,364	\$ 145,935	\$ -	\$ -	\$ -	\$ -	\$ 2,125,117	\$ 2,125,117

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
Nonmajor Governmental Funds
For the Year End September 30, 2019

	Law Enforcement Trust Fund			CDBG Programs Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor fuel taxes	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	7,048	7,048	-	-	-
Governmental grants	-	-	-	526,022	194,335	(331,687)
Miscellaneous	-	-	-	-	-	-
Total revenues	-	7,048	7,048	526,022	194,335	(331,687)
Expenditures:						
Current:						
Public Safety	20,000	16,745	3,255	-	-	-
Culture and recreation	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Economic and physical environment	-	-	-	526,022	195,676	330,346
Capital outlay	-	-	-	-	-	-
Total expenditures	20,000	16,745	3,255	526,022	195,676	330,346
Excess (deficiency) of revenues over expenditures	(20,000)	(9,697)	10,303	-	(1,341)	(1,341)
Other Financing Sources (Uses):						
Reappropriated Fund Balance	20,000	-	(20,000)	-	-	-
Total other financing sources (uses)	20,000	-	(20,000)	-	-	-
Net change in fund balances	\$ -	\$ (9,697)	\$ (9,697)	\$ -	\$ (1,341)	\$ (1,341)

Arts in Public Places Fund			Transportation Fund			Alzheimer Care Center Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ 26,730	\$ 35,359	\$ 8,629	\$ -	\$ -	\$ -
-	-	-	640,913	640,071	(842)	-	-	-
4,500	-	(4,500)	-	-	-	49,500	20,293	(29,207)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	445,539	360,774	(84,765)
-	-	-	-	-	-	-	1,100	1,100
4,500	-	(4,500)	667,643	675,430	7,787	495,039	382,167	(112,872)
-	-	-	-	-	-	-	-	-
10,000	6,977	3,023	-	-	-	-	-	-
-	-	-	647,470	645,222	2,248	-	-	-
-	-	-	-	-	-	488,431	436,254	52,177
-	-	-	-	-	-	-	-	-
-	-	-	20,173	19,619	554	6,608	5,090	1,518
10,000	6,977	3,023	667,643	664,841	2,802	495,039	441,344	53,695
(5,500)	(6,977)	(1,477)	-	10,589	10,589	-	(59,177)	(59,177)
5,500	-	(5,500)	-	-	-	-	-	-
5,500	-	(5,500)	-	-	-	-	-	-
\$ -	\$ (6,977)	\$ (6,977)	\$ -	\$ 10,589	\$ 10,589	\$ -	\$ (59,177)	\$ (59,177)

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
Capital Projects Fund
For the Year End September 30, 2019

	Budgtd Amounts			
	Original	Final	Actual	Variance
Expenditures:				
Current:				
Capital outlay	\$ 698,913	\$ 960,090	\$ 674,817	\$ 285,273
Total expenditures	698,913	960,090	674,817	285,273
Excess (deficiency) of revenues over expenditures	(698,913)	(960,090)	(674,817)	285,273
Other Financing Sources:				
Reappropriated Fund Balance	547,513	547,513	-	(547,513)
Transfers In	151,400	412,577	71,148	(341,429)
Total other financing sources (uses)	698,913	960,090	71,148	(888,942)
Net change in fund balances	\$ -	\$ -	\$ (603,669)	\$ (603,669)

City of Lauderdale Lakes, Florida
Budgetary Comparison Schedule
Debt Service Fund
For the Year End September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 1,168,616	\$ 1,177,202	\$ 1,176,563	\$ (639)
Miscellaneous Revenue	-	-	856	856
Total revenues	<u>1,168,616</u>	<u>1,177,202</u>	<u>1,177,419</u>	<u>217</u>
Expenditures:				
Debt service:				
Principal	874,423	874,423	809,908	64,515
Interest and fiscal charges	<u>294,193</u>	<u>302,779</u>	<u>318,412</u>	<u>(15,633)</u>
Total expenditures	<u>1,168,616</u>	<u>1,177,202</u>	<u>1,128,320</u>	<u>48,882</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,099</u>	<u>\$ 49,099</u>



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Lauderdale Lakes

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84-90
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	91-94
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in	95-99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	100-101
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	102-104

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

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

Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 19,497	\$ 22,391	\$ 16,165	\$ 26,839	\$ 22,052	\$ 23,178	\$ 24,218	\$ 25,525	\$ 23,695	\$ 17,652
Restricted	-	-	3,341	2,875	3,049	2,828	4,547	4,187	2,536	5,882
Unrestricted	(91)	(4,073)	770	(4,870)	378	4,972	6,580	8,671	12,681	11,648
Total governmental activities net position	19,406	18,318	20,276	24,844	25,479	30,978	35,345	38,383	38,912	35,182
Business-type activities:										
Net investment in capital assets	549	768	985	1,644	2,157	2,277	3,036	5,011	5,677	7,585
Unrestricted (deficit)	859	1,120	2,791	4,371	5,411	6,143	6,955	6,289	5,472	4,656
Total business-type activities net position	1,408	1,888	3,776	6,015	7,568	8,420	9,991	11,300	11,149	12,241
Total government:										
Net investment in capital assets	20,046	23,159	17,150	28,483	24,209	25,455	27,254	30,536	29,372	25,237
Restricted	-	-	3,341	2,875	3,049	2,828	4,547	4,187	2,536	5,882
Unrestricted (deficit)	768	(2,953)	3,561	(499)	5,789	11,115	13,535	14,960	18,153	16,304
Total government net position	\$ 20,814	\$ 20,206	\$ 24,052	\$ 30,859	\$ 33,047	\$ 39,398	\$ 45,336	\$ 49,683	\$ 50,061	\$ 47,423

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

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 7,400,341	\$ 5,091,901	\$ 7,008,034	\$ 3,295,985	\$ 3,218,179	\$ 3,657,082	\$ 5,016,067	\$ 4,826,016	\$ 5,938,015	\$ 4,814,528
Public safety	15,490,217	13,817,040	11,400,377	12,795,147	13,526,842	14,504,589	14,546,417	15,156,837	17,393,101	16,696,486
Economic and physical environment	1,987,947	799,192	1,649,573	1,919,292	7,775,443	2,735,321	3,025,515	3,297,310	3,721,220	3,135,635
Social Services	1,188,716	1,009,928	612,658	772,134	797,850	796,360	849,138	879,170	844,719	478,628
Culture and recreation	1,347,399	1,144,653	1,036,142	1,071,846	1,015,093	1,249,726	1,835,079	1,904,385	2,117,167	1,881,536
Highways, streets and transportation	551,264	425,880	1,217,037	336,955	385,935	435,537	511,611	674,085	691,785	3,215,265
Interest on long-term debt	1,079,935	1,199,133	1,142,252	1,111,314	1,041,674	927,542	765,632	714,382	682,993	340,603
Total governmental activities	29,045,819	23,487,727	24,066,073	21,302,673	27,761,016	24,306,157	26,549,459	27,452,185	31,389,000	30,562,682
Business-type activities:										
Stormwater	847,534	604,229	748,761	661,621	776,597	860,630	978,118	1,172,606	1,421,378	1,301,330
Solid waste/recycling	1,431,720	1,339,516	1,149,839	1,175,436	1,236,371	1,275,464	1,113,685	1,076,912	1,122,802	1,088,982
Building services	608,747	382,872	249,736	335,666	408,737	568,541	759,185	640,555	717,718	732,060
Interest expense	48,097	76,819	-	-	-	-	-	-	-	-
Total business-type activities	2,936,098	2,403,436	2,148,336	2,172,723	2,421,705	2,704,635	2,850,988	2,890,073	3,261,898	3,122,372
Total expenses	<u>\$ 31,981,917</u>	<u>\$ 25,891,163</u>	<u>\$ 26,214,409</u>	<u>\$ 23,475,396</u>	<u>\$ 30,182,721</u>	<u>\$ 27,010,792</u>	<u>\$ 29,400,447</u>	<u>\$ 30,342,258</u>	<u>\$ 34,650,898</u>	<u>\$ 33,685,053</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 569,569	\$ 444,990	\$ 480,135	\$ 610,537	\$ 590,990	\$ 729,367	\$ 1,380,638	\$ 791,176	\$ 682,912	\$ 1,735,623
Public safety	3,907,491	4,252,300	5,147,943	5,505,831	6,330,982	6,827,699	7,120,925	7,044,626	7,474,995	8,022,836
Community development	-	-	-	-	-	-	-	-	204,086	50,286
Social services	13,529	13,434	114,095	230,845	63,394	150,178	94,143	113,497	79,956	74,993
Culture and recreation	113,784	170,919	233,807	166,418	153,212	126,128	165,208	173,542	186,153	217,339
Operating grants and contributions	1,060,667	531,451	856,532	585,625	975,676	1,363,125	1,618,318	929,008	930,533	2,437,826
Capital grants and contributions	1,302,782	222,760	1,125,000	502,906	75,533	796,044	434,459	288,770	118,950	229,413
Total governmental activities program revenues	6,967,822	5,635,854	7,957,512	7,602,162	8,189,787	9,992,541	10,813,691	9,340,619	9,677,585	12,768,316

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

Table 2

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Stormwater	877,902	960,574	2,230,374	2,176,655	2,167,030	2,154,584	1,940,170	1,920,758	1,897,139	1,923,740
Solid waste/recycling	1,485,079	1,402,973	1,472,003	1,480,371	1,239,403	1,369,188	1,288,012	1,288,964	1,285,520	1,305,798
Building services	358,530	294,777	600,490	572,808	634,664	587,755	1,320,252	1,070,716	662,012	871,833
Operating grants and contributions	-	189,114	52,220	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	481,580	270,035	54,930	427,928	651,953	7,820	-
Total business-type activities program revenues	2,721,511	2,847,438	4,355,087	4,711,414	4,311,132	4,166,457	4,976,362	4,932,391	3,852,491	4,101,371
Total program revenues	<u>\$ 9,689,333</u>	<u>\$ 8,483,292</u>	<u>\$ 12,312,599</u>	<u>\$ 12,313,576</u>	<u>\$ 12,500,919</u>	<u>\$ 14,158,998</u>	<u>\$ 15,790,053</u>	<u>\$ 14,273,010</u>	<u>\$ 13,530,076</u>	<u>\$ 16,869,687</u>
Net (Expense) Revenue:										
Governmental activities	\$ (22,077,997)	\$ (17,851,873)	\$ (16,108,561)	\$ (13,700,511)	\$ (19,571,229)	\$ (44,313,616)	(15,735,768)	\$ (18,111,566)	\$ (21,711,415)	\$ (16,203,192)
Business-type activities	<u>(214,587)</u>	<u>444,002</u>	<u>2,206,751</u>	<u>2,538,691</u>	<u>1,889,427</u>	<u>1,461,822</u>	<u>2,125,374</u>	<u>2,042,318</u>	<u>590,593</u>	<u>978,998</u>
Total net expense	<u>\$ (22,292,584)</u>	<u>\$ (17,407,871)</u>	<u>\$ (13,901,810)</u>	<u>\$ (11,161,820)</u>	<u>\$ (17,681,802)</u>	<u>\$ (12,851,794)</u>	<u>\$ (13,610,394)</u>	<u>\$ (16,069,248)</u>	<u>\$ (21,120,822)</u>	<u>\$ (15,224,194)</u>
General Revenues:										
Governmental activities:										
Property taxes	\$ 8,745,705	\$ 7,164,644	\$ 9,088,461	\$ 8,572,538	\$ 8,963,387	\$ 8,828,785	9,143,054	\$ 9,900,666	\$ 10,667,706	\$ 11,618,690
Sales, use and motor fuel taxes	558,352	563,308	558,044	557,776	579,219	591,506	612,062	631,005	636,299	640,071
Franchise fees and other taxes	3,198,164	3,059,357	3,214,818	3,217,811	3,171,056	3,231,895	2,291,360	3,080,739	3,042,613	3,238,666
Utility taxes	1,948,540	1,975,967	2,025,466	2,184,695	2,347,673	2,424,037	3,208,485	2,496,090	2,626,888	2,701,854
Unrestricted intergovernmental revenue	3,034,164	3,158,984	2,854,801	3,213,516	3,320,394	4,223,213	3,727,189	3,882,506	4,055,425	4,065,918
Investment income	28,020	5,429	9,495	5,556	2,328	3,749	41,936	132,611	202,043	263,725
Gain (Loss) on sale of city asset	670,000	39,845	(74,005)	-	-	-	-	-	-	-
Gain on forgiveness of debt	-	-	-	-	876,799	-	-	-	-	-
Miscellaneous	490,777	795,188	70,549	466,285	595,322	352,655	434,893	264,921	262,072	916,782
Transfers	-	-	320,000	320,000	350,000	525,000	566,530	761,023	747,562	657,743
Total governmental activities	<u>18,673,722</u>	<u>16,762,722</u>	<u>18,067,629</u>	<u>18,538,177</u>	<u>20,206,178</u>	<u>20,180,840</u>	<u>20,025,509</u>	<u>21,149,561</u>	<u>22,240,608</u>	<u>24,103,449</u>

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

Table 2

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Franchise and other taxes	-	-	-	-	-	-	-	16,491	-	-
Investment income	41,427	36,012	378	54,057	13,195	15,488	12,120	10,840	5,803	27,401
Transfers	-	-	(320,000)	(320,000)	(350,000)	(525,000)	(566,530)	(761,023)	(747,563)	(657,743)
Total business-type activities	41,427	36,012	(319,622)	(265,943)	(336,805)	(509,512)	(554,410)	(733,692)	(741,760)	(630,342)
Total general revenues	\$ 18,715,149	\$ 16,798,734	\$ 17,748,007	\$ 18,272,234	\$ 19,869,373	\$ 19,671,328	\$ 19,471,099	\$ 20,415,869	\$ 21,498,848	\$ 23,473,108
Change in Net Position:										
Governmental activities	\$ (3,404,275)	\$ (1,089,151)	\$ 1,959,068	\$ 4,837,666	\$ 634,949	\$ 5,867,224	\$ 4,367,212	\$ 3,037,995	\$ 529,193	\$ 6,147,329
Business-type activities	(173,160)	480,014	1,887,129	2,272,748	1,552,622	952,310	1,570,964	1,308,626	(151,167)	348,656
Total change in net position	\$ (3,577,435)	\$ (609,137)	\$ 3,846,197	\$ 7,110,414	\$ 2,187,571	\$ 6,819,534	\$ 5,938,176	\$ 4,346,621	\$ 378,026	\$ 6,495,985

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Reserved	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(1,642)	-	-	-	-	-	-	-	-	-
Nonspendable	-	127	126	1,281	926	148	12	152	123	288
Restricted	-	-	-	1,966	1	-	-	-	-	-
Committed	-	-	-	436	500	500	500	500	500	500
Assigned	-	-	-	-	-	509	509	509	509	509
Unassigned	-	(4,981)	920	735	4,660	7,352	9,059	9,286	9,870	12,335
Total general fund	(1,416)	(4,854)	1,046	4,418	6,087	8,509	10,080	10,447	11,002	13,632
All other governmental funds:										
Reserved	4,720	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(2,529)	-	-	-	-	-	-	-	-	-
Capital projects funds	(238)	-	-	-	-	-	-	-	-	-
Debt service fund	(21)	-	-	-	-	-	-	-	-	-
Nonspendable	-	2,518	2,773	2,322	2,618	1,963	5	3	1,331	5
Restricted	-	1,754	1,575	2,509	2,659	2,828	4,547	4,415	2,706	5,881
Assigned	-	-	-	-	-	1,076	1,453	1,244	1,195	-
Unassigned, reported in:										
Special revenue funds	-	(2,568)	(372)	(1,959)	(2,022)	(1,571)	(846)	(840)	(259)	(684)
Capital projects funds	-	(485)	(482)	(449)	(449)	(219)	(219)	(219)	(219)	716
Debt service fund	-	(3)	8	(36)	(43)	(8)	-	-	-	-
Total special revenue funds	1,932	1,216	3,502	2,387	2,763	4,069	4,940	4,603	4,754	5,918
Total governmental funds	\$ 516	\$ (3,638)	\$ 4,548	\$ 6,805	\$ 8,850	\$ 12,578	\$ 15,020	\$ 15,050	\$ 15,756	\$ 19,550

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes and tax increments	\$ 8,746	\$ 7,165	\$ 9,088	\$ 8,573	\$ 8,963	\$ 8,829	\$ 9,143	\$ 9,901	\$ 10,668	\$ 11,619
Sales, use and motor fuel taxes	558		558	558	579	591	612	631	636	640
Franchise and other taxes	3,198	3,059	3,215	3,218	3,171	3,232	2,291	3,081	3,043	3,239
Utility taxes	1,949	1,976	2,025	2,185	2,348	2,424	3,208	2,496	2,627	2,702
Intergovernmental	3,329	3,722	2,855	3,237	3,346	4,250	3,755	3,971	4,182	4,170
Special assessments	3,211	3,223	4,077	4,424	5,208	5,631	5,432	5,432	5,965	6,293
Charges for services, permits, fines and forfeitures	1,045	1,025	1,899	2,136	2,335	2,222	3,342	2,687	2,520	1,736
Government grants										
and other support	2,500	1,549	857	999	623	2,112	2,013	1,118	650	2,563
Investment income	28	5	9	5	2	4	42	133	202	264
Proceeds from refinancing contracts payable	-	-	9,171	-	-	-	-	-	-	-
Other revenue	407	634	60	485	594	353	435	279	274	1,013
Total revenues	24,972	22,359	33,815	25,820	27,169	29,648	30,273	29,729	30,767	34,239
Expenditures:										
Current:										
General government	4,127	3,243	4,581	2,672	2,931	3,199	4,015	3,724	5,622	4,815
Public safety	15,461	13,788	51	12,746	13,252	14,399	14,382	15,003	15,921	16,718
Public works	2,286	1,765	549	1,169	1,210	1,475	1,498	1,524	1,743	1,804
Culture and recreation	1,083	891	672	794	923	944	1,281	1,513	1,664	1,881
Economic and physical environment	1,983	794	918	416	551	1,186	1,335	1,640	1,579	1,332
Highways and streets	551	426	994	544	682	387	506	594	611	645
Social services	1,169	991	442	711	755	598	837	876	839	1,118
Capital outlay	9,397	958	14,173	1,485	668	891	1,014	715	478	1,531
Debt service:										
Principal	1,067	2,524	2,425	2,558	3,733	5,668	2,661	4,204	1,642	2,500
Interest and other										
fiscal charges	1,101	1,173	1,142	1,147	1,051	1,006	868	744	710	659
Total expenditures	38,225	26,552	25,949	24,242	25,756	29,753	28,397	30,537	30,809	33,003
Excess (deficiency) of revenues over expenditures	(13,254)	(4,194)	7,866	1,578	1,413	(105)	1,876	(808)	(42)	1,236

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

Table 4

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses):										
Transfers in	-	-	395	395	425	1,397	1,457	1,046	1,019	1,310
Transfers out	-	-	(75)	(75)	(75)	(872)	(891)	(285)	(271)	(653)
Sale of city assets	670	40	-	-	185	-	-	-	-	-
Debt proceeds	7,269	-	-	992	97	3,308	-	-	-	-
Total other financing sources (uses)	7,939	40	320	1,312	632	3,833	566	761	748	657
Net change in fund balances	\$ (5,315)	\$ (4,154)	\$ 8,186	\$ 2,890	\$ 2,045	\$ 3,728	\$ 2,442	\$ (47)	\$ 706	\$ 3,868
Debt service as a percentage of non-capital expenditures	8.13%	16.88%	43.46%	19.45%	23.56%	30.08%	14.79%	19.89%	8.4%	11.2%

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year Ended September 30,	Tax Roll Year	Save Our Homes (SOH) Value	Exemptions	Total Net Assessed Value	Total Direct Tax Rate	Actual (Just/Market) Value (1)	Estimated Actual Value as a Percentage of Net Assessed Value (1)
2010	2009	\$ 1,503,667,217	\$ 444,341,291	\$ 1,059,325,926	7.5000	\$ 1,740,004,229	60.9%
2011	2010	1,333,494,125	494,324,860	839,169,265	8.2050	1,372,063,683	61.2%
2012	2011	1,292,206,363	492,750,303	799,456,060	10.8560	1,321,450,651	60.5%
2013	2012	1,234,438,673	469,694,725	764,743,948	10.8683	1,277,058,833	59.9%
2014	2013	1,259,967,980	461,806,502	798,161,478	10.8959	1,324,152,380	60.3%
2015	2014	1,285,555,292	458,359,388	827,195,904	10.3454	1,418,147,048	58.3%
2016	2015	1,346,998,932	468,722,664	878,276,268	9.8400	1,557,627,818	56.4%
2017	2016	1,431,069,768	468,567,562	962,502,206	9.5950	1,678,638,608	57.3%
2018	2017	1,512,724,841	464,758,206	1,047,966,635	9.6950	1,797,243,991	58.3%
2019	2018	1,615,865,162	494,296,003	1,121,569,159	9.6950	1,985,225,132	56.5%

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

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

Source: Broward County Property Appraiser's Office.

Table 6

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

Fiscal Year	Tax Roll Year	City Operating	City Debt	Total Direct Rate	Overlapping Rates (1)						Total Direct and Overlapping Rates
					Broward County	School Board	Children's Services	S. Florida Water Mgt District	Florida Inland Navigation District	N. Broward Hospital District	
2010	2009	6.5500	0.9500	7.5000	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059	23.1086
2011	2010	7.0000	1.2050	8.2050	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750	24.3921
2012	2011	9.5000	1.3560	10.8560	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750	26.6517
2013	2012	9.5000	1.3683	10.8683	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564	26.6873
2014	2013	9.5000	1.3959	10.8959	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554	26.7880
2015	2014	8.9500	1.3954	10.3454	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939	26.0072
2016	2015	8.5000	1.3400	9.8400	5.7230	7.2740	0.4882	0.3551	0.0320	1.4425	25.1548
2017	2016	8.5000	1.2100	9.7100	5.6690	6.9063	0.4882	0.3307	0.0320	1.3462	24.4824
2018	2017	8.5000	1.0950	9.5950	5.6690	6.5394	0.4882	0.3100	0.0320	1.2483	23.8819
2019	2018	8.6000	1.0950	9.6950	5.4792	6.2750	0.4882	0.2936	0.0320	1.0855	23.3485

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

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

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

Sources: Broward County Property Appraiser's Office.

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

Table 7

	2019		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
SOMERSET PHASE IV & PHASE V LLC	\$ 33,285,320	1	2.97%
LAKES MALL INVESTMENT LLC	26,110,600	2	2.33%
MARKETPLACE PLAZA LLC	25,321,430	3	2.26%
ENCLAVE HILLS LLC	21,803,240	4	1.94%
WAL-MART STORES EAST LP	19,959,330	5	1.78%
FMC LAND TR	19,042,750	6	1.70%
HAWAIIAN PALMS LLC	14,897,300	7	1.33%
LAUDERDALE LAKES IND PARK JV	14,469,340	8	1.29%
ATLANTIC CYPRESS CREEK LLC	14,411,270	9	1.28%
REEF PLAZA LLC	12,974,380	10	1.16%
	<u>\$ 202,274,960</u>		<u>18.04%</u>
	2010		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
FLORIDA MEDICAL CENTER LAND TRUST (HOSPITAL)	\$ 43,082,410	1	3.84%
SOMERSET PHASE IV & PHASE V, LLC (APARTMENTS)	33,272,170	2	2.97%
GLEN COVE, LLC (APARTMENTS)	20,290,250	3	1.81%
WAL-MART (SHOPPING CENTER)	20,037,190	4	1.79%
SOUTHERN BELL TELEPHONE COMPANY	18,134,243	5	1.62%
NORMANDY VILLAGE HOLDINGS, LLP (APARTMENTS)	17,048,340	6	1.52%
SRH WHISPERING LTD PARTNERSHIP	15,429,250	7	1.38%
LAUDERDALE LAKES INDUSTRIAL PARK	13,270,440	8	1.18%
FLORIDA POWER & LIGHT COMPANY	12,645,619	9	1.13%
ST. CROIX ASSOCIATION LTD	11,469,358	10	1.02%
	<u>\$ 204,679,270</u>		<u>18.26%</u>

Source: Broward County Property Appraiser's Office

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year's	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	\$ 6,187,725	\$ 5,913,910	95.57%	\$ 70,961	\$ 5,984,871	96.72%
2011	5,614,744	5,324,508	94.83%	172,837	5,497,345	97.91%
2012	6,633,475	6,417,692	96.75%	210,181	6,627,873	99.92%
2013	6,251,176	5,768,071	92.27%	446,223	6,214,294	99.41%
2014	6,470,930	6,386,542	98.70%	9,529	6,396,071	98.84%
2015	6,234,098	6,229,753	99.93%	3,459	6,233,212	99.99%
2016	6,307,700	6,406,355	101.56%	-	6,406,355	101.56%
2017	6,756,119	6,694,580	99.09%	879	6,694,581	99.09%
2018	7,213,072	7,251,500	100.53%	3,204	7,254,704	100.58%
2019	7,714,423	7,774,659	100.78%	-	7,774,659	100.78%

Source: City of Lauderdale Lakes, Financial Services Department

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

Table 9

Fiscal Year Ended September 30,	Governmental Activities					Business-Type Activities				Percent of Net Assessed Value	Per Capita
	General Obligation Bonds	Line of Credit	Notes Payable	Revenue Bonds	Repayment Agreement	Capital Leases	Note Payable	Capital Leases			
2010	\$ 13,073,937	\$ -	\$ 12,102,465	\$ 3,945,000	\$ -	\$ 233,062	\$ 1,890,745	\$ -	\$ 31,245,209	2.95%	\$ 959
2011	12,537,709	-	10,319,406	3,815,000	-	173,353	1,693,010	-	28,538,478	3.40%	872
2012	11,971,990	-	9,667,685	3,680,000	8,047,928	115,344	1,479,242	-	34,962,189	4.37%	1,050
2013	11,376,048	950,000	9,065,235	3,540,000	6,897,928	87,716	1,350,190	265,312	33,532,429	4.38%	993
2014	10,749,112	-	8,441,015	3,400,000	4,721,120	71,814	1,215,625	224,385	28,823,071	3.61%	867
2015	10,090,371	-	7,797,954	3,308,200	3,776,888	49,680	1,075,314	187,396	26,285,803	3.18%	769
2016	9,398,975	-	6,974,946	3,128,900	2,709,475	26,467	1,073,298	143,903	23,455,964	2.67%	674
2017	8,669,030	-	5,596,309	2,947,000	821,023	2,125	-	99,066	18,134,553	1.88%	517
2018	7,899,597	-	4,910,394	2,762,700	821,023	-	-	52,846	16,446,560	1.57%	451
2019	7,089,722	-	4,272,381	2,569,600	-	-	-	10,076	13,941,779	1.24%	401

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

Table 10

Fiscal Year Ended September 30,	General Obligation Bonds	Estimated Actual Taxable Value of Property	Percentage of Estimated Actual Taxable Value of Property	Population	GO Bond Debt Per Capita
2010	\$ 13,073,937	\$ 1,059,325,926	1.23%	32,593	401.13
2011	12,537,709	839,169,265	1.49%	32,740	382.95
2012	11,971,990	799,456,060	1.50%	33,305	359.47
2013	11,376,048	764,743,948	1.49%	33,772	336.85
2014	10,749,112	798,161,478	1.35%	33,243	323.35
2015	10,090,371	827,195,904	1.22%	34,201	295.03
2016	9,398,975	878,276,268	1.07%	34,796	270.12
2017	8,669,030	962,502,206	0.90%	35,094	247.02
2018	7,899,597	1,047,966,635	0.75%	36,475	216.58
2019	7,089,722	1,121,569,159	0.63%	34,744	204.06

	Debt Outstanding	Applicable to City of Lauderdale Lakes	
		Percentage	Amount
Government Unit:			
Debt repaid with property taxes:			
Broward County School Board	\$ 1,824,501,000	0.57%	\$ 10,399,656
Broward County	510,686,000	0.57%	<u>2,910,910</u>
Subtotal - overlapping debt			13,310,566
City direct debt	13,931,703	100.00%	<u>13,931,703</u>
Total direct and overlapping debt			\$ <u>27,242,269</u>

Source: Broward County, Financial Reporting and Accounting Division.

Source: Broward County Property Appraiser.

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

The City Charter does not set a debt margin.

Fiscal Year Ended September 30,	Improvement Revenue Bonds				
	Stormwater Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service	Coverage
2010	\$ 877,902	\$ 847,534	\$ 30,368	\$ 144,590	0.21
2011	960,574	604,224	356,350	76,819	4.64
2012	2,230,374	748,761	1,481,613	45,653	32.45
2013	1,349,526	371,117	978,410	192,098	5.09
2014	2,167,030	718,747	1,448,283	175,492	8.25
2015	2,154,584	805,260	1,349,324	177,300	7.61
2016	1,940,170	926,316	1,013,854	189,413	5.35
2017	1,302,135	1,105,579	196,556	974,231	0.20
2018	1,897,139	1,416,514	480,625	54,571	8.81
2019	1,923,740	1,269,144	654,596	10,076	64.97

Source: City of Lauderdale Lakes, Florida, Financial Services Department

Year	Population	Broward County Population	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income	Unemployment Rate
2010	\$ 32,593	\$ 1,752,928	\$ 72,712,604	\$ 41,481	\$ 11.6%
2011	32,740	1,748,066	75,315,293	42,194	11.2%
2012	33,305	1,748,956	78,687,882	43,351	9.3%
2013	33,772	1,815,137	79,946,888	44,045	7.3%
2014	33,243	1,838,844	81,226,038	44,749	6.3%
2015	34,201	1,827,367	82,200,750	45,241	5.1%
2016	34,796	1,896,425	83,187,159	45,738	4.6%
2017	35,094	1,873,970	84,518,154	46,470	3.3%
2018	36,475	1,897,976	85,870,444	47,214	3.7%
2019	34,744	1,951,260	87,244,372	47,969	2.8%

Source: US Census Bureau

<http://www.broward.org/Planning/Demographics/Pages/default.aspx>

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

Table 15

Employer	2019		Percentage of Total City Employment
	Employees	Rank	
NORTH SHORE MEDICAL CENTER, INC. DBA FLORIDA MEDICAL	859	1	39.92%
WAL-MART STORES EAST, LP DBA WAL-MART STORE #3625	339	2	15.75%
ST. JOHNS REHABILITATION HOSPITAL & NURSING CENTER, INC.	230	3	10.69%
RAINBOW USA INC. DBA RAINBOW #1363	153	4	7.11%
INFINITY BEHAVIORAL HEALTH SERVICES, LLC	125	5	5.81%
PHOENIX MANAGEMENT SERVICES, INC. .	102	6	4.74%
CALL CENTER OPERATIONS MANAGEMENT, INC. .	100	7	4.65%
HENDERSON BEHAVIORAL HEALTH, INC	85	8	3.95%
SOUTH FLORIDA AUTO AUCTION OF FORT LAUDERDALE, LLC	80	9	3.72%
CATHOLIC HEALTH SERVICES INC. .	79	10	3.67%

Employer	2010		Percentage of Total City Employment
	Employees	Rank	
TENET HEALTH SYSTEM NORTH SHORE	808	1	27.14%
INTERACTIVE RESPONSE	700	2	23.51%
WAL-MART SUPER CENTER #3625	526	3	17.67%
ST. JOHN'S NURSING CENTER	324	4	10.88%
EDUCATION TRAINING CORPORATION DBA FLORIDA CAREER COLLEGE	120	5	4.03%
PROGRESSIVE CASUALTY INSURANCE COMPANY	120	6	4.03%
EMILY K. EVANS CLEANING	101	7	3.39%
FEDERATED NATIONAL INSURANCE COMPANY	100	8	3.36%
PEDIATRIC ASSOCIATES	98	9	3.29%
SOUTH FLORIDA AUTO AUCTION OF FT LAUDERDALE, LLC	80	10	2.69%

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

Table 16

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

Employees	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Commission	7	7	7	8	8	8	8	7	7	5
City manager	5	5	3	3	3	3	3	6	6	10
City clerk	5	5	3	2	2	3	3	3	3	3
Finance and IT	8	11	7	7	7	8	9	10	13	13
Purchasing	2	-	-	-	-	-	-	-	-	-
Human resources	3	3	3	2	2	2	2	2	2	2
Community development	10	12	0	0	0	8	13	13	16	16
Community Redevelopment Agency	3	3	4	4	4	4	4	4	4	4
Public works and engineering services	21	55	41	41	41	33	33	33	32	35
Parks and recreation	25	40	42	42	42	43	43	43	48	48
Other	10	15	-	-	-	-	-	-	0	0
Public safety:										
Police contract positions	73	73	47	47	49	49	50	51	51	51
Fire contract positions	49	49	44	49	50	50	52	52	48	48
	<u>221</u>	<u>278</u>	<u>201</u>	<u>205</u>	<u>208</u>	<u>211</u>	<u>220</u>	<u>224</u>	<u>230</u>	<u>235</u>

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

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety:										
Police:										
Physical arrests	1,482	1,194	1,185	1,557	1,662	1,727	1,221	1,129	1,139	911
Parking violations	1,205	532	502	643	883	747	-	-	8	3
Traffic violations	2,705	1,757	1,781	2,744	3,212	3,431	3,796	2,956	4,166	4,370
Code Enforcement:										
Parking violations	-	-	-	-	-	-	280	280	-	**
Fire/EMS:										
Emergency responses	5,328	5,285	5,461	5,425	5,889	6,061	5,890	6,359	6,521	6,543
Fires extinguished	110	95	80	74	86	89	57	80	82	79
Inspections	1,813	1,100	1,463	1,403	1,331	1,422	1,542	1,555	1,559	1,518
Culture and recreation:										
Pavilion rentals	147	119	109	112	118	100	107	102	265	112
Pool attendance	15,135	14,981	18,778	8,791	5,488	6,235	6,460	9,271	8,773	10,243
Park attendance	159,971	175,025	188,413	193,900	194,269	190,841	196,567	193,680	205,350	204,340
Fitness memberships	43	49	59	38	22	12	15	15	12	58
Sanitation										
Household refuse collected (tons)	21,658	18,692	17,592	21,518	9,504	10,903	10,390	20,314	9,630	11,033
Recycling tonnage	665.00	633.00	492.00	570.50	979.18	1410.76	1669.39	1008.00	1,606	1,369

Sources: Various City of Lauderdale Lakes Departments

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Source Notes
General government:											
Number of general government buildings	5	6	7	7	7	7	7	7	7	7	1
Public safety:											
Police stations	1	0	-	-	-	-	-	-	-	-	1
Fire stations	1	1	1	1	1	1	1	1	1	1	1
Transportation:											
Miles of streets	45	45	45	45	45	45	45	45	45	45	2
Number of street lights	1,134	1,134	1,134	1,134	1,134	927	927	927	927	927	3
Number of traffic signals				284	284	284	284	286	286	286	4
Culture and recreation:											
Parks	6	6	6	6	5	5	5	5	5	5	4
Parks acreage	38	38	38	38	38	38	38	38	38	38	4
Community center	3	3	3	3	3	3	3	3	3	3	4
Picnic pavilions	10	10	10	10	10	10	10	10	10	10	4
Soccer fields	2	2	2	2	2	2	2	2	2	2	4
Skate park	-	-	-	-	-	-	-	-	-	-	-
Basketball courts	4	4	4	4	4	4	4	4	4	4	4
Tennis courts	1	1	1	1	1	1	1	1	1	1	4
Baseball/softball fields	3	3	3	3	3	3	3	3	3	3	4
Utility system:											
Fire hydrants	*	*	*	570	570	570	570	570	570	570	5

Notes:

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



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Lauderdale Lakes

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderdale Lakes, Florida (the 'City'), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 30, 2020.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-01 to be a material weakness.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2019-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Lauderdale Lakes, Florida's Response to Findings

City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
April 30, 2020

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

I. Summary of Independent Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial
statements noted? yes X no

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

II. Prior Year Financial Statement Findings

None

III. Current Year Findings

2019-01 - Financial Closing Process

CONDITION: The City made material adjustments to the general ledger after the fiscal year end audit financial closing process had been completed. Many of the adjustments were not routine, but instead were a result of our reviews of the general ledger during the audit.

CRITERIA: While reconciling accounting balances during the audit, errors were noted that required several adjusting journal entries.

CAUSE OF CONDITION: Reconciliation of funds and accounts are not being performed on a timely basis.

POTENTIAL EFFECT OF CONDITION: Material misstatements could exist in the financial statements and not be identified.

RECOMMENDATION: The City does have written policies and procedures that establish the responsible personnel and their duties. We recommend that management reviews those policies and procedures and holds staff accountable for the any deviations.

OFFICIAL RESPONSE: Management concurs with the auditor's recommendation and will review the written policies and procedures as they pertain to material adjustments made to the general ledger after the fiscal year-end financial closing process. Management will put additional policies and procedures in place to ensure that this finding does not occur in the future. Any staff who deviates from these policies and procedures will be held accountable.

2019-02 - Bank Reconciliations

CONDITION: The City did not reconcile its cash accounts correctly and timely during the year. As a result, cash balances and related transactions had to be adjusted to reflect accurate balances.

CRITERIA: Timely preparation of complete and accurate bank reconciliations is key to maintain adequate controls over both cash receipts and disbursements. Bank accounts should be reconciled on a monthly basis to help monitor the City's cash flows and detect errors and misappropriation of assets.

CAUSE OF CONDITION: Internal policies and procedures not being properly followed.

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

POTENTIAL EFFECT OF CONDITION: The City could be susceptible to misappropriation of assets and misstatements.

RECOMMENDATION: We recommend that all bank accounts be reconciled on a monthly basis to ensure a proper and timely review of cash transactions. Those reconciliations should be performed by staff who does not have posting capabilities to the general ledger and reviewed by a supervisor. Any monthly reconciling issues should be investigated until resolved.

OFFICIAL RESPONSE: Management concurs with the auditor's recommendation regarding late reconciliations of bank accounts. The current personnel within the accounting department will be evaluated and structured in order to ensure the timely preparation of monthly bank reconciliations. Going forward, the reconciliations will be prepared by capable staff and reviewed by a supervisor on a monthly basis, to ensure accurate bank balances are reflected in the general ledger.

2019-03 - Cash Receipts Process

CONDITION: During our review of the cash receipts transactions, it was noted that checks deposited electronically had no marking on the physical check restricting the check from being deposited a second time.

CRITERIA: Once checks are deposited, there should be some type of marking, ie: writing or stamping "VOID" on the face of the check, disallowing a second deposit of the check through either error or fraud.

CAUSE OF CONDITION: The policies and procedures did not list the voiding of deposited checks as a step and therefore it has been an oversight.

POTENTIAL EFFECT OF CONDITION: Customers may potentially be subjected to fraudulent transactions or the City could potentially deposit a check a second time in error not knowing it had been previously deposited.

RECOMMENDATION: We recommend that the City adjust its policies and procedures manual to include voiding of checks received from customers and deposited remotely online, to ensure that the City knows that the check was deposited and that it cannot be deposited a second time.

OFFICIAL RESPONSE: Management concurs with this recommendation and it has already been enforced. To prevent depositing an electronic check a second time, all electronically deposited checks are now stamped "DEPOSITED" and the date of deposit recorded on the checks. Management will also include this process in its policies and procedures manual.

2019-04 - Duplicate Account Numbers

CONDITION: During the review of the trial balance, it was noted that one of the funds had two accounts with the same account number, but different account descriptions and balances for the year.

City of Lauderdale Lakes, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

CRITERIA: Account numbers are designed to segregate and track transactions within the fund. The accounts aid in tracking spending, managing budgets, and producing financial reports. Duplicate account numbers do not allow the City to accurately track transactions.

CAUSE OF CONDITION: The City erroneously created an account with a number it thought was not in use and the software did not prevent the City from adding another account with the same number.

POTENTIAL EFFECT OF CONDITION: Duplicate account numbers do not allow the City to accurately track transactions which may lead to a possible misstatement.

RECOMMENDATION: We recommend that the City reviews the entire chart of accounts to ensure there are no other duplicate account numbers. Additionally, the City should inquire of the general ledger software developer if there is a way to disallow duplicate account numbers being created in the system.

OFFICIAL RESPONSE: Management concurs with this recommendation and will further investigate why the current accounting software did not prevent the City from adding an account number in the general ledger that had already been created.

2019-05 - IT Back-up Procedures

CONDITION: While reviewing the IT policies and procedures, it was noted that there is not currently a cloud-based back-up of the City server.

CRITERIA: The City performs all server back-ups in a couple different physical locations. Best practices suggests that a remote, secure, cloud-based back-up is necessary in case something would happen to both locations storing the back-ups simultaneously.

CAUSE OF CONDITION: The City and its IT staff have evaluated the City's needs, with reference to back-ups, and believes this is the best policy.

POTENTIAL EFFECT OF CONDITION: Were something to happen to the City and its second location, which is near the City, there would be no other back-up to prevent loss of data and the operations of the City from slowing down or being interrupted.

RECOMMENDATION: We recommend that the City invests the resources in a cloud-based back-up solution to help mitigate any potential data loss or operations slow down should something happen to the physical location of the server back-ups.

OFFICIAL RESPONSE: Management will invest the resources to pay for a cloud-based back-up solution to help mitigate any potential data loss, operations slow down, or a possible interruption of operations.

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

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

We have examined the City of Lauderdale Lakes, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2019. This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the City Commission and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

April 30, 2020

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

Report on the Financial Statements

We have audited the financial statements of the City of Lauderdale Lakes, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 30, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 30, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did identify those in the accompanying schedule of findings and questioned costs as 2019-03, 2019-04, and 2019-05.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

April 30, 2020