

City of Lighthouse Point

Florida



**Comprehensive Annual Financial Report
For the Year Ended September 30, 2020**

The City of Lighthouse Point, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2020

Prepared By:
Finance Department

Cori Olympio, CPA
Finance Director

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City of Lighthouse Point, Florida

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INTRODUCTORY SECTION



March 26, 2021

Honorable Mayor and Commissioners

**Re: City's Comprehensive Annual Financial Report -
For the Year Ended September 30, 2020**

Dear Mayor and Commissioners:

We are pleased to submit the Comprehensive Annual Financial Report for the City of Lighthouse Point, Florida (the "City"), for the fiscal year ended September 30, 2020. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clear perspective of the City's operations and financial activity.

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

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

Profile of the Government

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

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

Economic Condition and Outlook

Lighthouse Point is a developed community that is bordered by Federal Highway on the west and the Intracoastal Waterway on the east. The City is comprised of 2.5 square miles in the northeast section of the County, and surrounded by the municipalities of Pompano Beach, Deerfield Beach, and Hillsboro Beach. The City’s tax base is primarily residential, and although it was heavily impacted by the economic downturn of 2008-09, taxable values have recovered. Continued sustainable growth is anticipated for the foreseeable future; COVID-19 created a high demand due to lower interest rates and a low supply of available houses in South Florida. This has kept property values on an upward trend. For the fiscal year ended September 30, 2020, which is the focus of this financial report, the final taxable real and personal property values increased by 4.37 percent to \$ 2.49 billion, marking the ninth consecutive year of assessed value increases for the City of Lighthouse Point. The City is fully built-out, however values continue to increase at a sustainable pace, and the average market and assessed values of single family homes in the City are among the highest in the County. This is attributed to the City’s large amount of waterfront property and strong residential market that continues to see redevelopment as more affluent families make the City their home. The City’s building permit revenue has been strong over the past several years, due to a large number of single family home rebuilds and remodels, contributing to the sustained increases in assessed values over the past several years. The City is well positioned with a sound General Fund spendable balance as shown in the financial statements in this report. Continued stabilization of the City’s tax base has allowed the City to maintain the same operating ad valorem millage rate for FY 2019/2020 and each year since FY 2011/2012. In April 2019, the City issued \$ 16.5 million in General Obligation Bonds to provide for the acquisition of land and construction of a new Fire Station/Emergency Operations Center, a new Recreation Community Center, a new Public Works Administration Building and renovation of the existing building, and renovation of the Library. Due to the economic conditions of the City and its strong financial management practices, the City received a credit rating of AA+ from Standard and Poor’s (S&P). The commercial sector continues to attract new business and retail establishments.

Long-Term Financial Planning

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

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

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

- Completed dredging project and removed over 9,000 cubic yards of sediment from City canals.
- Recreation improvements that included outdoor exercise equipment at Frank McDonough Park and scoreboards and bleachers at Dan Witt Park.
- Seal coated and striped the parking lot at Frank McDonough Park.
- Demolished the buildings on the Fire Station parcel lot to clear the way for the new Fire Station/EOC.
- Resurfaced two clay tennis courts.

Financial Information and Relevant Policies

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

Budgetary Control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances in excess of \$20,000 are reported as commitments of fund balance on September 30, 2020.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for FY 2019/2020. These include:

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

Employee Retirement System:

The City offers different retirement plan options to City employees depending upon their employment group. The City had a defined benefit plan for Firefighters and Police Officers that was implemented on October 1, 2003 and that closed to Firefighters on October 1, 2018 and Police Officers on March 1, 2019. All newly hired Firefighters and Police Officers are required to join the Florida Retirement System (FRS). Defined contribution (401a) plans cover General Employees and Management Employees as well as Firefighters and Police Officers that elected not to join the Florida Retirement System in FY 2019. The City offers a deferred compensation plan (457) and Roth IRA to all employees that wish to contribute, as well as a retirement health savings (RHS) plan to certain eligible groups of employees. The defined benefit plan requires ongoing City contributions based on actuarial valuations since all Police and Fire employees left the plan as of September 30, 2019. FRS requires both City and employee contributions, and the Florida State Legislature determines plan structure, benefit levels, and funding. The defined contribution plans require fixed contributions from both the City and the participating employee based upon union contracts and City Commission resolutions. The deferred compensation, Roth IRA, and RHS plans are funded exclusively through employee contributions. More information on the retirement plan is provided in the financial section of this report.

Major Initiatives

The City's major initiatives for FY 2020 included the following:

- Completed architectural designs for the new Fire Station/EOC and Community Center.
- Installed a voice over IP telephone system in all City offices.
- Implemented an agency wide Body Worn Camera initiative in an effort to enhance police operations, accountability, and transparency with the community.
- Upgraded public safety radio software to ensure interoperability and compatibility with the new Broward County Regional Communications System.
- Continued to work with FEMA and the State of Florida on recovering funds for Hurricane Irma and Hurricane Dorian.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its report for the fiscal year ended September 30, 2019. This was the twenty-sixth consecutive year that the City has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Olympio', written in a cursive style.

Cori Olympio
Finance Director

A handwritten signature in black ink, appearing to read 'John D. Lavisky', written in a cursive style.

John D. Lavisky
City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lighthouse Point
Florida**

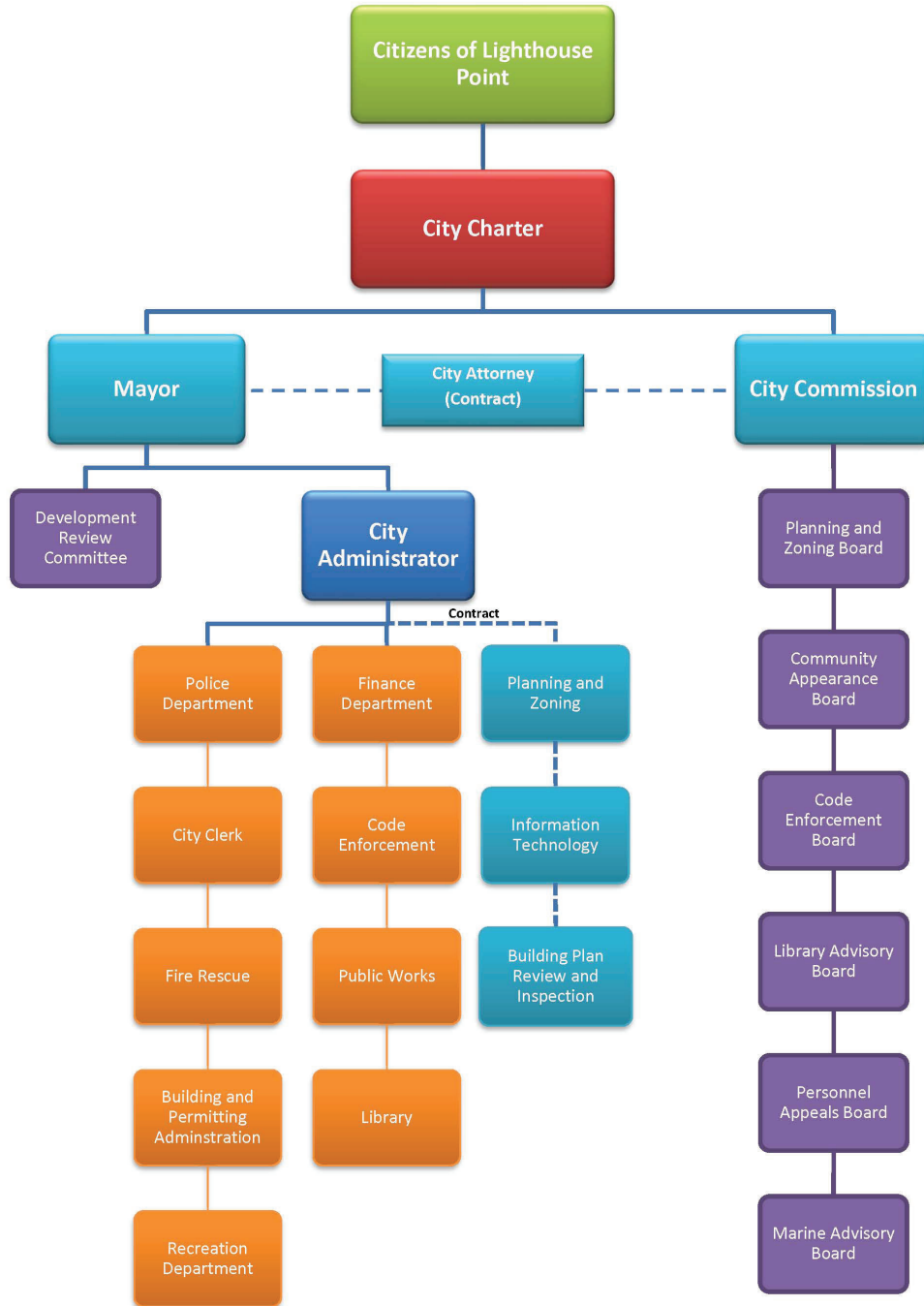
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

**City of Lighthouse Point
City Governmental Structure
September 30, 2020**



City of Lighthouse Point, Florida
List of Principal Officials
September 30, 2020

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida, as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Garbage and Trash Fund - a major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 21 and 72 through 79, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

City of Lighthouse Point, Florida

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lighthouse Point, Florida's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 26, 2021

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MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

As management of the City of Lighthouse Point, Florida (the City), we offer readers this overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. This section of the financial report is designed to assist the reader in focusing on significant financial issues, changes in the City's financial position and material deviations from the approved budget; further, to identify issues and concerns within each individual fund. Readers are encouraged to review the information presented here in conjunction with the information presented throughout this report, including the letter of transmittal, financial statements, and notes to the financial statements that follow. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

Financial Highlights

The following are highlights of financial activity for the fiscal year ending September 30, 2020:

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$ 29,953,609 (net position). The entire amount was derived from governmental fund activities. Of this amount, \$ 7,330,317 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 20,456,866, including \$ 5,388,523 for program related services. Expenditures for all governmental activities were \$ 23,301,665.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 25,540,039, a decrease of \$ 621,630. The General Fund increased by \$ 695,964.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 7,101,097 including \$ 89,273 Nonspendable; \$ 251,700 Restricted; \$ 1,724,320 Committed; \$ 3,750,000 Assigned; and \$ 1,285,804 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2020 was \$ 26,436,868. The City's balances of cash were up \$ 1,602,439 and invested funds were down \$ 1,816,371.

Overview of Financial Statements

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

City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2020

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

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

The City adopts an annual appropriation for the General Fund, the Garbage and Trash Fund, the Tennis Center Fund, the Stormwater Fund, the 2002 Debt Service Fund, and the 2019 Debt Service Fund. A budgetary comparison is provided for each of the funds to demonstrate compliance with the budget.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 34 of this report.

Other information

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

Other supplementary information includes budgetary comparison schedules for the City’s General Fund, Tennis Center Fund, Stormwater Fund, 2002 Debt Service Fund, and 2019 Debt Service Fund, which demonstrate compliance with the City’s annual adopted budget.

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

Government-Wide Financial Analysis

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial health or position. For the City of Lighthouse Point, assets exceeded liabilities by \$ 29,953,609 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2020 compared to September 30, 2019.

	Net Position September 30	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 30,542,485	\$ 29,662,239
Capital assets, net	<u>23,486,449</u>	<u>23,161,271</u>
Total assets	<u>54,028,934</u>	<u>52,823,510</u>
Total deferred outflows of resources	<u>15,137,281</u>	<u>10,129,836</u>
Current liabilities	2,476,239	2,007,772
Long-term liabilities outstanding	<u>36,054,459</u>	<u>27,491,157</u>
Total liabilities	<u>38,530,698</u>	<u>29,498,929</u>
Total deferred inflows of resources	<u>681,908</u>	<u>656,009</u>
Net position:		
Net investment in capital assets	19,754,023	19,483,620
Restricted	2,869,269	2,773,223
Unrestricted	<u>7,330,317</u>	<u>10,541,565</u>
Total net position	<u>\$ 29,953,609</u>	<u>\$ 32,798,408</u>

**City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2020**

The overall financial position of the City decreased in total by \$ 2,844,799 during FY 2020. Factors that contributed to the decrease included the defined benefit pension asset/liability and normal fluctuations in revenue and expenses.

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

The majority of the City’s total net position (\$ 19,754,023 or 66%) are in capital assets, such as land, construction in progress, buildings, land improvements, equipment and fixtures, infrastructure, and vehicles, less any related debt that was used to acquire those assets (approximately \$ 18.8 million) that is still outstanding. The City’s portion of net assets invested in capital, net of related debt increased by \$ 270,403 due to the net effect of the acquisition of capital items and scheduled repayment of debt service. The City of Lighthouse Point uses its capital assets to provide services to its residents; consequently, these assets are not available for future spending or liquidation. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position (\$ 2,869,269 or 10%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2020 balance in restricted net position increased by \$ 96,046.

The remaining balance of \$ 7,330,317 reflects unrestricted net position (24%) decreased by \$ 3,211,248, and may be used to meet the government’s ongoing obligations to citizens and creditors.

Summary of Changes in Net Position

Governmental activities:

The following schedule is a summary of the FY 2020 Statement of Activities with comparative information for FY 2019:

	Change in Net Position	
	For the Year	
	Ended September 30,	
	2020	2019
	<hr/>	<hr/>
Revenues:		
Program revenues:		
Charges for services	\$ 4,963,281	\$ 4,973,772
Operating grants and contributions	425,242	529,086
General revenues:		
Ad valorem taxes	10,027,872	8,711,785
Other taxes	3,186,588	3,251,876
Intergovernmental revenues	1,173,114	1,290,317
Miscellaneous	680,769	923,388
	<hr/>	<hr/>
Total revenues	<u>20,456,866</u>	<u>19,680,224</u>

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	For the Year Ended September 30,	
	2020	2019
	<u> </u>	<u> </u>
Expenses:		
General government	1,898,882	1,902,050
Public safety	14,562,191	8,581,339
Physical environment	4,682,249	4,090,349
Transportation	43,476	50,423
Culture and recreation	1,318,882	1,416,800
Debt service	795,985	443,935
	<u> </u>	<u> </u>
Total expenses	<u>23,301,665</u>	<u>16,484,896</u>
Change in net position	(2,844,799)	3,195,328
Net Position, Beginning of Year	<u>32,798,408</u>	<u>29,603,080</u>
Net Position, End of Year	<u>\$ 29,953,609</u>	<u>\$ 32,798,408</u>

Revenues increased from prior year total by \$ 776,642 (3.9%), and expenses came in higher than the prior year total by \$ 6,816,768 (41.4%). Net position for the current fiscal year decreased by \$ 2,844,799. The primary driver of the increase in revenue was an increase in Ad Valorem Taxes collection due to an increase in assessed property values. Operating Grants and Contributions decreased due to one time revenues that were received in FY 2019 for a Public Works grant and a stormwater project contribution. Other taxes, which includes Franchise Fees and Utility Service Taxes, decreased slightly. Charges for Services, Intergovernmental Revenues, and Miscellaneous Revenues also decreased.

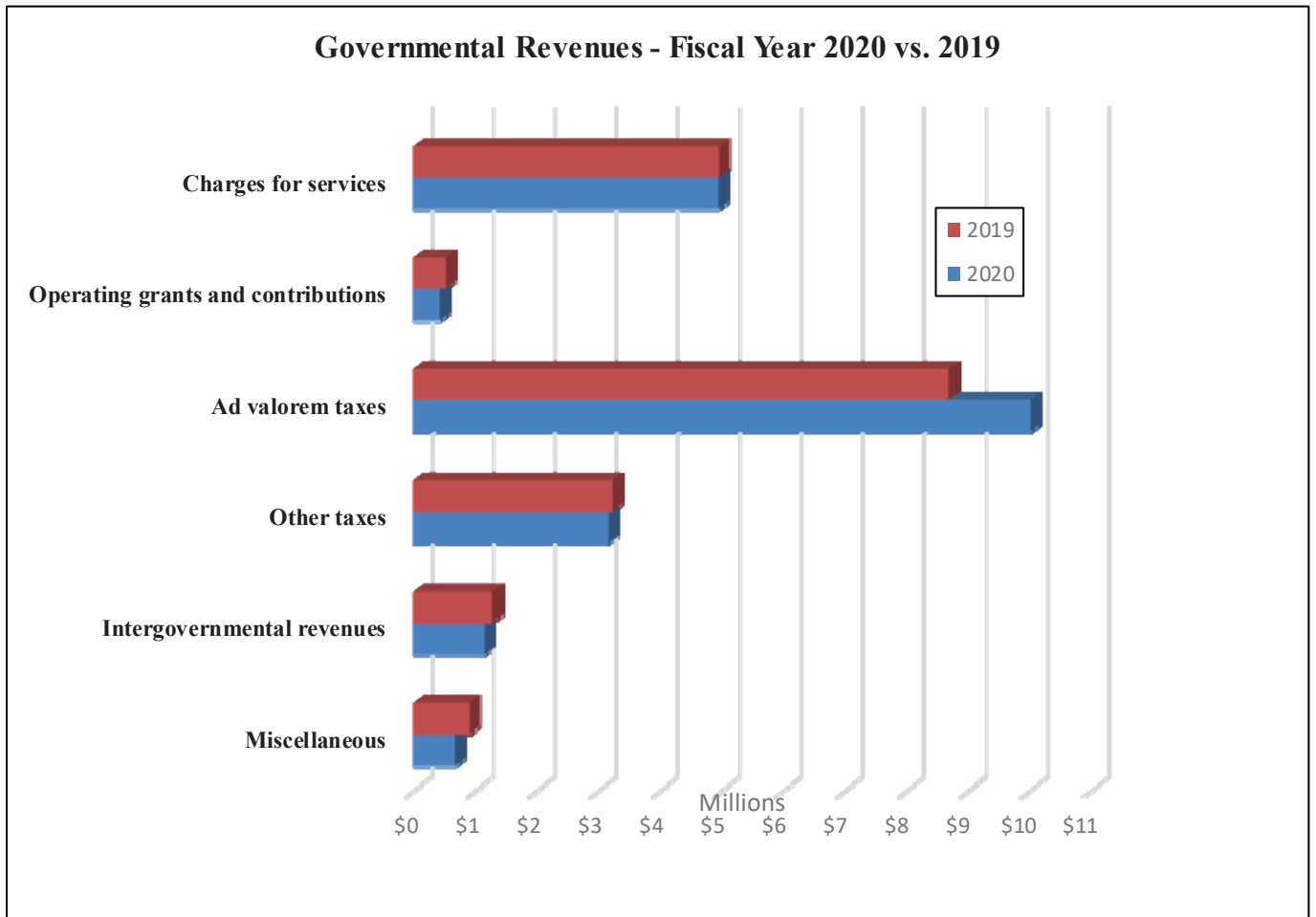
Total expenses for the year increased by 41.4%. Public Safety expenses increased mainly due to the FRS pension expense. Physical environment increased due to capital vehicle purchases in the Public Works department in addition to the increased cost of solid waste and recycling contracted services. Transportation and culture and recreation had decreased expenses due to the limited services that were able to be provided during the pandemic. Fiscal year 2020 was the first year of scheduled debt payments for the General Obligation Bond issued in 2019 causing debt service expenses to increase.

Net investment in capital assets increased by \$ 270,403 due to the net effect of the acquisition of capital items and scheduled repayment of debt service.

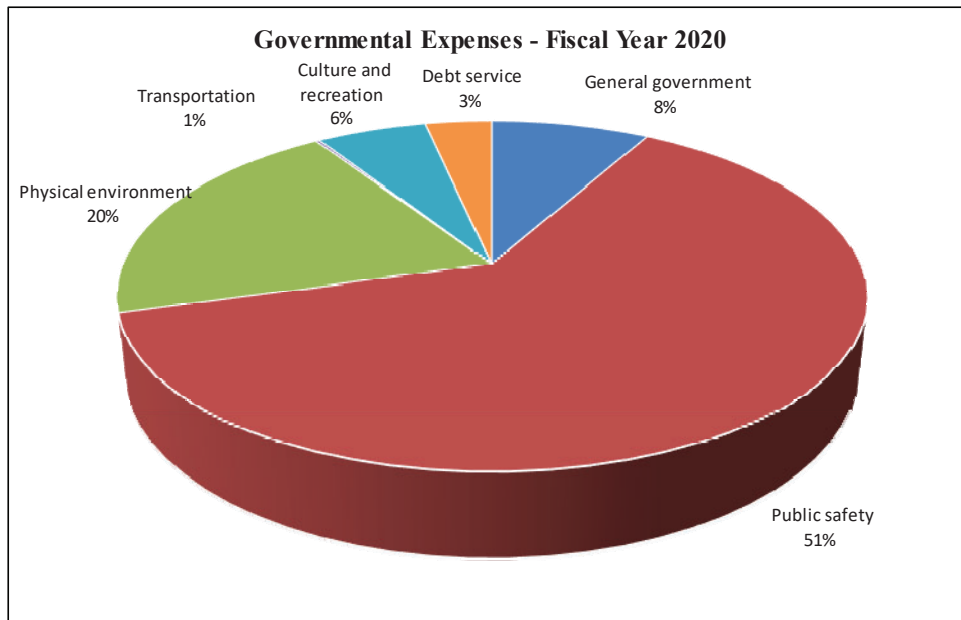
The City reported a Net Pension Asset for fiscal year 2020 in the amount of \$ 3,203,358. This represents an increase of approximately \$ 1.37 million from the fiscal year 2019 reported asset for the City's defined benefit plan, and was mainly due to changes in demographic experience.

The City also reported a Net Pension Liability for fiscal year 2020 in the amount of \$ 15,338,450. This represents the City's share of the Florida Retirement System's Pension and Health Insurance Subsidy (HIS) plan liability.

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



The following pie chart shows program expenses for governmental activities for fiscal year 2020:



Analysis of the Government's Funds

As noted earlier, the City of Lighthouse Point utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to communicate near-term inflows, outflows, and balances of spendable resources. The information presented, particularly the unreserved fund balance, may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. At the end of the FY 2020, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 25,540,039.

Approximately 2% of the fund balance constitutes nonspendable fund balance, or \$ 589,273 that is not available for spending at the City's discretion, and represents prepaid insurance premiums for the next fiscal year, as well as the principal balance of the Walt and Mary Barker Library Trust Fund. The remainder is spendable but falls into four different categories:

- Restricted by external requirements (\$ 17,319,847 or 68%), comprised of General Fund building department earnings, Public Safety Fund Federal and State fines and forfeitures, Bond Construction Fund amounts for future capital improvement projects, Stormwater Fund special assessments, Walt and Mary Barker Library Fund library resources, and unspent debt proceeds of the 2002 Debt Service Fund and 2019 Debt Service Fund;
- Committed by the City Commission (\$ 2,625,547 or 10%) for minimum contingency balance, and use for purposes other than those restricted or nonspendable, including the balance of the Garbage and Trash Fund and the special purpose funds;
- Assigned by the Mayor (\$ 3,750,000 or 15%) for emergency recovery purposes;
- Unassigned (\$ 1,255,372 or 5%) is available for spending with no restrictions.

The following is a summary of changes and the breakdown of fund balances as of September 30, 2020:

	<u>General Fund</u>	<u>Garbage and Trash Fund</u>	<u>Public Safety Fund</u>	<u>Bond Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances, September 30, 2019	\$ 6,405,133	\$ 378,347	\$ 1,564,105	\$ 15,687,581	\$ 2,126,503	\$ 26,161,669
Revenues	16,447,958	2,072,958	8,735	149,156	2,060,396	20,739,203
Expenditures	(15,758,130)	(2,167,339)	(169,624)	(878,873)	(2,386,867)	(21,360,833)
Other financing sources (uses)	6,136	(70,000)	-	(7,286)	71,150	-
Fund balances, September 30, 2020	<u>\$ 7,101,097</u>	<u>\$ 213,966</u>	<u>\$ 1,403,216</u>	<u>\$ 14,950,578</u>	<u>\$ 1,871,182</u>	<u>\$ 25,540,039</u>
Fund balances are represented as follows:						
Nonspendable	\$ 89,273	\$ -	\$ -	\$ -	\$ 500,000	\$ 589,273
Restricted	251,700	-	1,403,216	14,950,578	714,353	17,319,847
Committed	1,724,320	213,966	-	-	687,261	2,625,547
Assigned	3,750,000	-	-	-	-	3,750,000
Unassigned (deficit)	<u>1,285,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,432)</u>	<u>1,255,372</u>
Fund balances, September 30, 2020	<u>\$ 7,101,097</u>	<u>\$ 213,966</u>	<u>\$ 1,403,216</u>	<u>\$ 14,950,578</u>	<u>\$ 1,871,182</u>	<u>\$ 25,540,039</u>

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General Fund:

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of FY 2020, total nonspendable and spendable fund balance of the General Fund was \$ 7,101,097. As a measure of the General Fund’s liquidity, it may be useful to compare both spendable fund balance and total fund expenditures. Assigned and unassigned fund balance represents 31% of the total general fund expenditures.

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

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Ad Valorem	\$ 8,630,482	\$ 8,311,060	\$ 319,422	3.8%
Franchise taxes	884,380	899,319	(14,939)	-1.7%
Utility service taxes	2,441,650	2,496,561	(54,911)	-2.2%
Licenses and permits	902,297	973,488	(71,191)	-7.3%
Intergovernmental revenues	1,740,485	1,684,464	56,021	3.3%
Charges for services	500,159	538,279	(38,120)	-7.1%
Non ad valorem assessments	927,246	925,903	1,343	0.1%
Fines and forfeitures	221,999	149,073	72,926	48.9%
Miscellaneous	199,260	185,420	13,840	7.5%
Transfers in and other sources	135,000	2,139,618	(2,004,618)	-93.7%
Total revenues	<u>\$ 16,582,958</u>	<u>\$ 18,303,185</u>	<u>\$ (1,720,227)</u>	-9.4%

General Fund operating revenue totaled \$ 16,582,958, reflecting a net decrease of \$ 1,720,227 when compared with 2019. The main drivers of this decrease were transfers in and other sources. In FY 2019 the City transferred the cost of the Fire Station land purchase from the Bond Construction Fund to the General Fund to reimburse the sales price. FY 2020 reflects the normal recurring transfers from the Garbage and Trash Fund and the Stormwater Fund. Most of the other revenue categories also saw decreases compared to the prior fiscal year due to the COVID-19 pandemic, which resulted in a decrease in utility service taxes, franchise taxes, licenses and permits, and charges for services.

The City’s property tax base increased by over 4.37% in FY 2020 and the City Commission approved the same millage rate as the prior year, resulting in an increase in Ad Valorem revenue. Intergovernmental revenue increased slightly due to receipt of Hurricane Irma reimbursements from FEMA and the State of Florida. Fines and forfeitures increased due to the receipt of a few large fines. The remainder of the categories saw minimal changes from the prior year.

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

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Expenditures:				
General government	\$ 1,808,775	\$ 1,881,519	\$ (72,744)	-3.9%
Public safety	11,008,178	10,903,275	104,903	1.0%
Physical environment	1,711,505	1,528,248	183,257	12.0%
Transportation	43,476	50,423	(6,947)	-13.8%
Culture/recreation	959,558	963,863	(4,305)	-0.4%
Debt service	226,638	256,229	(29,591)	-11.5%
Transfers out	128,864	160,206	(31,342)	-19.6%
Total expenditures	\$ 15,886,994	\$ 15,743,763	\$ 143,231	0.9%

General Fund expenditures were up \$ 143,231 from FY 2019, or about 0.9%. Public Safety increased primarily due to an increase in salary and benefits costs. Physical Environment increased due to the addition of a full-time employee in Public Works and the purchase of three vehicles. Transportation decreased due to the Community Bus program being shut down for a short time in the beginning of the pandemic. Debt service decreased due to capital leases that were paid off and the transfer out to the Tennis Center decreased due to lower operational costs.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
Revenues:				
Ad Valorem	\$ 8,545,000	\$ 8,545,000	\$ -	0.0%
Franchise taxes	890,000	890,000	-	0.0%
Utility service taxes	2,480,050	2,480,050	-	0.0%
Licenses and permits	1,072,500	1,072,500	-	0.0%
Intergovernmental revenues	1,452,140	1,452,140	-	0.0%
Charges for services	489,250	489,250	-	0.0%
Non ad valorem assessments	915,000	915,000	-	0.0%
Fines and forfeitures	90,500	90,500	-	0.0%
Miscellaneous	149,750	149,750	-	0.0%
Transfers in and other sources	240,280	240,280	-	0.0%
Total revenues	\$ 16,324,470	\$ 16,324,470	\$ -	0.0%

The revenue budget was not amended for FY 2020. The expenditure budget was amended by transferring funds between the departments and resulted in a net zero adjustment.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
Expenditures:				
General government	\$ 1,863,667	\$ 1,883,359	\$ 19,692	1.1%
Public safety	11,327,057	11,290,595	(36,462)	-0.3%
Physical environment	1,661,029	1,718,015	56,986	3.4%
Transportation	52,290	52,290	-	0.0%
Culture/recreation	1,063,602	1,024,708	(38,894)	-3.7%
Debt service	239,961	226,639	(13,322)	-5.6%
Transfers out	116,864	128,864	12,000	10.3%
	<u>16,324,470</u>	<u>16,324,470</u>	<u>-</u>	0.0%
Total expenditures	\$ <u>16,324,470</u>	\$ <u>16,324,470</u>	\$ <u>-</u>	0.0%

General government appropriations were increased due to costs associated with legal services. The budget for Public Safety expenditures was lowered due to capital items that were not completed during the current fiscal. Physical environment was increased due to a vehicle purchase that was rolled forward from FY 2019. Culture/recreation decreased slightly due to limited summer camp and recreation activities because of COVID-19. Finally, the budget for debt service was lowered because the FY 2020 lease purchase funding did not take place and resulted in lower total payments. Transfers out increased because the funding for the holiday decorations was budgeted in the General Fund and had to be moved to the Recreation Support Fund for the annual Lighthouse A’Glow event.

Garbage and Trash Fund:

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

The following table summarizes the Garbage and Trash Fund activity compared with the prior year:

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Charges for services	\$ -	\$ 6,314	\$ (6,314)	100.0%
Non ad valorem assessments	2,053,935	1,999,557	54,378	2.7%
Miscellaneous	19,023	84,677	(65,654)	-77.5%
	<u>2,072,958</u>	<u>2,090,548</u>	<u>(17,590)</u>	-0.8%
Total revenues	\$ <u>2,072,958</u>	\$ <u>2,090,548</u>	\$ <u>(17,590)</u>	-0.8%
Expenditures:				
Physical environment	\$ 2,167,339	\$ 2,067,071	\$ 100,268	4.9%
Transfers out	70,000	65,000	5,000	7.7%
	<u>2,237,339</u>	<u>2,132,071</u>	<u>105,268</u>	4.9%
Total expenditures	\$ <u>2,237,339</u>	\$ <u>2,132,071</u>	\$ <u>105,268</u>	4.9%

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The Garbage and Trash Fund currently has a healthy reserve balance, committed to continued viable operation of the City’s trash disposal function, as well as keeping assessment rates as low as possible. Fund balance as of September 30, 2020 is \$ 213,966.

Miscellaneous revenues were lower than the prior year because the City is no longer receiving guaranteed recycling revenue from Waste Management. The City is now paying to dispose of recycled materials resulting in an increase in expenditures. The additional increases in non ad valorem assessment revenue and physical environment expenditures are the result of an increase in fees from Waste Management.

Public Safety Fund:

The Public Safety Fund records the inflow and outflow of Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City’s other operating funds. There are external restrictions on the use of these monies, and accordingly, balances are shown in the financial statements as restricted. The funds may be utilized to supplement operational needs, including capital purchases, training and certain overtime expenditures. In FY 2020, revenues decreased due to lower interest rates on investments and cash balances. Total expenditures were higher in FY 2020, there were purchases for body worn cameras and a digital radar sign.

The following table summarizes the Public Safety Fund activity compared with the prior year:

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Fines and forfeitures	\$ 681	\$ 722	\$ (41)	-5.7%
Miscellaneous	8,054	15,890	(7,836)	-49.3%
	<u>\$ 8,735</u>	<u>\$ 16,612</u>	<u>\$ (7,877)</u>	-47.4%
Expenditures:				
Public safety	\$ 126,800	\$ 94,667	\$ 32,133	33.9%
Capital outlay	42,824	46,287	(3,463)	-7.5%
	<u>\$ 169,624</u>	<u>\$ 140,954</u>	<u>\$ 28,670</u>	20.3%

All expenditures in the Public Safety Fund were approved by the City Commission. The Public Safety Fund balance as of September 30, 2020 is \$ 1,403,216, restricted for future public safety costs and initiatives.

Bond Construction Fund:

During FY 2019, the City created the Bond Construction Fund, a capital improvement fund to account for the proceeds of the General Obligation Bonds approved by voters and sold during 2019 to provide for the acquisition of land and construction of a new Fire Station/Emergency Operations Center, a new Recreation Community Center, a new Public Works garage and renovation of the existing building, and renovation of the Library.

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The following table summarizes the Bond Construction Fund activity compared with the prior year:

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Miscellaneous	\$ 149,156	\$ 126,736	\$ 22,420	17.7%
Issuance of bond	-	16,500,000	(16,500,000)	-100.0%
Bond premium	-	1,219,631	(1,219,631)	-100.0%
Total revenues	\$ 149,156	\$ 17,846,367	\$ (17,697,211)	-99.2%
Expenditures:				
Capital outlay	\$ 878,873	\$ 142,400	\$ 736,473	517.2%
Bond issuance costs and other fiscal charges	-	228,241	(228,241)	-100.0%
Transfers out	7,286	1,788,145	(1,780,859)	-99.6%
Total expenditures	\$ 886,159	\$ 2,158,786	\$ (1,272,627)	-59.0%

Total revenues decreased in FY 2020 because the bond issuance is reflected in the FY 2019 totals. Miscellaneous revenues increased because there was an entire year of interest earnings instead of six months in FY 2019. Total expenditures decreased in FY 2020 because FY 2019 had the land purchase reimbursement in transfers out. As of September 30, 2020, the Bond Construction Fund had a balance of \$ 14,950,578 and is shown as restricted fund balance in the financial statements.

Tennis Center Fund:

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

The following table summarizes the Tennis Center Fund activity compared with the prior year:

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Charges for services	\$ 88,736	\$ 105,994	\$ (17,258)	-16.3%
Miscellaneous	4,497	1,000	3,497.00	349.7%
Transfers in	103,864	136,206	(32,342)	-23.7%
Total revenues	\$ 197,097	\$ 243,200	\$ (46,103)	-19.0%
Expenditures:				
Culture/recreation	\$ 194,649	\$ 251,374	\$ (56,725)	-22.6%
Capital outlay	5,200	-	5,200	100.0%
Total expenditures	\$ 199,849	\$ 251,374	\$ (51,525)	-20.5%

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The Tennis Center received a lower transfer from the General Fund since budgeted expenditures decreased in FY 2020. Charges for services also decreased due to the Tennis Center being closed and limited capacity for a couple of months due to COVID-19. The Tennis Center received a Facility Recovery Grant Award from the United States Tennis Association to help defray some of the costs of reopening the facility which resulted in an increase in miscellaneous revenue. Expenditures decreased due to the reclassification of one full-time employee to part-time along with reduced costs due to the closure. As of September 30, 2020, the Tennis Center Fund had a balance of (\$ 30,432) and is shown as unassigned fund balance in the financial statements.

Infrastructure Fund:

The Infrastructure Fund was established by the City Commission to carry out general capital improvement projects, and has been primarily funded with transfers from other City funds. The infrastructure fund balance as of September 30, 2020 is \$ 588,683, committed to future capital improvement projects.

The following table summarizes the Infrastructure Fund activity compared with the prior year:

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percent Change
Revenues:				
Miscellaneous	\$ 178,624	\$ 180,886	\$ (2,262)	-1.3%
	<u>\$ 178,624</u>	<u>\$ 180,886</u>	<u>\$ (2,262)</u>	-1.3%
Expenditures:				
Physical environment	\$ 251,347	\$ 72,066	\$ 179,281	248.8%
	<u>\$ 251,347</u>	<u>\$ 72,066</u>	<u>\$ 179,281</u>	248.8%

Appropriations are approved typically on a project by project basis. There were no one-time transfers to the Infrastructure Fund in FY 2020 and revenues decreased due to lower interest rates. Current year expenditures were higher and included sidewalk repairs, bridge repairs, and canal dredging.

Stormwater Fund:

The Stormwater Fund was established in FY 2010. The purpose of the fund is to provide resources for capital improvements and significant maintenance of the City’s stormwater management infrastructure. Although much of this had been funded by grants in the past, these grant dollars have diminished over time and are now insufficient to meet the City’s needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill. A consultant study was used to determine the benefit for individual properties of the City’s stormwater management program. The stormwater management and collection system is aging, and the City continues to assess property owners each year as a way to build a fund balance for probable major stormwater improvements in the future. The Stormwater Fund Balance as of September 30, 2020 is \$ 592,402, restricted to future maintenance and capital improvement projects in the stormwater system.

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The following table summarizes the Stormwater Fund activity compared with the prior year:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Non ad valorem assessments	\$ 271,228	\$ 271,442	\$ (214)	-0.1%
Miscellaneous	2,674	229,123	(226,449)	-98.8%
	<u>\$ 273,902</u>	<u>\$ 500,565</u>	<u>\$ (226,663)</u>	-45.3%
Expenditures:				
General government	\$ 4,532	\$ 4,011	\$ 521	13.0%
Physical environment	27,309	227,346	(200,037)	-88.0%
Capital outlay	-	89,386	(89,386)	100.0%
Transfers out	65,000	60,000	5,000	8.3%
	<u>\$ 96,841</u>	<u>\$ 380,743</u>	<u>\$ (283,902)</u>	-74.6%

There was no change in the assessment rate, and stormwater assessment collections remained relatively the same as the prior year. Miscellaneous revenues were significantly lower due to a property agreement in FY 2019 that covered stormwater improvement costs. Expenditures in the current year consisted primarily of repairs to existing storm drain lines, cleaning and maintenance of storm drains, and billing fees for collection of the assessment.

2002 Debt Service Fund:

The 2002 Debt Service Fund accounts for the repayment of the note payable long term debt issued by the City during FY 2012 to defease the General Obligation Bonds, Series 2002. The expenditures are based upon amortization schedules. Since the annual debt service payments do not change, and property values are on the rise, the City has been able to lower the millage rate and still meet the debt service requirements. Any residual fund balance is used to lower the millage rate whenever possible.

The following table summarizes the 2002 Debt Service Fund activity compared with the prior year:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Ad valorem taxes	\$ 411,385	\$ 400,725	\$ 10,660	2.7%
Interest income	747	1,421	(674)	-47.4%
Total revenues	<u>\$ 412,132</u>	<u>\$ 402,146</u>	<u>\$ 9,986</u>	2.5%
Expenditures:				
Principal	\$ 387,229	\$ 378,807	\$ 8,422	2.2%
Interest and other	20,490	28,912	(8,422)	-29.1%
Total expenditures	<u>\$ 407,719</u>	<u>\$ 407,719</u>	<u>\$ -</u>	0.0%

The 2002 Debt Service Fund Balance as of September 30, 2020 is \$ 13,792, restricted for repayment of debt service obligations.

2019 Debt Service Fund:

During FY 2020, the City created the 2019 Debt Service Fund to account for the repayment of the General Obligation Bonds, Series 2019 long term debt issued by the City. The expenditures are based upon amortization schedules. Since this is the 2019 Debt Service Fund’s first year of operations, prior year comparative information is not available. Comparative information will be provided in future years.

The following table summarizes the 2019 Debt Service Fund current year activity:

	Fiscal Year 2020
Revenues:	
Ad valorem taxes	\$ 986,005
Interest income	1,606
	<hr/>
Total revenues	\$ 987,611
	<hr/>
Expenditures:	
Principal	\$ 110,000
Interest and other	869,881
	<hr/>
Total expenditures	\$ 979,881
	<hr/>

The 2019 Debt Service Fund Balance as of September 30, 2020 is \$ 15,016, restricted for repayment of debt service obligations.

Capital Assets and Debt Administration

Capital Assets:

The City of Lighthouse Point’s investment in capital assets for its governmental activities as of September 30, 2020 amounts to \$ 23,486,449 (net of accumulated depreciation). This investment includes land, construction in progress, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset acquisitions or improvements during the fiscal year include the following:

- City Hall – purchased wireless microphone system for the Commission Chambers and a door controller for City Hall.
- Fire Department – received an electrostatic sprayer for decontamination through the Broward Healthcare Coalition.
- Police Department – replaced seven portable radios, four laptops for the police vehicles, and one patrol vehicle; purchased an electronic fingerprinting system, and digital display speed sign.
- Recreation – installed outside exercise equipment at Frank McDonough park, replaced bleachers and scoreboards at Dan Witt Park, purchased new athletic field fencing for softball, and installed batting cage lighting.
- Public Works – purchased two utility vehicles and a dump truck.

City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2020

- Technology – purchased a roller for the courts.
- Library – purchased two literacy stations.

At the end of the current and prior fiscal years, the City had the following capital asset balances (net of accumulated depreciation):

	<u>2020</u>	<u>2019</u>
Land	\$ 8,865,588	\$ 8,826,588
Construction in progress	982,273	142,400
Infrastructure	6,317,601	6,477,168
Buildings and land improvements	5,652,369	5,875,116
Vehicles	934,849	1,031,124
Equipment and fixtures	<u>733,769</u>	<u>808,875</u>
Total capital assets	<u>\$ 23,486,449</u>	<u>\$ 23,161,271</u>

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

Long-Term Debt and Other Long-Term Liabilities:

At the end of the fiscal year, the City had total debt and other long-term liabilities outstanding of \$ 37,007,481. A General Fund pledge to appropriate supports the capital leases, while ad valorem taxes provide the revenue stream for the repayment of the notes payable and the general obligation bond. Compensated absences are paid out upon termination based upon City policy and labor agreements. See Note J for more information on the net pension liability and Note L for more information on the other postemployment benefit liability.

The following table summarizes the City’s long-term debt and other long-term liability balances and activity for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
General obligation bonds	\$ 16,500,000	\$ -	\$ 110,000	\$ 16,390,000
Premium on general obligation bonds	1,219,631	-	42,056	1,177,575
Notes payable	1,182,236	-	387,229	795,007
Capital leases	648,266	-	213,318	434,948
Compensated absences	1,516,664	243,034	3,256	1,756,442
Net pension liability	6,730,696	8,607,754	-	15,338,450
Other postemployment benefit liability	<u>525,539</u>	<u>589,520</u>	<u>-</u>	<u>1,115,059</u>
	<u>\$ 28,323,032</u>	<u>\$ 9,440,308</u>	<u>\$ 755,859</u>	<u>\$ 37,007,481</u>

Economic Factors and Next Year's Budgets and Rates

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

The General Fund budget for FY 2021 was approved at \$ 16,862,870 which represents an increase of \$ 667,264 (approximately 4.1%) above the amended FY 2020 budget. The operating millage was adopted at 3.5893, equal to the millage rate for the prior fiscal year. Since taxable values increased, using the same millage resulted in an increase in the ad valorem levy for FY 2020.

Requests for Information

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

BASIC
FINANCIAL STATEMENTS

City of Lighthouse Point, Florida
Statement of Net Position
September 30, 2020

	Governmental Activities
Assets:	
Cash, cash equivalents, and investments	\$ 26,436,868
Accounts receivable	449,939
Due from other governments	363,047
Prepays and other assets	89,273
Net pension asset	3,203,358
Capital assets:	
Nondepreciable	9,847,861
Depreciable, net	<u>13,638,588</u>
Total assets	<u>54,028,934</u>
Deferred Outflows of Resources:	
Deferred outflows, related to pensions	14,418,488
Deferred outflows, related to OPEB	<u>718,793</u>
Total deferred outflows of resources	<u>15,137,281</u>
Liabilities:	
Accounts payable	829,728
Accrued payroll and related taxes	482,518
Accrued interest payable	112,609
Deposits	31,536
Licenses collected in advance	43,826
Unearned revenues	23,000
Due within one year:	
Compensated absences payable	89,315
Bonds, notes and capital leases payable	863,707
Due in more than one year:	
Compensated absences payable	1,667,127
Bonds, notes and capital leases payable	17,933,823
Net pension liability	15,338,450
Other postemployment benefit (OPEB) liability	<u>1,115,059</u>
Total liabilities	<u>38,530,698</u>
Deferred Inflows of Resources:	
Deferred inflows, related to pensions	647,140
Deferred inflows, related to OPEB	<u>34,768</u>
Total deferred inflows of resources	<u>681,908</u>
Net Position:	
Net investment in capital assets	19,754,023
Restricted for:	
Debt service	28,808
Law enforcement trust	1,403,216
Stormwater improvements	592,402
Building department	251,700
Walt and Mary Barker library fund:	
Nonexpendable	500,000
Expendable	93,143
Unrestricted	<u>7,330,317</u>
Total net position	<u>\$ 29,953,609</u>

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

City of Lighthouse Point, Florida
Statement of Activities
For the Year Ended September 30, 2020

	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Change in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Functions/Programs:					
Governmental activities:					
General government	\$ 1,898,882	\$ 99,366	\$ -	\$ -	\$ (1,799,516)
Public safety	14,562,191	2,416,814	99,339	-	(12,046,038)
Physical environment	4,682,249	2,325,163	281,216	-	(2,075,870)
Transportation	43,476	-	34,363	-	(9,113)
Culture/recreation	1,318,882	121,938	10,324	-	(1,186,620)
Interest expense	795,985	-	-	-	(795,985)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>23,301,665</u>	\$ <u>4,963,281</u>	\$ <u>425,242</u>	\$ <u>-</u>	<u>(17,913,142)</u>
General revenues:					
Taxes:					
Ad-valorem taxes					10,027,872
Franchise taxes					885,017
Utility service taxes					2,301,571
Intergovernmental revenues (unrestricted)					1,173,114
Miscellaneous					680,769
					<u> </u>
Total general revenues					<u>15,068,343</u>
Change in net position					(2,844,799)
Net position, beginning of year					<u>32,798,408</u>
Net position, end of year					\$ <u>29,953,609</u>

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

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City of Lighthouse Point, Florida
Balance Sheet - Governmental Funds
September 30, 2020

	Major Governmental	
	General Fund	Garbage and Trash Fund
Assets:		
Cash, cash equivalents, restricted cash, and investments	\$ 7,504,777	\$ 364,706
Due from other funds	-	47,061
Accounts receivable	440,429	5,864
Due from other governments	362,977	6
Prepaid expenditures	89,273	-
	<u>8,397,456</u>	<u>417,637</u>
Total assets	\$ <u>8,397,456</u>	\$ <u>417,637</u>
Liabilities:		
Accounts payable	\$ 337,582	\$ 197,807
Accrued payroll and related taxes	477,799	-
Due to other funds	-	-
Deposits	31,536	-
Licenses collected in advance	43,826	-
Unearned revenue	23,000	-
	<u>913,743</u>	<u>197,807</u>
Total liabilities	<u>913,743</u>	<u>197,807</u>
Deferred Inflows of Resources:		
Unavailable revenue - utility service taxes	216,506	-
Unavailable revenue - franchise and other revenues	86,355	5,864
Unavailable revenue - intergovernmental	79,755	-
	<u>382,616</u>	<u>5,864</u>
Total deferred inflows of resources	<u>382,616</u>	<u>5,864</u>
Fund Balances (Deficit):		
Nonspendable	89,273	-
Restricted	251,700	-
Committed	1,724,320	213,966
Assigned	3,750,000	-
Unassigned	1,285,804	-
	<u>7,101,097</u>	<u>213,966</u>
Total fund balances (deficit)	<u>7,101,097</u>	<u>213,966</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>8,397,456</u>	\$ <u>417,637</u>

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

Funds			
Public Safety Fund	Bond Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,404,073	\$ 15,065,104	\$ 2,098,208	\$ 26,436,868
-	-	-	47,061
-	-	3,646	449,939
52	-	12	363,047
-	-	-	89,273
<u>\$ 1,404,125</u>	<u>\$ 15,065,104</u>	<u>\$ 2,101,866</u>	<u>\$ 27,386,188</u>
\$ 909	\$ 90,453	\$ 202,977	\$ 829,728
-	-	4,719	482,518
-	24,073	22,988	47,061
-	-	-	31,536
-	-	-	43,826
-	-	-	23,000
<u>909</u>	<u>114,526</u>	<u>230,684</u>	<u>1,457,669</u>
-	-	-	216,506
-	-	-	92,219
-	-	-	79,755
-	-	-	388,480
-	-	500,000	589,273
1,403,216	14,950,578	714,353	17,319,847
-	-	687,261	2,625,547
-	-	-	3,750,000
-	-	(30,432)	1,255,372
<u>1,403,216</u>	<u>14,950,578</u>	<u>1,871,182</u>	<u>25,540,039</u>
<u>\$ 1,404,125</u>	<u>\$ 15,065,104</u>	<u>\$ 2,101,866</u>	<u>\$ 27,386,188</u>

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

City of Lighthouse Point, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2020

Fund Balances - Total Governmental Funds		\$ 25,540,039
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
The cost of capital assets is	\$ 34,770,481	
Accumulated depreciation is	<u>(11,284,032)</u>	23,486,449
<p>Certain revenues are considered deferred inflows of resources in the fund statements due to availability of funds; under full accrual accounting they are considered revenues.</p>		
		388,480
<p>Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.</p>		
Net pension asset	\$ 3,203,358	
Net pension liability	(15,338,450)	
Deferred outflows, related to pensions	14,418,488	
Deferred inflows, related to pensions	<u>(647,140)</u>	1,636,256
<p>OPEB obligation and deferred amounts attributable to retiree benefits are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.</p>		
Other postemployment benefit (OPEB) liability	\$ (1,115,059)	
Deferred outflows, related to OPEB	718,793	
Deferred inflows, related to OPEB	<u>(34,768)</u>	(431,034)
<p>Long-term liabilities, including leases and bonds payable are not due and payable in the current period and therefore are not reported in the funds:</p>		
Bonds, notes and capital leases payable	\$ (18,797,530)	
Compensated absences payable	(1,756,442)	
Accrued interest payable	<u>(112,609)</u>	<u>(20,666,581)</u>
Net Position of Governmental Activities		\$ <u>29,953,609</u>

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

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City of Lighthouse Point, Florida
Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds
For the Year Ended September 30, 2020

	Major Governmental	
	General Fund	Garbage and Trash Fund
Revenues:		
Ad valorem taxes	\$ 8,630,482	\$ -
Franchise taxes	884,380	-
Utility service taxes	2,441,650	-
Licenses and permits	902,297	-
Intergovernmental revenues	1,740,485	-
Charges for services	500,159	-
Non advalorem assessments	927,246	2,053,935
Fines and forfeitures	221,999	-
Miscellaneous	199,260	19,023
Total revenues	16,447,958	2,072,958
Expenditures:		
Current:		
General government	1,799,754	-
Public safety	10,962,966	-
Physical environment	1,605,394	2,167,339
Transportation	43,476	-
Culture/recreation	891,199	-
Capital outlay	228,703	-
Debt service:		
Principal	213,318	-
Interest and other	13,320	-
Total expenditures	15,758,130	2,167,339
Excess (deficiency) of revenues over expenditures	689,828	(94,381)
Other Financing Sources (Uses):		
Transfers in	135,000	-
Transfers out	(128,864)	(70,000)
Total other financing sources (uses)	6,136	(70,000)
Net change in fund balance	695,964	(164,381)
Fund Balances, Beginning of Year	6,405,133	378,347
Fund Balances, End of Year	\$ 7,101,097	\$ 213,966

Funds			
Public Safety Fund	Bond Construction Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,397,390	\$ 10,027,872
-	-	-	884,380
-	-	-	2,441,650
-	-	-	902,297
-	-	-	1,740,485
-	-	88,736	588,895
-	-	271,228	3,252,409
681	-	-	222,680
<u>8,054</u>	<u>149,156</u>	<u>303,042</u>	<u>678,535</u>
<u>8,735</u>	<u>149,156</u>	<u>2,060,396</u>	<u>20,739,203</u>
-	-	4,532	1,804,286
126,800	-	-	11,089,766
-	-	694,512	4,467,245
-	-	-	43,476
-	-	271,958	1,163,157
42,824	878,873	28,265	1,178,665
-	-	497,229	710,547
-	-	890,371	903,691
<u>169,624</u>	<u>878,873</u>	<u>2,386,867</u>	<u>21,360,833</u>
<u>(160,889)</u>	<u>(729,717)</u>	<u>(326,471)</u>	<u>(621,630)</u>
-	-	136,150	271,150
-	(7,286)	(65,000)	(271,150)
-	(7,286)	71,150	-
(160,889)	(737,003)	(255,321)	(621,630)
<u>1,564,105</u>	<u>15,687,581</u>	<u>2,126,503</u>	<u>26,161,669</u>
<u>\$ 1,403,216</u>	<u>\$ 14,950,578</u>	<u>\$ 1,871,182</u>	<u>\$ 25,540,039</u>

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

City of Lighthouse Point, Florida
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (621,630)

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

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

Expenditures for capital assets	\$ 1,178,665	
Less: net book value of disposed capital assets	(176)	
Less: current year provision for depreciation	<u>(853,311)</u>	325,178

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (282,161)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 710,547

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

Change in net pension asset	\$ 1,371,067	
Change in accrued interest payable	65,650	
Amortization of bond premium	42,056	
Change in compensated absences payable	(239,778)	
Change net pension liability	(8,607,754)	
Change in other postemployment benefit (OPEB) liability	<u>(589,520)</u>	(7,958,279)

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

Change in deferred outflows, related to pensions	\$ 4,525,910	
Change in deferred outflows, related to OPEB	481,535	
Change in deferred inflows, related to pensions	(31,426)	
Change in deferred inflows, related to OPEB	<u>5,527</u>	<u>4,981,546</u>

Change in Net Position of Governmental Activities \$ (2,844,799)

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

City of Lighthouse Point, Florida
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 8,545,000	\$ 8,545,000	\$ 8,630,482	\$ 85,482
Franchise fees	890,000	890,000	884,380	(5,620)
Utility service taxes	2,480,050	2,480,050	2,441,650	(38,400)
Licenses and permits	1,072,500	1,072,500	902,297	(170,203)
Intergovernmental revenues	1,452,140	1,452,140	1,740,485	288,345
Charges for services	489,250	489,250	500,159	10,909
Non ad valorem assessments	915,000	915,000	927,246	12,246
Fines and forfeitures	90,500	90,500	221,999	131,499
Miscellaneous	149,750	149,750	199,260	49,510
Total revenues	16,084,190	16,084,190	16,447,958	363,768
Expenditures:				
Current:				
General government	1,813,667	1,874,338	1,799,754	74,584
Public safety	11,183,667	11,212,054	10,962,966	249,088
Physical environment	1,605,029	1,611,903	1,605,394	6,509
Transportation	52,290	52,290	43,476	8,814
Culture/recreation	988,102	915,162	891,199	23,963
Capital outlay	324,890	303,220	228,703	74,517
Debt service:				
Principal	222,530	213,319	213,318	1
Interest and other	17,431	13,320	13,320	-
Total expenditures	16,207,606	16,195,606	15,758,130	437,476
Excess of revenues over expenditures	(123,416)	(111,416)	689,828	801,244
Other Financing Sources (Uses):				
Transfers in	135,000	135,000	135,000	-
Capital lease issuance	105,280	105,280	-	(105,280)
Transfers out	(116,864)	(128,864)	(128,864)	-
Total other financing sources (uses)	123,416	111,416	6,136	(105,280)
Net change in fund balance	\$ -	\$ -	695,964	\$ 695,964
Fund Balance, Beginning of Year			6,405,133	
Fund Balance, End of Year			\$ 7,101,097	

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

City of Lighthouse Point, Florida
Special Revenue - Garbage and Trash Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Non advalorem assessments:				
Solid waste fees	\$ 2,030,800	\$ 2,053,940	\$ 2,053,935	\$ (5)
Miscellaneous:				
Other	21,300	13,578	13,940	362
Interest income	10,000	5,215	5,083	(132)
Total miscellaneous	31,300	18,793	19,023	230
Allocation of fund balance	135,800	164,607	-	(164,607)
Total revenues	2,197,900	2,237,340	2,072,958	(164,382)
Expenditures:				
Trash collection:				
Operating expenditures	2,127,900	2,167,340	2,167,339	1
Total expenditures	2,127,900	2,167,340	2,167,339	1
Other Financing Sources (Uses):				
Transfers out	(70,000)	(70,000)	(70,000)	-
Net change in fund balance	\$ -	\$ -	(164,381)	\$ (164,381)
Fund Balance, Beginning of Year			378,347	
Fund Balance, End of Year			\$ 213,966	

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

City of Lighthouse Point, Florida
Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
September 30, 2020

Assets:

Investments:

U.S. stock funds	\$ 22,173,060
Balanced funds	9,289,171
Bond funds	8,500,425
Money market funds and other deposits	8,125,324
International stock funds	4,703,104
Core real estate funds	2,507,278
Specialty funds	<u>550,946</u>

Total investments	55,849,308
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Participant loans receivable	<u>440,388</u>
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Total assets	56,289,696
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Liabilities

-

Net Position:

Restricted for pensions	45,233,704
Restricted for other employee benefits	<u>11,055,992</u>

Total net position	<u>\$ 56,289,696</u>
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The accompanying notes to financial statements are an integral part of these statements.

City of Lighthouse Point, Florida
Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended September 30, 2020

Additions:

Contributions:

City	\$ 379,793
Employees	<u>608,126</u>

Total contributions	<u>987,919</u>
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Investment earnings and expenses:

Interest, dividends and investment value changes	4,388,966
Less investment expense	<u>263,845</u>

Net investment earnings	<u>4,125,121</u>
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Total additions	<u>5,113,040</u>
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Deductions:

Benefits paid	1,525,395
Refund of contributions	<u>7,838</u>

Total deductions	<u>1,533,233</u>
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Change in net position	3,579,807
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**Net Position Restricted for Pensions
and Other Employee Benefits:**

At Beginning of Year	<u>52,709,889</u>
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At End of Year	<u>\$ <u>56,289,696</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

Note A - Summary of Significant Accounting Policies

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

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

The criteria used for including component units consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon this review, there were no component units or related organizations of the City.

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

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

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City has only governmental activities for the fiscal year ended September 30, 2020.

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

Note A - Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The City has only governmental and fiduciary funds for the fiscal year ended September 30, 2020.

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

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

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

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

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

Note A - Summary of Significant Accounting Policies (continued)

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

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

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

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

Bond Construction Fund - This capital improvement fund was created to account for the proceeds of the General Obligation Bonds approved by voters and sold in 2019 for capital expenditures to improve the public safety, public works, recreation, and library departments.

The City also reports on nonmajor funds within the governmental fund category including the Tennis Center Fund, Infrastructure Fund, Stormwater Fund, Special Purpose Fund, Walt and Mary Barker Library Fund, 2002 Debt Service Fund, and the 2019 Debt Service Fund. The Special Purpose Fund is comprised of locally generated resources for recreation support, environmental projects, cultural support, and other capital projects. Additionally, the City presents the Pension Trust Fund as a fiduciary fund, which accounts for the activities of the various pension plans provided to City employees.

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

Assets, liabilities, and net position or fund balance:

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

Note A - Summary of Significant Accounting Policies (continued)

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

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

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age in accordance with City Commission resolution and City policy. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net position. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences payable from expendable available financial resources and only if they have matured.
6. Unearned revenue: Inflows that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.
7. Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists of notes and capital leases payable, as well as accrued compensated absences payable, net pension liability and OPEB liability. In the fund financial statements, debt proceeds are reported as other financing sources. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.
8. Deferred outflows/inflows of resources: In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. As required by GASB Statements 68 and 75, the City reports deferred outflows of resources for pension-related and OPEB amounts. At September 30, 2020, the City reported deferred outflows of \$ 15,137,281 in the government-wide statements.

Note A - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that are deferred inflows of resources. The first type, unavailable revenue, arises only under a modified accrual basis of accounting, and is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from utility service taxes, franchise and other revenues, intergovernmental revenues, and summer camp fees that were earned but not received within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At September 30, 2020, the City reported deferred inflows of \$ 388,480 for this category in the fund level statements. The second type is required by GASB Statements 68 and 75 for pension and OPEB related inflows. At September 30, 2020, the City reported deferred inflows of \$ 681,908 in the government-wide statements.

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

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

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

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

Restricted: Includes fund balances constrained for specific purposes by external parties (creditors, grantors, contributors), law, or enabling legislation legally enforceable by external parties.

Note A - Summary of Significant Accounting Policies (continued)

As of September 30, 2020, the City had the following restricted fund balances:

Major Funds:	
General fund:	
Building department	\$ 251,700
Public safety fund:	
Federal and state fines and forfeitures	1,403,216
Bond construction fund:	
Unspent bond proceeds	<u>14,950,578</u>
 Total major funds	 <u>16,605,494</u>
 Nonmajor Funds:	
Stormwater fund:	
Special assessments	592,402
Walt and Mary Barker library fund:	
Library resources	93,143
2002 Debt service fund:	
Unspent debt proceeds	13,792
2019 Debt service fund:	
Unspent debt proceeds	<u>15,016</u>
 Total nonmajor funds	 <u>714,353</u>
 Total restricted fund balance	 \$ <u><u>17,319,847</u></u>

Committed: Includes all amounts that can be used only for specific purposes pursuant to constraints imposed by City Commission motion, including minimum contingency amounts established by City Commission policy, and all other non-general fund balances (except for restricted balances as discussed earlier).

Within the committed fund balance of \$ 2,625,547 there is an amount of \$ 1,724,320 set aside for operational contingencies. This amount is established through resolution by City Commission and is adjusted annually based on the following year's adopted expenditure budgeted amounts. It can be used upon approval of the City Commission.

Assigned: This classification includes amounts that are constrained by the Mayor or the Mayor's designee. The City Commission has delegated this authority to the Mayor by resolution and includes \$ 3.75 million for emergency disaster recovery within the City.

Unassigned: This category includes any fund balance remaining after calculating the previous reporting categories for the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Note A - Summary of Significant Accounting Policies (continued)

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

Other policies:

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. At September 30, 2020, encumbrances outstanding are as follows:

General Fund	\$	104,106
Bond Construction Fund		<u>299,912</u>
Total	\$	<u><u>404,018</u></u>

Subsequent events: The City’s management has evaluated subsequent events through March 26, 2021, which is the date the financial statements were available to be issued.

Note B - Stewardship, Compliance and Accountability

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

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. After June 1st, when the assessed values have been released by the Property Appraiser, the Mayor, as the City’s Chief Executive Officer, submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of funding.
3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by ordinance. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.

Note B - Stewardship, Compliance and Accountability (continued)

4. Appropriations which are neither expended, encumbered nor specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the General Fund, Garbage and Trash Fund, Tennis Center Fund, Stormwater Fund, 2002 Debt Service Fund, and 2019 Debt Service Fund. The budgets are adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original General Fund budget was amended during the year to reallocate available FY 2019/2020 appropriations.

Note C - Property Tax

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

The assessed value of property at January 1, 2019, upon which the 2019-2020 levy was based, was approximately \$ 2,491,718,885. The Broward County Revenue Collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2020 was \$ 3.5893 per \$ 1,000 and \$ 0.5820 per \$ 1,000 for debt service.

Note D - Deposits and Investments

Governmental Funds

Deposits: The City's deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. As of September 30, 2020, all non-interest bearing deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) and interest bearing deposits are insured up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Note D - Deposits and Investments (continued)

At September 30, 2020, the carrying amount of the City’s deposits was \$ 4,864,994 and the combined bank balances totaled \$ 4,821,212.

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

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

Investment Type	Fair Value
State Board of Administration - Florida PRIME	\$ 7,940
Money market funds	5,097,272
Certificates of deposit	813,202
Mutual funds	<u>15,653,460</u>
	<u>\$ 21,571,874</u>

Interest rate risk: The City designed its formal investment policy to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates. The City’s portfolio is invested in money market accounts, mutual funds, and certificates of deposit with no inherent interest rate risk.

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

Disclosure by Investment Type:

The table below summarizes the City’s Governmental Investment Funds scheduled maturities (in years) for investments held as of September 30, 2020:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Money market funds	\$ 5,097,272	\$ 5,097,272	\$ -	\$ -
Certificates of deposit	813,202	813,202	-	-
Mutual funds	<u>15,653,460</u>	<u>15,653,460</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,563,934</u>	<u>\$ 21,563,934</u>	<u>\$ -</u>	<u>\$ -</u>

Note D - Deposits and Investments (continued)

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

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7 pool. The City's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2020, the City's fair value of its investment in Florida PRIME was \$ 7,940.

At September 30, 2020, the City had invested in a certificate of deposit (CD) and a public depository money market account with BankUnited. The CD amount, interest rate, and maturity date are as follows: \$ 813,202 with a fixed interest rate of 0.60% annually and maturing on January 24, 2021. The City's money market account with Bank United, which pays 0.25% annually, had a balance of \$ 2,605,438 at September 30, 2020. Interest rates fluctuate based upon market and economic conditions.

The City also has public depository money market accounts with the following banks as of September 30, 2020:

	<u>Fair Value</u>	<u>Interest Rate</u>
Centennial Bank	\$ 1,952,301	0.55% annually
Synovus Bank	\$ 534,463	0.25% annually
First Horizon Bank	\$ 283	0.04% annually

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

The City also holds mutual funds with BNY Mellon, which had a balance of \$ 15,065,104 at September 30, 2020. These amounts are invested in mutual funds with a rating of Aaa-mf by Moody's and AAAM by S&P.

The City also holds a portfolio with Charles Schwab containing the assets of the Walt and Mary Barker Library Trust, which amounted to \$ 593,143 at September 30, 2020. Of this amount, \$ 588,356 was invested in mutual funds which have a Morningstar rating range of 1 to 4 stars. In addition, the portfolio contains \$ 4,787 invested in money market funds.

Note D - Deposits and Investments (continued)

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

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

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

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

- Investments classified as Level 1 in the primary government and fiduciary funds, in the tables below are valued using prices quoted in active markets for identical securities.
- Investments classified as Level 2 in the primary government and fiduciary funds, in the tables below are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates), or other market corroborated inputs.
- Investments classified as Level 3 in the fiduciary funds, in the table on page 45 are valued based on significant unobservable outputs based on all information available in the circumstances to the extent observable inputs are not available. The fair value of classified level 3 funds represents the value of unit positions in funds that are not publicly traded on an exchange. The fair value of the funds can be impacted by redemption restrictions imposed by the fund managers.

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2020

Note D - Deposits and Investments (continued)

Fair values of investments held by the City's Governmental Investment Funds are classified at September 30, 2020 as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Investments Valued at NAV</u>
Mutual funds	\$ 15,653,460	\$ 15,653,460	\$ -	\$ -	-
Total investments measured at fair value	15,653,460	\$ <u>15,653,460</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Investments measured at amortized cost:					
Florida PRIME	7,940				
Money market funds and certificates of deposit	<u>5,910,474</u>				
	<u>\$ 21,571,874</u>				

Fiduciary Funds

The City has seven different pension plans included in the fiduciary funds. Of these plans, six are administered by the International City/County Management Association Retirement Corporation (ICMA-RC), and the other is managed by the Florida League of Cities through the Florida Municipal Pension Trust (FMPT). Four of the ICMA-RC plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City's IRS 457 deferred compensation plan, and one is a retirement health savings plan. Employees select from a diverse group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who chose to convert from the 401a plan at that time. This plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board. As of September 30, 2020, the City had the following Fiduciary investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. stock funds	\$ 22,173,060
Balanced funds	9,289,171
Bond funds	8,500,425
Money market funds and other deposits	8,125,324
International stock funds	4,703,104
Core real estate funds	2,507,278
Specialty funds	<u>550,946</u>
	<u>\$ 55,849,308</u>

Note D - Deposits and Investments (continued)

The table below summarizes the City’s Fiduciary Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2020:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Stock funds	\$ 22,173,060	\$ 22,173,060	\$ -	\$ -	\$ -
Balanced funds	9,289,171	-	9,289,171	-	-
Bond funds	8,500,425	-	813,276	7,687,149	-
Money market funds and other deposits	8,125,324	8,125,324	-	-	-
International stock funds	4,703,104	4,703,104	-	-	-
Core real estate funds	2,507,278	2,507,278	-	-	-
Specialty funds	550,946	550,946	-	-	-
Total	\$ 55,849,308	\$ 38,059,712	\$ 10,102,447	\$ 7,687,149	\$ -

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

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, retirement health savings plan, and Roth IRA. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. The fixed income portion is invested in two separate bond funds: the Broad Market High Quality bond fund, with a Fitch rating of AAf/S4 and a weighted average maturity of 6.60 years, and the Core Plus Fixed Income fund (Not rated) with a weighted average maturity of 5.82 years.

Concentration risk: The fiduciary funds policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, or other pooled investments are excluded from this requirement. There were no individual investments that represent 5% or more in any one issuer at September 30, 2020.

Foreign currency risk: The ICMA-RC and FMPT funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds which has a balance of \$ 4,703,104 at September 30, 2020. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2020

Note D - Deposits and Investments (continued)

Fair values of investments held by the City’s Fiduciary Investment Funds are classified at September 30, 2020 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
U.S. stock funds	\$ 22,173,060	\$ 9,416,250	\$ 12,756,810	\$ -	\$ -
Balanced funds	9,289,171	9,289,171	-	-	-
Bond funds	8,500,425	813,276	3,829,798	3,857,351	-
Money market funds and other deposits	8,125,324	8,125,324	-	-	-
International stock funds	4,703,104	322,255	4,380,849	-	-
Core real estate funds	2,507,278	-	-	2,507,278	-
Specialty funds	550,946	550,946	-	-	-
Total investments measured at fair value	<u>\$ 55,849,308</u>	<u>\$ 28,517,222</u>	<u>\$ 20,967,457</u>	<u>\$ 6,364,629</u>	<u>\$ -</u>

Note E - Interfund Transactions

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

Interfund receivables and payables at September 30, 2020 were as follows:

Fund	Receivable	Payable
Major Funds:		
Garbage and trash fund	\$ 47,061	\$ -
Bond construction fund	-	24,073
Nonmajor Funds:		
Tennis center fund	-	22,988
Total	<u>\$ 47,061</u>	<u>\$ 47,061</u>

Note E - Interfund Transactions (continued)

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Major Funds:		
General fund	\$ 135,000	\$ 128,864
Garbage and trash fund	-	70,000
Bond construction fund	-	7,286
Total major funds	<u>135,000</u>	<u>206,150</u>
Nonmajor Funds:		
Tennis center fund	103,864	-
Stormwater fund	-	65,000
Special purpose fund	25,000	-
2019 Debt service fund	7,286	-
Total nonmajor funds	<u>136,150</u>	<u>65,000</u>
Total	<u>\$ 271,150</u>	<u>\$ 271,150</u>

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

In FY 2020, the General Fund transferred \$ 128,864 to other funds including, \$ 103,864 for the Tennis Center budgeted subsidy for facility operations, and \$ 25,000 to the Special Purpose Fund for the City’s Keeper Day and Lighthouse A’Glow celebrations. The General fund also received a total of \$ 135,000 for an allocation of administrative expenses from other funds in the amount of \$ 70,000 from the Garbage and Trash Fund and \$ 65,000 from the Stormwater Fund. Additionally, the Bond Construction Fund transferred \$ 7,286 of unused cost of issuance funds to the 2019 Debt Service Fund to cover future principal payments.

Note F - Special Revenue Funds

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

Note F - Special Revenue Funds (continued)

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

As of September 30, 2020, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

Recreational support:	
Sponsor fees for recreation programs	\$ 14,922
Keeper Days for annual City anniversary	8,752
LHP A'Glow for annual holiday celebration	<u>320</u>
Total	<u>23,994</u>
Environmental:	
Waterway cleanup and protection	3,679
Beautification improvements in the City	<u>9,959</u>
Total	<u>13,638</u>
Cultural support:	
Library	51,921
Cultural arts committee	6,003
Senior outreach	1,616
Historical committee	<u>128</u>
Total	<u>59,668</u>
Capital projects fund	<u>1,278</u>
Total special purpose fund	<u><u>\$ 98,578</u></u>

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2020

Note G - Capital Assets

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

	Balance October 1, 2019	Additions	Retirements	Balance September 30, 2020
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,826,588	\$ 39,000	\$ -	\$ 8,865,588
Construction in progress	<u>142,400</u>	<u>839,873</u>	<u>-</u>	<u>982,273</u>
Total capital assets, not being depreciated	<u>8,968,988</u>	<u>878,873</u>	<u>-</u>	<u>9,847,861</u>
Capital assets, being depreciated				
Buildings and land improvements	10,983,009	15,357	2,324	10,996,042
Equipment and fixtures	3,043,821	142,340	7,401	3,178,760
Infrastructure	7,930,417	-	-	7,930,417
Vehicles	<u>2,675,306</u>	<u>142,095</u>	<u>-</u>	<u>2,817,401</u>
Total capital assets being depreciated	<u>24,632,553</u>	<u>299,792</u>	<u>9,725</u>	<u>24,922,620</u>
Less accumulated depreciation for:				
Buildings and land improvements	5,107,893	238,104	2,324	5,343,673
Equipment and fixtures	2,234,946	217,270	7,225	2,444,991
Infrastructure	1,453,249	159,567	-	1,612,816
Vehicles	<u>1,644,182</u>	<u>238,370</u>	<u>-</u>	<u>1,882,552</u>
Total accumulated depreciation	<u>10,440,270</u>	<u>853,311</u>	<u>9,549</u>	<u>11,284,032</u>
Total capital assets, being depreciated, net	<u>14,192,283</u>	<u>(553,519)</u>	<u>176</u>	<u>13,638,588</u>
Governmental activities, capital assets, net	<u>\$ 23,161,271</u>	<u>\$ 325,354</u>	<u>\$ 176</u>	<u>\$ 23,486,449</u>

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

Governmental activities:	
General government	\$ 62,443
Public safety	452,994
Physical environment	193,775
Culture and recreation	<u>144,099</u>
Total depreciation expense - governmental activities	<u>\$ 853,311</u>

City of Lighthouse Point, Florida
Notes to Basic Financial Statements
September 30, 2020

Note H - Long-Term Liabilities

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

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 16,500,000	\$ -	\$ 110,000	\$ 16,390,000	\$ 305,000
Premium on general obligation bonds	<u>1,219,631</u>	<u>-</u>	<u>42,056</u>	<u>1,177,575</u>	<u>-</u>
Total bonds payable	<u>17,719,631</u>	<u>-</u>	<u>152,056</u>	<u>17,567,575</u>	<u>305,000</u>
Notes and capital leases payable:					
Note payable *	1,182,236	-	387,229	795,007	393,958
Capital leases	<u>648,266</u>	<u>-</u>	<u>213,318</u>	<u>434,948</u>	<u>164,749</u>
Total notes and capital leases payable	<u>1,830,502</u>	<u>-</u>	<u>600,547</u>	<u>1,229,955</u>	<u>558,707</u>
Total bonds, notes and capital leases payable	<u>\$ 19,550,133</u>	<u>\$ -</u>	<u>\$ 752,603</u>	<u>\$ 18,797,530</u>	<u>\$ 863,707</u>
Other liabilities:					
Compensated absences payable	\$ 1,516,664	\$ 243,034	\$ 3,256	\$ 1,756,442	\$ 89,315
Net pension liability	6,730,696	8,607,754	-	15,338,450	-
Net OPEB liability	<u>525,539</u>	<u>589,520</u>	<u>-</u>	<u>1,115,059</u>	<u>-</u>
Total long-term liabilities	<u>\$ 8,772,899</u>	<u>\$ 9,440,308</u>	<u>\$ 3,256</u>	<u>\$ 18,209,951</u>	<u>\$ 89,315</u>

* Amount represents direct borrowings and private placements.

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

General Obligation Bonds: In April 2019, the City issued \$ 16,500,000 of General Obligation Bonds, Series 2019. The bonds were issued to finance construction of a new Fire Station/Emergency Operations Center, Public Works building, Recreation building at Dan Witt Park, 2nd floor at the City's Library, and various renovations of existing City facilities. The outstanding bonds bear an interest rate from 3.0% to 5.0% payable semi-annually on February 1st and August 1st of each year, with principal due annually on August 1 through August 2048. The outstanding principal balance as of September 30, 2020 is \$ 16,390,000. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2019-20 was 0.4110.

The terms of the General Obligation Bonds, Series 2019, noted above include other financial provisions for events of default, such as payment defaults, violation of covenants, insolvency, bankruptcy, and false representation. These events allow the lender to seek enforcement of and exercise of all remedies available and allowed by law.

Note H - Long-Term Liabilities (continued)

The annual debt service requirements until maturity for the General Obligation Bonds outstanding are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 305,000	\$ 659,850	\$ 964,850
2022	320,000	644,600	964,600
2023	335,000	628,600	963,600
2024	355,000	611,850	966,850
2025	370,000	594,100	964,100
2026-2030	2,155,000	2,673,000	4,828,000
2031-2035	2,680,000	2,136,474	4,816,474
2036-2040	3,200,000	1,637,736	4,837,736
2041-2045	3,930,000	920,940	4,850,940
2046-2048	<u>2,740,000</u>	<u>179,888</u>	<u>2,919,888</u>
	<u>\$ 16,390,000</u>	<u>\$ 10,687,038</u>	<u>\$ 27,077,038</u>

Note payable: The City’s Series 2002 General Obligation Bonds were refunded during FY 2011-2012 and covered in detail by previous year’s report. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022. The outstanding principal balance as of September 30, 2020 is \$ 795,007. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2019-20 was 0.1710.

The City’s note payable arrangements discussed above include other financial provisions for events of default, such as payment defaults, violation of covenants, insolvency, and false representation. These events may declare any unpaid principal and accrued interest due immediately. The lender may also seek enforcement of and exercise all remedies available and allowed by law.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 393,958	\$ 13,761	\$ 407,719
2022	<u>401,049</u>	<u>6,670</u>	<u>407,719</u>
	<u>\$ 795,007</u>	<u>\$ 20,431</u>	<u>\$ 815,438</u>

Capital leases: As of September 30, 2020, the City had obligations under four separate lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Annual debt service payments are funded by General Fund revenues. The carrying value of these assets is approximately \$ 534,000.

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

Note H - Long-Term Liabilities (continued)

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

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

Series 2019: lease purchase in the amount of \$ 216,000 funded the acquisition of vehicles and equipment for City administration, police administration, and public works.

The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2020:

Year Ending September 30,	Series 2015	Series 2017	Series 2018	Series 2019	Total
2021	\$ 13,196	\$ 88,431	\$ 26,133	\$ 45,868	\$ 173,628
2022	-	88,431	26,133	45,868	160,432
2023	-	-	26,133	45,868	72,001
2024	-	-	-	45,858	45,858
Total minimum lease payments	13,196	176,862	78,399	183,462	451,919
Less: amount representing interest	142	3,914	4,237	8,678	16,971
Present value of future minimum lease payments	\$ <u>13,054</u>	\$ <u>172,948</u>	\$ <u>74,162</u>	\$ <u>174,784</u>	\$ <u>434,948</u>

Note I - Receivables and Payables

Receivables at September 30, 2020 were as follows:

	Accounts	Inter- governmental	Total
Governmental activities:			
General fund	\$ 440,429	\$ 362,977	\$ 803,406
Garbage and trash fund	5,864	6	5,870
Public safety fund	-	52	52
Tennis center fund	3,646	-	3,646
2002 Debt service fund	-	7	7
2019 Debt service fund	-	5	5
	\$ <u>449,939</u>	\$ <u>363,047</u>	\$ <u>812,986</u>

Note I - Receivables and Payables (continued)

Payables at September 30, 2020 were as follows:

	<u>Total</u>
Governmental activities:	
General fund	\$ 337,582
Garbage and trash fund	197,807
Public safety fund	909
Bond construction fund	90,453
Tennis center fund	6,471
Infrastructure fund	116,490
Stormwater fund	1,757
Special purpose fund	<u>78,259</u>
Total governmental activities	<u>\$ 829,728</u>

All amounts at September 30, 2020 are payable to vendors/contractors.

Note J - Pension Plans

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 93-96. The City acts as a trustee for these plan resources, however, there are no separately audited financial statements of these plans.

During the year ended September 30, 2019, the City began offering pension benefits through the Florida Retirement System (“FRS”) plan to its public safety employees. The FRS plan is intended to replace the current Police and Fire Defined Benefit Plan offered through the FL League of Cities. The City is a sponsor of the FRS plan, not a trustee, and, accordingly, there is no fiduciary fund on the City’s records. All provisions in relation to the City’s portion of FRS are recorded in the government wide statements on pages 22-23. 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 by calling (877) 377-1737 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Basis of Accounting

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

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Fire Defined Benefit Plan and additions to/deductions from Police and Fire Defined Benefit Plan’s fiduciary net position have been determined on the same basis as they are reported by the Police and Fire Defined Benefit Plan. The City is not a trustee of the FRS plan, as there is no fiduciary net position carried on the City’s records.

Note J - Pension Plans (continued)

Municipal Employees' Retirement Fund - Defined Contribution

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later in this section. For fiscal year 2020, the City made biweekly contributions to the defined contribution plan equal to 13% for general employees, 14% for fire, police and exempt employees, and 16% for management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the defined contribution plan: 3% of base salary for general employees, 8% of base salary for fire employees, and 6% of base salary for all other police and management/exempt employees.

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

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

Contributions made by the City for the fiscal year ended September 30, 2020 are as follows:

Employee Classification	Covered Payroll	Required Contribution Amount			Percentage of Contributions to Total Covered Payroll
		City	Employee	Total	
General	\$ 1,668,249	\$ 216,873	\$ 50,048	\$ 266,921	16.00%
Fire *	-	-	-	-	0.00%
Police	118,018	16,522	7,081	23,603	20.00%
Management	937,293	146,398	56,238	202,636	21.62%
Total	\$ 2,723,560	\$ 379,793	\$ 113,367	\$ 493,160	18.11%

* During fiscal year 2019, the Fire employees stopped contributing to the Municipal Employee's Retirement Fund due to addition of the Florida Retirement System Pension Plan.

Plan membership at September 30, 2020 consisted of the following:

	General	Fire	Police	Management
Retirees and beneficiaries currently receiving benefits	6	7	2	7
Terminated members entitled to but not yet receiving benefits	8	-	-	2
Current employees:				
Fully vested	20	6	7	6
Partially vested	11	-	-	3
Nonvested	2	-	-	-
Total current employees	33	6	7	9
Total membership	47	13	9	18

Note J - Pension Plans (continued)

Investment summaries at September 30, 2020, are as follows:

<u>Investment Type</u>	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Money Market Funds	23%	24%	44%	37%
Balanced Funds	65%	10%	19%	28%
U.S. Stock Funds	9%	55%	36%	26%
Bond Funds	2%	1%	0%	7%
International Stock Funds	1%	1%	1%	1%
Specialty Funds	0%	9%	0%	1%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Fair Value of Investments	\$ <u>5,066,609</u>	\$ <u>4,700,094</u>	\$ <u>2,251,242</u>	\$ <u>5,222,865</u>

All defined contribution (401a) plans provide for employee loans. Loans are limited to 50% of the employee's vested balance not to exceed \$ 50,000. Interest rates are based on prime plus 0.5%. As of September 30, 2020, participant loans outstanding amounted to \$ 440,388.

Police and Fire - Defined Benefit

Effective October 1, 2003, the City established a defined benefit pension plan for full-time police officers and firefighters. The defined benefit pension plan is a single-employer variety. In accordance with Ordinance 835, the defined benefit pension plan was mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. Previously, the City contributed 22.27% of employee base salaries and employees contributed 16.34%, but as of September 30, 2019 the plan was frozen due to public safety employees transitioning to the Florida Retirement System Plan. All investments, totaling \$ 27,552,507 at September 30, 2020, are managed by the Florida League of Cities, Inc. through the Florida Municipal Pension Trust. The plan has no past service costs because any employees that opted to purchase past service credits were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in FY 2009. As of September 30, 2020, the membership in the plan consists of seven active participants, 37 former employees who are either vested or entitled to a refund of employee contributions, and 19 retirees/beneficiaries receiving a benefit.

Net Pension (Asset) Liability:

The City's Police and Fire Defined Benefit Plan net pension (asset) liability as measured as of September 30, 2020 and the total pension liability (asset) used to calculate the net pension (asset) liability was determined by an actuarial valuation as of October 1, 2019.

Actuarial assumptions - The total net pension (asset) liability in the October 1, 2019 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate: 7.00% per annum (2.77% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

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

Note J - Pension Plans (continued)

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

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

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

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

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

Changes: No assumptions were changed since the prior measurement date.

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

The target allocation and best estimates of arithmetic real rates for each major asset class are summarized in the following table:

Investment Type	Target Allocation	Expected Long-Term Real Return
Core bonds	15%	1.60% per annum
Core plus	15%	2.10% per annum
U.S. large cap equity	34%	4.60% per annum
U.S. small cap equity	11%	5.50% per annum
Non-U.S equity	15%	6.70% per annum
Core real estate	10%	5.00% per annum
Total or weighted arithmetic average	100%	4.23% per annum

Rate of Return - For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 6.58%. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Note J - Pension Plans (continued)

Changes in the Net Pension (Asset) Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances, beginning	\$ 24,709,771	\$ (26,542,062)	\$ (1,832,291)
Changes for the year:			
Expected interest growth	1,685,413	(1,833,382)	(147,969)
Unexpected investment income	-	109,097	109,097
Demographic experience	(1,379,006)	-	(1,379,006)
Benefit payments, including refunds of member contributions	(667,030)	667,030	-
Administrative expense	-	46,811	46,811
Net changes	<u>(360,623)</u>	<u>(1,010,444)</u>	<u>(1,371,067)</u>
Balances, ending	<u>\$ 24,349,148</u>	<u>\$ (27,552,506)</u>	<u>\$ (3,203,358)</u>

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate:

The following presents the net pension asset of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 27,794,196	\$ 24,349,148	\$ 21,611,683
Less: fiduciary net position	<u>(27,552,506)</u>	<u>(27,552,506)</u>	<u>(27,552,506)</u>
Net pension (asset) liability	<u>\$ 241,690</u>	<u>\$ (3,203,358)</u>	<u>\$ (5,940,823)</u>

Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020 the City recognized pension income of \$ 504,112. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Police and Fire Defined Benefit Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual investment gain/loss	\$ 36,636	\$ -
Change of assumptions	1,450,877	517,713
Demographic gain/loss	<u>2,061,368</u>	<u>34,940</u>
Total	<u>\$ 3,548,881</u>	<u>\$ 552,653</u>

Note J - Pension Plans (continued)

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

<u>Year ended September 30,</u>	<u>Amount</u>
2021	\$ 1,357,937
2022	\$ 1,499,173
2023	\$ 346,946
2024	\$ (59,616)
2025	\$ (81,437)
Thereafter	\$ (66,775)

Deferred Compensation Plan

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

Retirement Health Savings Plan

As a voluntary supplement to the employees’ required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$ 646,339 at September 30, 2020 and is invested by ICMA-RC per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations. Should funds not be expended, they revert back to the City plan, however the City’s policy is to distribute any remaining proceeds upon death of a participant to their beneficiaries as they have provided in writing. Based upon employee group commitments, the plan currently includes Fire Captains, Police Department non-union employees, Administrative Secretaries, the Chief Clerk of the Police Department, Fire Driver-Engineers, Fire Rescue Supervisors, and the City Administrator.

Note J - Pension Plans (continued)

Roth IRA

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

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") and a defined contribution pension plan ("Investment 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.

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 - 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 creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. 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 creditable service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of creditable service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service.

Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

Note J - Pension Plans (continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable 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 August 1, 2011, the annual cost of living adjustment ("COLA") is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 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, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular - 8.47% and 10.00%; Special Risk Administrative Support – 38.59% and 35.84%; Special Risk - 25.48% and 24.45%; Senior Management Service – 25.41% and 27.29%; Elected Officers' - 48.82% and 49.18%; and DROP participants - 14.60% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020.

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, 2020, 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, 2020, the HIS contribution rate 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.

Note J - Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2020, the City reported liabilities of \$ 13,734,734 for its proportionate share of the Pension Plan's net pension liability and \$ 1,603,716 for the HIS Plan's net pension liability for a total pension liability of \$ 15,338,450. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the City's proportionate share was .031689588 percent for the Pension Plan and .013134623 percent for the HIS Plan, which was an increase of .014501574 percent and an increase of .005883006 percent respectively, from the proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$ 2,999,200 for the Pension Plan and \$ 247,114 for the HIS Plan for a total pension expense of \$ 3,246,314. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 525,656	\$ 65,602	\$ 591,258
Changes of assumptions	2,486,424	172,445	2,658,869
Net difference between projected and actual earnings on pension plan investments	817,779	1,280	819,059
Changes in proportion and differences between City contributions and proportionate share of contributions	5,448,986	1,084,365	6,533,351
City contributions subsequent to the measurement date	<u>248,324</u>	<u>18,746</u>	<u>267,070</u>
	<u>\$ 9,527,169</u>	<u>\$ 1,342,438</u>	<u>\$ 10,869,607</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 1,237	\$ 1,237
Changes of assumptions	<u>-</u>	<u>93,250</u>	<u>93,250</u>
	<u>\$ -</u>	<u>\$ 94,487</u>	<u>\$ 94,487</u>

Note J - Pension Plans (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2021. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2021	\$ 1,956,490	\$ 231,837	\$ 2,188,327
2022	2,396,446	221,487	2,617,933
2023	2,212,061	199,877	2,411,938
2024	1,791,842	210,619	2,002,461
2025	922,006	217,443	1,139,449
Thereafter	-	147,942	147,942
	<u>\$ 9,278,845</u>	<u>\$ 1,229,205</u>	<u>\$ 10,508,050</u>

Actuarial Assumptions:

The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan 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 Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increases	3.25% average, including inflation	3.25% average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018

Long-term Expected Rate of Return:

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.

Note J - Pension Plans (continued)

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%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
	100.0%			
Assumed inflation - Mean			2.4%	1.7%

(1) as outlined in the Pension Plan's Investment Policy

Discount Rate:

The discount rate used to measure the total pension liability was 6.80% for the Pension Plan. 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 calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's 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 Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.21% was used to determine the total pension liability. 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 table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2020.

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability for Pension Plan	\$ 21,932,063	\$ 13,734,734	\$ 6,888,290

Note J - Pension Plans (continued)

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's proportionate share of the net pension liability for HIS Plan	\$ <u>1,853,824</u>	\$ <u>1,603,716</u>	\$ <u>1,399,003</u>

Investment Plan:

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2019-2020 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

<u>Class</u>	<u>Allocation Rate</u>
Elected Officials	11.34%
Senior Management	7.67%
Special Risk	14.00%
Regular Employees	6.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

Note J - Pension Plans (continued)

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

The City’s pension expense for the Investment Plan totaled \$ 67,761 for the fiscal year ended September 30, 2020.

Aggregate Amounts For All Plans

	Police and Fire Defined Benefit Plan	Florida Retirement System		Total
		Pension Plan	HIS Plan	
Net pension asset	\$ 3,203,358	\$ -	\$ -	\$ 3,203,358
Net pension liability	\$ -	\$ 13,734,734	\$ 1,603,716	\$ 15,338,450
Deferred outflows of resources	\$ 3,548,881	\$ 9,527,169	\$ 1,342,438	\$ 14,418,488
Deferred inflows of resources	\$ 552,653	\$ -	\$ 94,487	\$ 647,140
Pension expense (income)	\$ (504,111)	\$ 2,999,200	\$ 247,114	\$ 2,742,203

Note K - Commitments and Contingencies

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

Grants compliance: The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Florida Single Audit Act, the City was not required to conduct a “single audit” for federal or state grants. The threshold for such audits is \$ 750,000 for either level of government. For the year ended September 30, 2020, the City did not have any financial assistance that met the “single audit” threshold.

Note L - Other Post-Employment Benefits (OPEB)

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

Elected officials, who have served five years, are eligible to retain City health insurance at their own expense. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. An actuarial valuation was completed as of October 1, 2019 and reflects the most current estimate of the other post-employment benefit obligation liability. As of September 30, 2020, the net obligation was \$ 1,115,059. Consequently, the Statement of Net Position reflects this amount.

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

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>79</u>
Total plan members	<u><u>85</u></u>

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

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

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

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

Note L - Other Post-Employment Benefits (OPEB) (continued)

The total OPEB liability at September 30, 2020 was based on an actuarial valuation dated October 1, 2019 with a measurement date of September 30, 2020, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal.
Discount Rate	2.14% per annum.
Salary Increases	3.00% per annum.
Cost-of-living Increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare Cost Trend Rates	Increases in healthcare costs are assumed to be 7.00% for the 2019/20 fiscal year graded down by 0.50% per year to 5.00% for the 2023/2024 and later fiscal years.
Age-related Morbidity	Insurance premiums are assumed to increase with each year of age in accordance with the rates set forth in the Society of Actuaries "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto (June, 2013). Rates set forth in Chart 2 (Group Costs by Age for 2009/10) were used to develop the morbidity rates prior to age 65 and the rates set forth in Table 4 (Development of Paln Specific Medicare Age Curve) were used to develop the morbidity rates after age 65. Dental claims are not assumed to increase with age.
Implied Subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, implied monthly subsidy has been assumed for the 2019/20 fiscal year based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.
Mortality Basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017.
Retirement Age	For police officers and firefighters, retirement is assumed to occur at age 60 with eight years of service, at age 55 with 10 years of service, or at age 50 with 25 years of service; for general employees, retirement is assumed to occur at age 62 with eight years of service or at age 55 with 10 years of service.

Note L - Other Post-Employment Benefits (continued)

Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for police officers and firefighters).
Coverage Election	25% of eligible employees who are not entitled to an explicit subsidy and 100% of eligible employees who are entitled to an explicit subsidy are assumed to elect medical coverage upon retirement or disability for life in accordance with their current health plan and coverage election; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Since the prior measurement date (September 30, 2019), the discount rate was decreased from 3.58% per annum to 2.14% per annum, and the morbidity assumption was changed from 3.50% at each age to the rates described above.

Discount rate: The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.14%. Because the City’s OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date was used to determine the total OPEB liability.

Total OPEB liability of the City: The components of the City’s net OPEB liability at September 30, 2020, are as follows:

Total OPEB liability	\$ 1,115,059
OPEB Plan fiduciary net position	-
City's net OPEB liability	\$ 1,115,059
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0%

Note L - Other Post-Employment Benefits (continued)

Measurement year ended September 30, 2020

Total OPEB liability:	
Service cost	\$ 88,631
Expected interest growth	12,096
Demographic experience	188,231
Assumption changes	398,977
Benefit payments and refunds	<u>(98,415)</u>
Net change in total OPEB liability	589,520
Total OPEB liability, beginning	<u>525,539</u>
Total OPEB liability, ending	<u>\$ 1,115,059</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following table presents the total OPEB liability, calculated using the discount rate of 2.14%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ <u>1,265,082</u>	\$ <u>1,115,059</u>	\$ <u>989,287</u>

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

	1% Trend Decrease 6.00% Decreasing to 4.00%	Trend Rate Assumption 7.00% Decreasing to 5.00%	1% Trend Increase 8.00% Decreasing to 6.00%
Total OPEB liability	\$ <u>957,616</u>	\$ <u>1,115,059</u>	\$ <u>1,307,392</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2020, the City recognized OPEB expense of \$ 102,458. At September 30, 2020, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic experience	\$ 369,502	\$ -
Assumption changes	<u>349,291</u>	<u>34,768</u>
Total	<u>\$ 718,793</u>	<u>\$ 34,768</u>

Note L - Other Post-Employment Benefits (continued)

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

Fiscal Year Ending September 30,	Amount
2021	\$ 100,146
2022	\$ 100,146
2023	\$ 100,146
2024	\$ 100,146
2025	\$ 100,146
Thereafter	\$ 183,295

Note M - Individual Fund Disclosures

At September 30, 2020, the Tennis Center Fund has a deficit fund balance of \$ 30,432. The City expects to reduce this deficit through transfers from the General Fund in Fiscal Year 2020-2021.

Note N - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Board of Commissioners continued to evaluate and monitor the potential adverse effect that this event may have on the City’s financial position, operations, and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

REQUIRED SUPPLEMENTARY
INFORMATION

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

	<u>2020</u>	<u>2019</u>
City of Lighthouse Point, Florida's proportion of the net pension liability	0.031689588%	0.017188014%
City of Lighthouse Point, Florida's proportionate share of the net pension liability	\$ 13,734,734	\$ 5,919,313
City of Lighthouse Point, Florida's covered payroll	\$ 4,310,968	\$ 2,319,529
City of Lighthouse Point, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	318.60%	255.19%
Plan fiduciary net position as a percentage of total pension liability	78.85%	82.61%

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

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

	<u>2020</u>	<u>2019</u>
City of Lighthouse Point, Florida's proportion of the net pension liability	0.013134623%	0.007251617%
City of Lighthouse Point, Florida's proportionate share of the net pension liability	\$ 1,603,716	\$ 811,383
City of Lighthouse Point, Florida's covered payroll	\$ 4,558,649	\$ 2,425,248
City of Lighthouse Point, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	35.18%	33.46%
Plan fiduciary net position as a percentage of total pension liability	3.00%	2.63%

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

City of Lighthouse Point, Florida
Required Supplementary Information
Florida Retirement System Pension Plan
Schedule of Contributions
Last Ten Fiscal Years
(Unaudited)

	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,024,346	\$ 772,311
Contributions in relation to the contractually required contribution	<u>1,024,346</u>	<u>772,311</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
City of Lighthouse Point, Florida's covered payroll	\$ 4,345,899	\$ 3,337,710
Contributions as a percentage of covered payroll	23.57%	23.14%

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

**City of Lighthouse Point, Florida
Required Supplementary Information
Retiree Health Insurance Subsidy Program
Schedule of Contributions
Last Ten Fiscal Years
(Unaudited)**

	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 76,607	\$ 58,067
Contributions in relation to the contractually required contribution	<u>76,607</u>	<u>58,067</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
City of Lighthouse Point, Florida's covered payroll	\$ 4,614,905	\$ 3,498,009
Contributions as a percentage of covered payroll	1.66%	1.66%

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.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability							
Service cost	\$ -	\$ 11,959	\$ 398,297	\$ 371,661	\$ 371,661	\$ 253,497	\$ 338,632
Expected interest growth	1,685,413	2,051,009	1,658,825	1,586,392	1,129,166	1,514,924	1,477,810
Demographic experience	(1,379,006)	(636,834)	2,898,623	(426,868)	659,097	(32,379)	-
Assumption changes	-	-	1,803,577	-	4,860,207	(1,940,714)	-
Benefit payments, including refunds of member contributions	(667,030)	(1,404,551)	(746,176)	(455,688)	(454,253)	(355,333)	(599,481)
Changes in benefit terms	-	(5,154,431)	-	-	-	-	-
Net change in total pension liability	(360,623)	(5,132,848)	6,013,146	1,075,497	6,565,878	(560,005)	1,216,961
Total pension liability - beginning	24,709,771	29,842,619	23,829,473	22,753,976	16,188,098	16,748,103	15,531,142
Total pension liability - ending (A)	\$ 24,349,148	\$ 24,709,771	\$ 29,842,619	\$ 23,829,473	\$ 22,753,976	\$ 16,188,098	\$ 16,748,103
Plan fiduciary net position							
Contributions - employer	\$ -	\$ -	\$ 1,372,606	\$ 991,535	\$ 815,761	\$ 776,750	\$ 812,593
Contributions - member	-	111,254	702,612	722,202	564,019	544,741	561,829
Net investment income (loss)	1,677,474	1,331,005	1,733,186	2,653,471	1,400,099	(79,907)	1,198,583
Benefit payments, including refunds of member contributions	(667,030)	(1,404,551)	(746,176)	(455,688)	(454,253)	(355,333)	(387,047)
Net change in plan fiduciary net position	1,010,444	37,708	3,062,228	3,911,520	2,325,626	886,251	2,185,958
Plan fiduciary net position - beginning	26,542,062	26,504,354	23,442,126	19,530,606	17,204,980	16,318,729	14,132,771
Plan fiduciary net position - ending (B)	\$ 27,552,506	\$ 26,542,062	\$ 26,504,354	\$ 23,442,126	\$ 19,530,606	\$ 17,204,980	\$ 16,318,729
City net pension (asset) liability - ending (A) - (B)	\$ (3,203,358)	\$ (1,832,291)	\$ 3,338,265	\$ 387,347	\$ 3,223,370	\$ (1,016,882)	\$ 429,374
Plan fiduciary net position as a percentage of the total pension (asset) liability	113.16%	107.42%	88.81%	98.37%	85.83%	106.28%	97.44%
Covered payroll	\$ -	\$ 222,581	\$ 3,261,638	\$ 3,261,638	\$ 3,011,289	\$ 3,043,337	\$ 3,125,632
City net pension (asset) liability as percentage of covered payroll	0.00%	-823.20%	102.35%	11.88%	107.04%	-33.41%	13.74%

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

During 2019, the City froze the Police and Fire Defined Benefit Pension Plan due to the addition of the Florida Retirement System Pension Plan, causing a decline in covered payroll amounts.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ -	\$ -	\$ 1,372,607	\$ 991,535	\$ 815,761	\$ 776,750	\$ 812,593	\$ 1,194,863	\$ 791,670	\$ 761,846
Actual contribution	-	-	957,596	991,535	815,761	776,750	812,593	1,194,863	791,670	761,846
Contribution deficiency (excess)	\$ -	\$ -	\$ 415,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ 222,581	\$ 3,261,638	\$ 3,261,638	\$ 3,011,289	\$ 3,043,337	\$ 3,125,632	\$ 3,108,447	N/A	\$ 2,718,225
Contributions as a percentage of covered payroll	0.00%	0.00%	29.36%	30.40%	27.09%	25.52%	26.00%	38.44%	N/A	28.03%

Covered payroll for the 2012 year is not available.

Valuation date: October 1, 2019

Methods and assumptions used to determine contribution rates:

- Discount rate 7.00% per annum (2.77% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
- Salary increases 7.00% per annum for employees less than age 35, 6.00% per annum for employees age 35 to age 45
- 5.00% per annum for employees age 45 to age 55, and 4.00% per annum for employees at least age 55
- Cost-of-living increases 3.00% as of each October 1 at least five years after retirement
- Mortality basis Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB
- Retirement age 4.30% at ages 50 and 54, 4.20% at age 52, 4.40% at age 55, 4.50% at age 56, 4.70% at age 57, or 100% at normal retirement age.
- Other decrements Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55.
- Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.
- Future contributions Contributions from the employer and employees are assumed to be made as legally required.
- Changes No assumptions were changed since the prior measurement date.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	6.58%	5.40%	7.49%	13.46%	8.20%	-0.23%	8.50%

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

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

Fiscal Year:	2020	2019	2018
Measurement Date:	<u>9/30/2019</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB liability			
Service cost	\$ 88,631	\$ 37,544	\$ 29,429
Expected interest growth	12,096	10,932	10,007
Demographic experience	188,231	269,804	-
Assumption changes	398,977	(45,822)	-
Benefits payments and refunds	<u>(98,415)</u>	<u>(29,200)</u>	<u>(5,255)</u>
Net change in total OPEB liability	589,520	243,258	34,181
Total OPEB liability - beginning	<u>525,539</u>	<u>282,281</u>	<u>248,100</u>
Total OPEB liability - ending	\$ <u><u>1,115,059</u></u>	\$ <u><u>525,539</u></u>	\$ <u><u>282,281</u></u>
Covered payroll	\$ 6,088,198	\$ 5,845,659	\$ 4,992,342
Total OPEB liability as a percentage of covered payroll	18.32%	8.99%	5.65%

Notes to Schedule:

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

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

OTHER SUPPLEMENTARY
INFORMATION

City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 8,545,000	\$ 8,545,000	\$ 8,610,030	\$ 65,030
Delinquent	-	-	20,452	20,452
	<u>8,545,000</u>	<u>8,545,000</u>	<u>8,630,482</u>	<u>85,482</u>
Franchise taxes:				
Electricity	835,000	835,000	815,769	(19,231)
Solid waste	55,000	55,000	68,611	13,611
	<u>890,000</u>	<u>890,000</u>	<u>884,380</u>	<u>(5,620)</u>
Utility service taxes:				
Electricity	1,200,000	1,200,000	1,211,376	11,376
Water	565,000	565,000	548,842	(16,158)
Gas	1,000	1,000	574	(426)
Propane	48,700	48,700	44,851	(3,849)
Communications services	665,350	665,350	636,007	(29,343)
	<u>2,480,050</u>	<u>2,480,050</u>	<u>2,441,650</u>	<u>(38,400)</u>
Licenses and permits:				
Business license tax	77,000	77,000	81,038	4,038
Building permits	415,000	415,000	304,280	(110,720)
Plumbing permits	80,000	80,000	90,324	10,324
Electrical permits	115,000	115,000	103,347	(11,653)
Other	385,500	385,500	323,308	(62,192)
	<u>1,072,500</u>	<u>1,072,500</u>	<u>902,297</u>	<u>(170,203)</u>
Intergovernmental revenues:				
State revenue sharing	330,000	330,000	302,825	(27,175)
Other state revenue sharing	55,940	55,940	55,941	1
Alcoholic beverage license	7,500	7,500	7,978	478
Gasoline tax	198,000	198,000	169,782	(28,218)
Half cent sales tax	740,000	740,000	645,076	(94,924)
Firefighters supplemental	12,500	12,500	11,740	(760)
Motor fuel rebate	5,000	5,000	5,560	560
County occupational license	12,000	12,000	11,339	(661)
Federal grants	30,000	30,000	433,041	403,041
State grants	1,200	1,200	11,986	10,786
Local grants	60,000	60,000	85,217	25,217
	<u>1,452,140</u>	<u>1,452,140</u>	<u>1,740,485</u>	<u>288,345</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	37,000	37,000	39,225	2,225
Zoning fees	18,000	18,000	56,787	38,787
Merchandise sales	50	50	1	(49)
Certification, copying, research	100	100	2,557	2,457
City commission appeals	100	100	-	(100)
Other fees - city clerk	200	200	796	596
Accident reports	1,800	1,800	2,394	594
Fingerprinting fees	5,000	5,000	2,145	(2,855)
Alarm fees	7,000	7,000	5,570	(1,430)
Special detail fees	31,500	31,500	19,193	(12,307)
Fire inspection fees	25,000	25,000	26,169	1,169
Construction inspection fees	4,000	4,000	320	(3,680)
Other fees - fire	1,000	1,000	650	(350)
Ambulance fees	250,000	250,000	308,150	58,150
Library fees	1,000	1,000	875	(125)
Photostat and other fees	1,500	1,500	828	(672)
Registration - recreation	40,000	40,000	25,930	(14,070)
Summer recreation fees	60,000	60,000	6,400	(53,600)
Other recreation fees	6,000	6,000	2,169	(3,831)
	<u>489,250</u>	<u>489,250</u>	<u>500,159</u>	<u>10,909</u>
Non ad valorem assessments:				
Special assessments - fire	915,000	915,000	927,246	12,246
	<u>915,000</u>	<u>915,000</u>	<u>927,246</u>	<u>12,246</u>
Fines and forfeitures:				
Court fines	8,000	8,000	9,729	1,729
Library fines	500	500	245	(255)
Parking citations	2,000	2,000	1,175	(825)
Code enforcement fines	80,000	80,000	210,850	130,850
	<u>90,500</u>	<u>90,500</u>	<u>221,999</u>	<u>131,499</u>
Miscellaneous income:				
Interest income	87,250	87,250	46,445	(40,805)
Other	62,500	62,500	152,815	90,315
	<u>149,750</u>	<u>149,750</u>	<u>199,260</u>	<u>49,510</u>
Total revenues	<u>16,084,190</u>	<u>16,084,190</u>	<u>16,447,958</u>	<u>363,768</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	54,306	54,306	49,728	4,578
Operating expenditures	54,517	54,517	43,305	11,212
Grants and aids	11,737	11,737	11,737	-
	<u>120,560</u>	<u>120,560</u>	<u>104,770</u>	<u>15,790</u>
Executive - Mayor:				
Personal services	31,214	31,214	30,644	570
Operating expenditures	17,540	17,540	17,730	(190)
	<u>48,754</u>	<u>48,754</u>	<u>48,374</u>	<u>380</u>
Administration/finance:				
Personal services	694,790	682,914	644,405	38,509
Operating expenditures	156,814	156,814	138,683	18,131
Capital outlay	-	9,021	9,021	-
	<u>851,604</u>	<u>848,749</u>	<u>792,109</u>	<u>56,640</u>
City attorney:				
Operating expenditures	193,100	265,647	264,611	1,036
Support services:				
Personal services	68,049	68,049	67,236	813
Operating expenditures	531,600	531,600	531,675	(75)
Capital outlay	50,000	-	-	-
	<u>649,649</u>	<u>599,649</u>	<u>598,911</u>	<u>738</u>
Total general government	<u>1,863,667</u>	<u>1,883,359</u>	<u>1,808,775</u>	<u>74,584</u>
Public safety:				
Police department:				
Personal services	5,583,476	5,455,211	5,270,187	185,024
Operating expenditures	319,870	377,518	339,884	37,634
Capital outlay	55,890	55,890	40,212	15,678
	<u>5,959,236</u>	<u>5,888,619</u>	<u>5,650,283</u>	<u>238,336</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	3,987,668	3,987,668	3,952,762	34,906
Operating expenditures	204,255	232,644	254,918	(22,274)
Capital outlay	87,500	22,651	5,000	17,651
	<u>4,279,423</u>	<u>4,242,963</u>	<u>4,212,680</u>	<u>30,283</u>
Building department:				
Personal services	248,083	248,083	246,377	1,706
Operating expenditures	507,035	577,650	578,382	(732)
	<u>755,118</u>	<u>825,733</u>	<u>824,759</u>	<u>974</u>
Code enforcement:				
Personal services	311,615	311,615	300,735	10,880
Operating expenditures	21,665	21,665	19,721	1,944
	<u>333,280</u>	<u>333,280</u>	<u>320,456</u>	<u>12,824</u>
Total public safety	<u>11,327,057</u>	<u>11,290,595</u>	<u>11,008,178</u>	<u>282,417</u>
Physical environment:				
Public works:				
Personal services	1,102,125	1,084,534	1,084,262	272
Operating expenditures	502,904	527,369	521,132	6,237
Capital outlay	56,000	106,112	106,111	1
Total physical environment	<u>1,661,029</u>	<u>1,718,015</u>	<u>1,711,505</u>	<u>6,510</u>
Transportation:				
Community bus:				
Personal services	39,920	39,920	34,144	5,776
Operating expenditures	12,370	12,370	9,332	3,038
Total transportation	<u>52,290</u>	<u>52,290</u>	<u>43,476</u>	<u>8,814</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	356,458	361,378	361,378	-
Operating expenditures	41,370	41,370	71,364	(29,994)
Capital outlay	52,000	41,187	-	41,187
	<u>449,828</u>	<u>443,935</u>	<u>432,742</u>	<u>11,193</u>
Recreation department:				
Personal services	344,604	308,174	279,374	28,800
Operating expenditures	245,670	204,240	179,083	25,157
Capital outlay	23,500	68,359	68,359	-
	<u>613,774</u>	<u>580,773</u>	<u>526,816</u>	<u>53,957</u>
Total culture/recreation	<u>1,063,602</u>	<u>1,024,708</u>	<u>959,558</u>	<u>65,150</u>
Debt service:				
Principal	222,530	213,319	213,318	1
Interest	16,431	13,320	13,320	-
Other debt service	1,000	-	-	-
Total debt service	<u>239,961</u>	<u>226,639</u>	<u>226,638</u>	<u>1</u>
Total expenditures	<u>16,207,606</u>	<u>16,195,606</u>	<u>15,758,130</u>	<u>437,476</u>
Excess of revenues over expenditures	<u>(123,416)</u>	<u>(111,416)</u>	<u>689,828</u>	<u>801,244</u>
Other Financing Sources (Uses):				
Transfers in	135,000	135,000	135,000	-
Transfers out	(116,864)	(128,864)	(128,864)	-
Capital lease issuance	105,280	105,280	-	(105,280)
Total other financing sources (uses)	<u>123,416</u>	<u>111,416</u>	<u>6,136</u>	<u>(105,280)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>695,964</u>	<u>\$ 695,964</u>
Fund Balance, Beginning of Year			<u>6,405,133</u>	
Fund Balance, End of Year			<u>\$ 7,101,097</u>	

City of Lighthouse Point, Florida
Special Revenue - Tennis Center Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services:			
Membership fees	\$ 60,000	\$ 50,684	\$ (9,316)
Revenue sharing	25,000	22,913	(2,087)
Daily use fees	18,000	12,139	(5,861)
Summer camp fees	3,000	3,000	-
	<u>106,000</u>	<u>88,736</u>	<u>(17,264)</u>
Miscellaneous:			
Other	1,000	4,497	3,497
	<u>1,000</u>	<u>4,497</u>	<u>3,497</u>
Total revenues	<u>107,000</u>	<u>93,233</u>	<u>(13,767)</u>
Expenditures:			
Culture/recreation:			
Personal services	162,484	144,749	17,735
Operating expenditures	42,880	49,900	(7,020)
Capital outlay	5,500	5,200	300
	<u>210,864</u>	<u>199,849</u>	<u>11,015</u>
Excess (deficiency) of revenues over expenditures	(103,864)	(106,616)	(2,752)
Other Financing Sources:			
Transfers in	103,864	103,864	-
Total other financing sources	<u>103,864</u>	<u>103,864</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	(2,752)	\$ <u><u>(2,752)</u></u>
Fund Balance (Deficit), Beginning of Year		<u>(27,680)</u>	
Fund Balance (Deficit), End of Year		\$ <u><u>(30,432)</u></u>	

City of Lighthouse Point, Florida
Special Revenue - Stormwater Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Non ad valorem assessments:			
Stormwater fees	\$ 268,000	\$ 271,228	\$ 3,228
	<u>268,000</u>	<u>271,228</u>	<u>3,228</u>
Miscellaneous:			
Interest income	5,000	2,674	(2,326)
Allocation of fund balance	347,500	-	(347,500)
Total revenues	<u>620,500</u>	<u>273,902</u>	<u>(346,598)</u>
Expenditures:			
Finance/administration:			
Operating expenditures	8,500	4,532	3,968
	<u>8,500</u>	<u>4,532</u>	<u>3,968</u>
Physical environment:			
Operating expenditures	297,000	27,309	269,691
Capital outlay	250,000	-	250,000
	<u>547,000</u>	<u>27,309</u>	<u>519,691</u>
Total expenditures	<u>555,500</u>	<u>31,841</u>	<u>523,659</u>
Excess (deficiency) of revenues over expenditures	<u>65,000</u>	<u>242,061</u>	<u>177,061</u>
Other Financing Sources (Uses):			
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	177,061	\$ <u>177,061</u>
Fund Balance, Beginning of Year		<u>415,341</u>	
Fund Balance, End of Year		<u>\$ 592,402</u>	

City of Lighthouse Point, Florida
2002 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Ad valorem taxes	\$ 407,319	\$ 411,385	\$ 4,066
Miscellaneous:			
Interest income	<u>400</u>	<u>747</u>	<u>347</u>
Total revenues	<u>407,719</u>	<u>412,132</u>	<u>4,413</u>
Expenditures:			
Debt service:			
Principal	386,257	387,229	(972)
Interest	<u>21,462</u>	<u>20,490</u>	<u>972</u>
Total expenditures	<u>407,719</u>	<u>407,719</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>4,413</u>	<u>4,413</u>
Net change in fund balance	\$ <u><u>-</u></u>	4,413	\$ <u><u>4,413</u></u>
Fund Balance, Beginning of Year		<u>9,379</u>	
Fund Balance, End of Year		\$ <u><u>13,792</u></u>	

City of Lighthouse Point, Florida
2019 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Ad valorem taxes	\$ 978,381	\$ 986,005	\$ 7,624
Miscellaneous:			
Interest income	<u>1,500</u>	<u>1,606</u>	<u>106</u>
Total revenues	<u>979,881</u>	<u>987,611</u>	<u>7,730</u>
Expenditures:			
Debt service:			
Principal	110,000	110,000	-
Interest	855,714	855,714	-
Other	<u>14,167</u>	<u>14,167</u>	<u>-</u>
Total expenditures	<u>979,881</u>	<u>979,881</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>7,730</u>	<u>7,730</u>
Other Financing Sources (Uses):			
Transfers in	<u>-</u>	<u>7,286</u>	<u>7,286</u>
Net change in fund balance	<u>\$ -</u>	15,016	<u>\$ 15,016</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance, End of Year		<u>\$ 15,016</u>	

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OTHER
FINANCIAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Permanent Fund

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

Debt Service Funds

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

2019 Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on the \$ 16,500,000 General Obligation Bonds, Series 2019.

City of Lighthouse Point, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue			
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund	Special Purpose Fund
Assets:				
Cash, cash equivalents, restricted cash, and investments	\$ 100	\$ 705,173	\$ 594,159	\$ 176,837
Accounts receivable	3,646	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 3,746</u>	<u>\$ 705,173</u>	<u>\$ 594,159</u>	<u>\$ 176,837</u>
Liabilities:				
Accounts payable	\$ 6,471	\$ 116,490	\$ 1,757	\$ 78,259
Accrued payroll and related taxes	4,719	-	-	-
Due to other funds	22,988	-	-	-
Total liabilities	<u>34,178</u>	<u>116,490</u>	<u>1,757</u>	<u>78,259</u>
Fund Balances (Deficit):				
Nonspendable	-	-	-	-
Restricted	-	-	592,402	-
Committed	-	588,683	-	98,578
Unassigned	(30,432)	-	-	-
Total fund balances (deficit)	<u>(30,432)</u>	<u>588,683</u>	<u>592,402</u>	<u>98,578</u>
Total liabilities, and fund balances	<u>\$ 3,746</u>	<u>\$ 705,173</u>	<u>\$ 594,159</u>	<u>\$ 176,837</u>

<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>2002 Debt Service Fund</u>	<u>2019 Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,476,269	\$ 593,143	\$ 13,785	\$ 15,011	\$ 2,098,208
3,646	-	-	-	3,646
-	-	7	5	12
<u>1,479,915</u>	<u>593,143</u>	<u>13,792</u>	<u>15,016</u>	<u>2,101,866</u>
\$ 202,977	\$ -	\$ -	\$ -	\$ 202,977
4,719	-	-	-	4,719
22,988	-	-	-	22,988
<u>230,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,684</u>
-	500,000	-	-	500,000
592,402	93,143	13,792	15,016	714,353
687,261	-	-	-	687,261
(30,432)	-	-	-	(30,432)
<u>1,249,231</u>	<u>593,143</u>	<u>13,792</u>	<u>15,016</u>	<u>1,871,182</u>
\$ <u>1,479,915</u>	\$ <u>593,143</u>	\$ <u>13,792</u>	\$ <u>15,016</u>	\$ <u>2,101,866</u>

City of Lighthouse Point, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue			
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund	Special Purpose Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	88,736	-	-	-
Non ad valorem assessments	-	-	271,228	-
Miscellaneous	4,497	178,624	2,674	100,159
Total revenues	93,233	178,624	273,902	100,159
Expenditures:				
Current:				
General government	-	-	4,532	-
Physical environment	-	251,347	27,309	415,856
Culture/recreation	194,649	-	-	70,522
Capital outlay	5,200	-	-	15,357
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	199,849	251,347	31,841	501,735
Excess (deficiency) of revenues over expenditures	(106,616)	(72,723)	242,061	(401,576)
Other Financing Sources (Uses):				
Transfers in	103,864	-	-	25,000
Transfers out	-	-	(65,000)	-
Total other financing sources (uses)	103,864	-	(65,000)	25,000
Net change in fund balance	(2,752)	(72,723)	177,061	(376,576)
Fund Balance (Deficit), Beginning of Year	(27,680)	661,406	415,341	475,154
Fund Balance (Deficit), End of Year	\$(30,432)	\$ 588,683	\$ 592,402	\$ 98,578

<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>2002 Debt Service Fund</u>	<u>2019 Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 411,385	\$ 986,005	\$ 1,397,390
88,736	-	-	-	88,736
271,228	-	-	-	271,228
285,954	14,735	747	1,606	303,042
<u>645,918</u>	<u>14,735</u>	<u>412,132</u>	<u>987,611</u>	<u>2,060,396</u>
4,532	-	-	-	4,532
694,512	-	-	-	694,512
265,171	6,787	-	-	271,958
20,557	7,708	-	-	28,265
-	-	387,229	110,000	497,229
-	-	20,490	869,881	890,371
<u>984,772</u>	<u>14,495</u>	<u>407,719</u>	<u>979,881</u>	<u>2,386,867</u>
<u>(338,854)</u>	<u>240</u>	<u>4,413</u>	<u>7,730</u>	<u>(326,471)</u>
128,864	-	-	7,286	136,150
<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>
<u>63,864</u>	<u>-</u>	<u>-</u>	<u>7,286</u>	<u>71,150</u>
(274,990)	240	4,413	15,016	(255,321)
<u>1,524,221</u>	<u>592,903</u>	<u>9,379</u>	<u>-</u>	<u>2,126,503</u>
\$ <u><u>1,249,231</u></u>	\$ <u><u>593,143</u></u>	\$ <u><u>13,792</u></u>	\$ <u><u>15,016</u></u>	\$ <u><u>1,871,182</u></u>

City of Lighthouse Point, Florida
 Combining Statement of Fiduciary Net Position
 September 30, 2020

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
Assets:					
Investments	\$ 5,066,609	\$ 4,700,094	\$ 2,251,242	\$ 5,222,865	\$ 17,240,810
Participant loans receivable	<u>257,994</u>	<u>42,175</u>	<u>98,253</u>	<u>41,966</u>	<u>440,388</u>
Total assets	<u>\$ 5,324,603</u>	<u>\$ 4,742,269</u>	<u>\$ 2,349,495</u>	<u>\$ 5,264,831</u>	<u>\$ 17,681,198</u>
Liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net Position:					
Restricted for pensions	5,324,603	4,742,269	2,349,495	5,264,831	17,681,198
Restricted for other employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 5,324,603</u>	<u>\$ 4,742,269</u>	<u>\$ 2,349,495</u>	<u>\$ 5,264,831</u>	<u>\$ 17,681,198</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 27,552,506	\$ 10,409,653	\$ 646,339	\$ 55,849,308
<u>-</u>	<u>-</u>	<u>-</u>	<u>440,388</u>
\$ <u>27,552,506</u>	\$ <u>10,409,653</u>	\$ <u>646,339</u>	\$ <u>56,289,696</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
27,552,506	-	-	45,233,704
<u>-</u>	<u>10,409,653</u>	<u>646,339</u>	<u>11,055,992</u>
\$ <u>27,552,506</u>	\$ <u>10,409,653</u>	\$ <u>646,339</u>	\$ <u>56,289,696</u>

City of Lighthouse Point, Florida
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

	Defined Contribution Pension Plans				
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	<u>Total</u>
Additions:					
Contributions:					
City	\$ 216,873	\$ -	\$ 16,522	\$ 146,398	\$ 379,793
Employees	50,048	-	7,081	56,238	113,367
Total contributions	<u>266,921</u>	<u>-</u>	<u>23,603</u>	<u>202,636</u>	<u>493,160</u>
Investment earnings and expenses:					
Interest, dividend and investment value changes	424,798	436,610	278,523	459,048	1,598,979
Less investment expense	40,840	36,373	18,020	40,381	135,614
Net investment earnings	<u>383,958</u>	<u>400,237</u>	<u>260,503</u>	<u>418,667</u>	<u>1,463,365</u>
Total additions	<u>650,879</u>	<u>400,237</u>	<u>284,106</u>	<u>621,303</u>	<u>1,956,525</u>
Deductions:					
Benefits paid	<u>38,592</u>	<u>62,633</u>	<u>206,001</u>	<u>116,763</u>	<u>423,989</u>
Refund of contributions:					
City	-	-	-	-	-
Total deductions	<u>38,592</u>	<u>62,633</u>	<u>206,001</u>	<u>116,763</u>	<u>423,989</u>
Change in net position	612,287	337,604	78,105	504,540	1,532,536
Net Position Restricted for Pensions and Other Employee Benefits:					
Beginning of Year	<u>4,712,316</u>	<u>4,404,665</u>	<u>2,271,390</u>	<u>4,760,291</u>	<u>16,148,662</u>
End of Year	<u>\$ 5,324,603</u>	<u>\$ 4,742,269</u>	<u>\$ 2,349,495</u>	<u>\$ 5,264,831</u>	<u>\$ 17,681,198</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 379,793
<u>-</u>	<u>456,549</u>	<u>38,210</u>	<u>608,126</u>
<u>-</u>	<u>456,549</u>	<u>38,210</u>	<u>987,919</u>
1,724,285	1,020,656	45,046	4,388,966
<u>46,811</u>	<u>74,065</u>	<u>7,355</u>	<u>263,845</u>
<u>1,677,474</u>	<u>946,591</u>	<u>37,691</u>	<u>4,125,121</u>
<u>1,677,474</u>	<u>1,403,140</u>	<u>75,901</u>	<u>5,113,040</u>
<u>659,192</u>	<u>404,361</u>	<u>37,853</u>	<u>1,525,395</u>
<u>7,838</u>	<u>-</u>	<u>-</u>	<u>7,838</u>
<u>667,030</u>	<u>404,361</u>	<u>37,853</u>	<u>1,533,233</u>
1,010,444	998,779	38,048	3,579,807
<u>26,542,062</u>	<u>9,410,874</u>	<u>608,291</u>	<u>52,709,889</u>
<u>\$ 27,552,506</u>	<u>\$ 10,409,653</u>	<u>\$ 646,339</u>	<u>\$ 56,289,696</u>

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STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

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

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	97-104
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	105-111
Debt Capacity These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	112-116
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.	117-118
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.	119-124

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

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

	Fiscal			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
Net investment in capital assets	\$ 19,754,023	\$ 19,483,620	\$ 21,228,328	\$ 18,960,079
Restricted	2,869,269	2,773,223	2,595,822	2,951,222
Unrestricted	<u>7,330,317</u>	<u>10,541,565</u>	<u>5,778,930</u>	<u>7,480,739</u>
 Total governmental activities net position	 <u>\$ 29,953,609</u>	 <u>\$ 32,798,408</u>	 <u>\$ 29,603,080</u>	 <u>\$ 29,392,040</u>

Notes: The City has no business-type activities.

Table 1

Year					
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 19,261,328	\$ 17,949,228	\$ 16,691,679	\$ 16,705,644	\$ 15,540,755	\$ 15,392,168
2,680,004	3,995,702	3,250,412	3,191,909	3,331,058	3,410,406
<u>7,603,373</u>	<u>7,469,821</u>	<u>5,899,447</u>	<u>6,421,799</u>	<u>6,339,706</u>	<u>6,237,128</u>
<u>\$ 29,544,705</u>	<u>\$ 29,414,751</u>	<u>\$ 25,841,538</u>	<u>\$ 26,319,352</u>	<u>\$ 25,211,519</u>	<u>\$ 25,039,702</u>

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

	Fiscal			
	2020	2019	2018	2017
Expenses:				
Governmental activities:				
General government	\$ 1,898,882	\$ 1,902,050	\$ 1,823,307	\$ 1,781,048
Public safety	14,562,191	8,581,339	10,696,943	10,120,375
Physical environment	4,682,249	4,090,349	4,046,490	4,380,588
Transportation	43,476	50,423	48,582	44,246
Culture/recreation	1,318,882	1,416,800	1,329,199	1,286,251
Interest expense	795,985	443,935	49,127	50,790
	<u>23,301,665</u>	<u>\$ 16,484,896</u>	<u>\$ 17,993,648</u>	<u>\$ 17,663,298</u>
Total governmental activities expenses				
Program Revenues:				
Charges for services:				
General government	\$ 99,366	\$ 52,127	\$ 67,505	\$ 48,203
Public safety	2,416,814	2,417,111	2,452,535	2,477,037
Physical environment	2,325,163	2,277,313	1,931,329	1,936,657
Culture/recreation	121,938	227,221	214,804	189,145
Operating grants and contributions	425,242	529,086	244,468	130,980
Capital grants and contributions	-	-	-	-
	<u>5,388,523</u>	<u>\$ 5,502,858</u>	<u>\$ 4,910,641</u>	<u>\$ 4,782,022</u>
Total governmental activities program revenues				
Total governmental activities net expense	<u>\$ 17,913,142</u>	<u>\$ 10,982,038</u>	<u>\$ 13,083,007</u>	<u>\$ 12,881,276</u>
General Revenues and Change in Net Position:				
Taxes:				
Ad valorem taxes	\$ 10,027,872	\$ 8,711,785	\$ 8,147,243	\$ 7,652,001
Franchise taxes	885,017	899,011	865,160	873,192
Utility service taxes	2,301,571	2,352,865	2,315,992	2,264,796
Intergovernmental revenues	1,173,114	1,290,317	1,274,422	1,297,569
Miscellaneous	680,769	923,388	650,330	641,053
	<u>15,068,343</u>	<u>\$ 14,177,366</u>	<u>\$ 13,253,147</u>	<u>\$ 12,728,611</u>
Total general revenues				
Change in Net Position	<u>\$ (2,844,799)</u>	<u>\$ 3,195,328</u>	<u>\$ 170,140</u>	<u>\$ (152,665)</u>

Table 2

		Year									
		2016	2015	2014	2013	2012	2011				
\$	1,717,475	\$	1,624,496	\$	1,465,093	\$	1,415,364	\$	1,320,586	\$	1,370,967
	9,827,589		8,684,687		9,134,305		8,686,485		8,903,618		8,569,761
	4,054,749		3,550,580		3,506,609		3,854,194		3,284,930		3,989,844
	42,655		43,471		46,027		44,667		40,788		40,474
	1,262,675		1,196,903		1,122,567		1,156,366		1,115,321		1,201,806
	60,161		65,540		71,369		77,180		206,131		197,849
	<u>16,965,304</u>		<u>15,165,677</u>		<u>15,345,970</u>		<u>15,234,256</u>		<u>14,871,374</u>		<u>15,370,701</u>
\$	53,324	\$	51,423	\$	34,564	\$	27,335	\$	30,614	\$	22,940
	2,423,816		2,040,455		1,891,940		1,603,627		1,858,897		1,609,068
	2,133,587		2,100,378		2,068,101		2,236,065		2,264,373		2,369,597
	184,524		161,164		150,725		125,904		136,784		142,928
	129,830		162,097		119,455		153,494		93,412		222,371
	-		1,202,548		-		-		155,985		102,386
	<u>4,925,081</u>		<u>5,718,065</u>		<u>4,264,785</u>		<u>4,146,425</u>		<u>4,540,065</u>		<u>4,469,290</u>
\$	<u>12,040,223</u>	\$	<u>9,447,612</u>	\$	<u>11,081,185</u>	\$	<u>11,087,831</u>	\$	<u>10,331,309</u>	\$	<u>10,901,411</u>
\$	7,270,669	\$	6,928,063	\$	6,583,961	\$	6,393,001	\$	6,120,388	\$	6,138,909
	850,214		864,725		869,058		862,148		825,196		929,559
	2,212,221		2,256,338		3,124,968		2,195,295		2,184,080		2,135,681
	1,209,109		1,166,306		1,153,978		1,288,713		1,089,223		1,073,390
	627,964		1,805,393		416,655		537,573		284,239		188,035
	<u>12,170,177</u>		<u>13,020,825</u>		<u>12,148,620</u>		<u>11,276,730</u>		<u>10,503,126</u>		<u>10,465,574</u>
\$	<u>129,954</u>	\$	<u>3,573,213</u>	\$	<u>1,067,435</u>	\$	<u>188,899</u>	\$	<u>171,817</u>	\$	<u>(435,837)</u>

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

	Fiscal			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 89,273	\$ 90,932	\$ 81,542	\$ 76,661
Restricted	251,700	233,996	-	-
Committed	1,724,320	1,416,224	1,492,589	1,598,527
Assigned	3,750,000	3,750,000	2,250,000	3,750,000
Unassigned	<u>1,285,804</u>	<u>913,981</u>	<u>21,580</u>	<u>380,815</u>
Total general fund	<u>\$ 7,101,097</u>	<u>\$ 6,405,133</u>	<u>\$ 3,845,711</u>	<u>\$ 5,806,003</u>
All Other Governmental Funds:				
Major Funds:				
Garbage and trash fund:				
Restricted	\$ -	\$ -	\$ 26,543	\$ 221,423
Committed	213,966	378,347	393,327	393,327
Public safety fund:				
Restricted	1,403,216	1,564,105	1,688,447	1,796,681
Bond construction fund:				
Restricted	14,950,578	15,687,581	-	-
Nonmajor Funds:				
Infrastructure fund:				
Committed	588,683	661,406	552,586	447,370
2002 Debt service fund:				
Restricted	13,792	9,379	14,952	10,825
2019 Debt service fund:				
Restricted	15,016	-	-	-
Walt and Mary Barker Library fund:				
Nonspendable	500,000	500,000	500,000	500,000
Restricted	93,143	92,903	96,904	77,555
Other nonmajor funds:				
Nonspendable	-	-	-	-
Restricted	592,402	415,341	295,519	344,738
Committed	98,578	475,154	417,800	353,133
Unassigned (deficit)	<u>(30,432)</u>	<u>(27,680)</u>	<u>(19,506)</u>	<u>(28,916)</u>
Total all other governmental funds	<u>\$ 18,438,942</u>	<u>\$ 19,756,536</u>	<u>\$ 3,966,572</u>	<u>\$ 4,116,136</u>

Table 3

		Year									
		2016	2015	2014	2013	2012	2011				
\$	62,003	\$	59,549	\$	57,923	\$	550,156	\$	64,938	\$	89,064
	-		-		-		-		-		-
	1,365,837		1,379,797		1,560,813		1,665,151		1,889,680		2,245,350
	3,750,000		3,750,000		3,750,000		3,250,000		3,750,000		3,750,000
	887,155		349,186		158,139		174,354		249,129		125,363
\$	<u>6,064,995</u>	\$	<u>5,538,532</u>	\$	<u>5,526,875</u>	\$	<u>5,639,661</u>	\$	<u>5,953,747</u>	\$	<u>6,209,777</u>
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	393,327		324,682		342,805		471,867		520,338		617,829
	1,953,004		2,069,312		2,202,826		2,328,298		2,656,131		2,925,378
	-		-		-		-		-		-
	845,438		1,355,656		-		-		-		-
	14,673		14,103		7,580		323		4,226		56,363
	-		-		-		-		-		-
	500,000		473,483		-		-		-		-
	19,579		-		-		-		-		-
	-		-		-		750		-		-
	192,748		1,438,804		1,040,006		863,288		670,701		428,665
	322,932		295,443		1,046,300		859,603		744,121		761,417
	(11,078)		(8,826)		(9,641)		-		-		(6,522)
\$	<u>4,230,623</u>	\$	<u>5,962,657</u>	\$	<u>4,629,876</u>	\$	<u>4,524,129</u>	\$	<u>4,595,517</u>	\$	<u>4,783,130</u>

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

	Fiscal Year			
	2020	2019	2018	2017
Revenues:				
Ad valorem taxes	\$ 10,027,872	\$ 8,711,785	\$ 8,147,243	\$ 7,652,001
Franchise fees	884,380	899,319	869,133	867,349
Utility service taxes	2,441,650	2,496,561	2,448,572	2,397,754
Licenses and permits	902,297	973,488	1,093,785	953,071
Intergovernmental revenues	1,740,485	1,684,464	1,496,896	1,431,410
* Charges for services	588,895	650,587	614,961	565,855
* Nonadvalorem assessments	3,252,409	3,196,902	2,758,864	2,549,895
Fines and forfeitures	222,680	149,795	203,342	582,221
Interest income	233,059	256,726	104,127	91,912
Miscellaneous	445,476	719,396	492,786	586,528
Total revenues	20,739,203	19,739,023	18,229,709	17,677,996
Expenditures:				
General government	1,804,286	1,826,188	1,763,537	1,735,223
Public safety	11,089,766	10,850,196	10,350,349	10,355,168
Physical environment	4,467,245	3,889,144	3,832,573	4,176,377
Transportation	43,476	50,423	48,582	44,246
Culture/recreation	1,163,157	1,268,181	1,175,293	1,155,759
Capital outlay	1,178,665	548,947	2,644,692	449,298
Debt service:				
Principal	710,547	621,346	593,693	503,408
Interest	903,691	42,602	50,356	51,996
Other	-	228,241	-	-
Total expenditures	21,360,833	19,325,268	20,459,075	18,471,475
Excess of revenues over (under) expenditures	(621,630)	413,755	(2,229,366)	(793,479)
Other Financing Sources (Uses):				
Issuance of bond	-	16,500,000	-	-
Premium of bond	-	1,219,631	-	-
Capital leases	-	216,000	119,509	420,000
Net proceeds of notes payable	-	-	-	-
Payment to fiscal agent	-	-	-	-
Transfers in	271,150	2,083,824	270,405	762,328
Transfers out	(271,150)	(2,083,824)	(270,405)	(762,328)
Total other financing sources (uses)	-	17,935,631	119,509	420,000
Net change in fund balances	\$ (621,630)	\$ 18,349,386	\$ (2,109,857)	\$ (373,479)
Debt service as a % of noncapital expenditures	8.0%	4.8%	3.6%	3.1%

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

Table 4

		Fiscal Year									
		2016	2015	2014	2013	2012	2011				
\$	7,270,669	\$	6,928,063	\$	6,583,961	\$	6,393,001	\$	6,120,388	\$	6,138,909
	847,516		874,245		862,847		864,519		905,559		929,559
	2,360,010		2,353,013		2,260,186		2,239,104		2,138,837		2,139,372
	1,083,509		913,141		707,214		605,477		635,114		529,905
	1,348,559		1,333,079		1,278,800		1,432,563		1,328,975		1,398,147
	2,423,630		2,368,838		2,250,635		2,412,786		2,689,844		2,789,909
	885,813		883,227		883,144		841,554		576,532		577,446
	402,299		188,214		304,337		133,114		389,178		247,273
	65,359		74,328		41,337		33,226		49,056		42,643
	566,985		2,946,439		419,966		518,735		228,658		153,676
	<u>17,254,349</u>		<u>18,862,587</u>		<u>15,592,427</u>		<u>15,474,079</u>		<u>15,062,141</u>		<u>14,946,839</u>
	1,651,595		1,542,644		1,433,511		1,345,069		1,307,179		1,291,841
	9,650,329		9,320,877		8,901,379		8,782,071		8,578,790		8,184,831
	3,887,800		3,406,984		3,417,866		3,712,686		3,470,209		3,845,327
	42,655		43,471		46,027		44,579		40,807		40,365
	1,099,429		1,120,957		986,683		1,000,339		1,037,569		1,061,719
	1,680,540		1,737,933		686,317		397,492		534,520		284,292
	484,229		476,214		525,369		499,021		460,611		446,369
	60,343		66,747		72,506		78,296		202,774		199,025
	1,000		-		-		-		20,000		550
	<u>18,557,920</u>		<u>17,715,827</u>		<u>16,069,658</u>		<u>15,859,553</u>		<u>15,652,459</u>		<u>15,354,319</u>
	<u>(1,303,571)</u>		<u>1,146,760</u>		<u>(477,231)</u>		<u>(385,474)</u>		<u>(590,318)</u>		<u>(407,480)</u>
	-		-		-		-		-		-
	-		-		-		-		-		-
	98,000		197,678		470,192		-		126,675		-
	-		-		-		-		3,685,000		-
	-		-		-		-		(3,665,000)		-
	313,784		336,889		273,000		235,511		180,000		221,051
	<u>(313,784)</u>		<u>(336,889)</u>		<u>(273,000)</u>		<u>(235,511)</u>		<u>(180,000)</u>		<u>(221,051)</u>
	<u>98,000</u>		<u>197,678</u>		<u>470,192</u>		<u>-</u>		<u>146,675</u>		<u>-</u>
\$	<u>(1,205,571)</u>	\$	<u>1,344,438</u>	\$	<u>(7,039)</u>	\$	<u>(385,474)</u>	\$	<u>(443,643)</u>	\$	<u>(407,480)</u>
	3.2%		3.4%		3.9%		3.7%		4.5%		4.3%

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>			<u>Personal Property</u>
		<u>Residential</u>	<u>Commercial</u>	<u>Other</u>	
2011	2010	1,853,180	151,486	23,355	22,922
2012	2011	1,897,551	144,278	22,972	23,332
2013	2012	1,994,093	143,483	24,009	21,967
2014	2013	2,109,780	140,854	28,578	24,317
2015	2014	2,370,635	140,326	29,413	25,995
2016	2015	2,630,639	141,754	30,113	26,671
2017	2016	2,780,511	155,879	30,118	27,196
2018	2017	2,973,368	167,257	30,789	28,922
2019	2018	3,142,114	179,631	30,796	27,712
2020	2019	3,192,936	187,419	30,390	26,928

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

Source: Broward County Property Appraiser

Table 5

<u>Less: Exemptions</u>		<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Net Assessed Value as a Percentage of Estimated Actual Value</u>
<u>Real Property</u>	<u>Personal Property</u>				
406,911	4,075	1,639,957	3.8825	2,050,943	79.96%
435,107	4,230	1,648,796	3.8602	2,088,133	78.96%
472,386	3,996	1,707,170	3.8691	2,183,551	78.18%
523,322	3,946	1,776,261	3.8307	2,303,550	77.11%
679,481	4,978	1,881,910	3.8175	2,566,369	73.33%
844,533	4,979	1,979,665	3.8028	2,829,177	69.97%
896,758	5,305	2,091,641	3.7892	2,993,718	69.87%
950,577	5,350	2,244,409	3.7803	3,200,337	70.13%
980,003	5,170	2,395,080	3.7623	3,380,254	70.86%
940,999	4,955	2,491,719	4.1713	3,437,673	72.48%

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

Fiscal Year	City of Lighthouse Point			Broward County			School Board
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage
2010/11	3.6188	0.2637	3.8825	5.1021	0.4509	5.5530	7.6310
2011/12	3.5893	0.2709	3.8602	5.1860	0.3670	5.5530	7.4180
2012/13	3.5893	0.2798	3.8691	5.2576	0.2954	5.5530	7.4560
2013/14	3.5893	0.2414	3.8307	5.4400	0.2830	5.7230	7.4800
2015/14	3.5893	0.2282	3.8175	5.4584	0.2646	5.7230	7.4380
2016/15	3.5893	0.2135	3.8028	5.4741	0.2489	5.7230	7.2030
2017/16	3.5893	0.1999	3.7892	5.4474	0.2216	5.6690	6.8360
2018/17	3.5893	0.1910	3.7803	5.4623	0.2067	5.6690	6.4740
2019/18	3.5893	0.1730	3.7623	5.4792	0.1898	5.6690	6.2750
2020/19	3.5893	0.5820	4.1713	5.4878	0.1812	5.6690	6.6350

Source: Broward County Property Appraiser

Table 6

School Board		Overlapping Rates					Total Direct and Overlapping Rate
Debt Service Millage	Total School Board Millage	Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet District	
-	7.6310	0.4696	0.6240	0.0345	1.8750	0.0860	20.1556
-	7.4180	0.4789	0.4363	0.0345	1.8750	0.0860	19.7419
-	7.4560	0.4902	0.4289	0.0345	1.8564	0.0860	19.7741
-	7.4800	0.4882	0.4110	0.0345	1.7554	0.0860	19.8088
-	7.4380	0.4882	0.3842	0.0345	1.5939	0.0860	19.5653
0.0710	7.2740	0.4882	0.3551	0.0320	1.4425	0.0860	19.2036
0.0703	6.9063	0.4882	0.3307	0.0320	1.3462	0.0860	18.6476
0.0654	6.5394	0.4882	0.3100	0.0320	1.2483	0.0860	18.1532
0.1279	6.4029	0.4882	0.2936	0.0320	1.0855	0.0860	17.8195
0.1043	6.7393	0.4882	0.2795	0.0320	1.0324	0.0985	18.5102

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

Table 7

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Brixmore Venetian Isle LLC	\$ 24,313,040	1	1.08%	\$ -	-	-
Lighthouse Point Yacht Club Investments LLC	14,354,600	2	0.64%	-	-	-
Lighthouse Point at Vintage LLC	11,256,130	3	0.50%	-	-	-
Beacon Light Partners LTD	10,294,850	4	0.46%	9,443,440	2	0.58%
Florida Power & Light Co	9,173,493	5	0.41%	-	-	-
Acheson, James C & Suzanne J	8,855,760	6	0.39%	7,653,630	3	0.47%
Lighthouse Point FL LLC	7,822,980	7	0.35%	-	-	-
Lighthouse Point Auto Investors I Inc	6,797,250	8	0.30%	-	-	-
Elmore Moose LLC	6,299,720	9	0.28%	-	-	-
Wye, Jane & Thomas	6,230,000	10	0.28%	-	-	-
Centro Heritage Venetian Isle	-	-	-	20,347,620	1	1.25%
Sheehan Buick GMC Inc (Pontiac)	-	-	-	7,562,110	4	0.46%
Silver Seas Hotel, Inc.	-	-	-	6,921,370	5	0.42%
RHPH LLC	-	-	-	5,991,130	6	0.37%
Grove Gateway LLC	-	-	-	5,259,200	7	0.32%
Verrillo, James & Teresa	-	-	-	5,041,150	8	0.31%
Jay Lighter	-	-	-	4,925,810	9	0.30%
First States Investors 5000A	-	-	-	4,264,440	10	0.26%
Total	\$ 105,397,823		4.69%	\$ 77,409,900		4.74%

Source: Broward County Revenue Collector

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>		
	<u>Gross Levy</u>	<u>Discount</u>	<u>Net Levy</u>
2011	\$ 6,380,071	\$ 273,740	\$ 6,106,331
2012	\$ 6,382,448	\$ 273,944	\$ 6,108,504
2013	\$ 6,610,703	\$ 283,841	\$ 6,326,862
2014	\$ 6,812,658	\$ 340,039	\$ 6,472,619
2015	\$ 7,195,575	\$ 358,575	\$ 6,837,000
2016	\$ 7,535,473	\$ 372,364	\$ 7,163,109
2017	\$ 7,930,348	\$ 359,908	\$ 7,570,440
2018	\$ 8,495,187	\$ 372,468	\$ 8,122,719
2019	\$ 9,023,277	\$ 395,808	\$ 8,627,469
2020	\$ 10,399,161	\$ 468,461	\$ 9,930,700

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

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

Source: Broward County Property Appraiser

Table 8

Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
Amount	Percentage of Gross Levy		Amount	Percentage of Gross Levy
\$ 5,926,606	92.89%	\$ 188,496	\$ 6,115,102	95.85%
\$ 5,931,892	92.94%	\$ 164,493	\$ 6,096,385	95.52%
\$ 6,228,508	94.22%	\$ 162,200	\$ 6,390,708	96.67%
\$ 6,421,761	94.26%	\$ 159,268	\$ 6,581,029	96.60%
\$ 6,768,795	94.07%	\$ 170,320	\$ 6,939,115	96.44%
\$ 7,100,350	94.23%	\$ 188,367	\$ 7,288,717	96.73%
\$ 7,463,634	94.11%	\$ 141,396	\$ 7,605,030	95.90%
\$ 8,005,847	94.24%	\$ 197,059	\$ 8,202,906	96.56%
\$ 8,514,726	94.36%	\$ 21,603	\$ 8,536,329	94.60%
\$ 10,006,267	96.22%	\$ -	\$ 10,006,267	96.22%

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

Table 9

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita Personal Income	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Notes Payable				
2011	\$ 3,955,000	\$ 371,386	\$ -	\$ 4,326,386	\$ 42,194	0.99%	\$ 418
2012	\$ -	\$ 328,452	\$ 3,684,000	\$ 4,012,452	\$ 43,351	0.88%	\$ 381
2013	\$ -	\$ 166,208	\$ 3,347,222	\$ 3,513,430	\$ 43,792	0.77%	\$ 338
2014	\$ -	\$ 454,476	\$ 3,003,777	\$ 3,458,253	\$ 43,283	0.77%	\$ 333
2015	\$ -	\$ 526,137	\$ 2,653,532	\$ 3,179,669	\$ 44,909	0.68%	\$ 307
2016	\$ -	\$ 496,857	\$ 2,296,583	\$ 2,793,440	\$ 46,906	0.57%	\$ 266
2017	\$ -	\$ 777,537	\$ 1,932,495	\$ 2,710,032	\$ 48,680	0.53%	\$ 257
2018	\$ -	\$ 674,805	\$ 1,561,043	\$ 2,235,848	\$ 50,269	0.42%	\$ 212
2019	\$ * 17,719,631	\$ 648,266	\$ 1,182,236	\$ 19,550,133	\$ 52,308	3.53%	\$ 1,847
2020	\$ * 17,567,575	\$ 434,948	\$ 795,007	\$ 18,797,530	\$ N/A	N/A	\$ N/A

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

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

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

* Includes bond premium for the General Obligations Bonds, Series 2019.

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

Table 10

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2011	\$ 3,955,000	\$ 1,631,901,386	0.24%	\$ 382
2012	\$ -	\$ 1,648,795,869	0.00%	\$ -
2013	\$ -	\$ 1,707,169,924	0.00%	\$ -
2014	\$ -	\$ 1,776,261,097	0.00%	\$ -
2015	\$ -	\$ 1,881,909,580	0.00%	\$ -
2016	\$ -	\$ 1,979,665,674	0.00%	\$ -
2017	\$ -	\$ 2,091,641,994	0.00%	\$ -
2018	\$ -	\$ 2,244,395,332	0.00%	\$ -
2019	\$ 17,719,631	\$ 2,395,081,376	0.74%	\$ 1,674
2020	\$ 17,567,575	\$ 2,491,718,885	0.71%	\$ 1,671

Source: Broward County Property Appraiser's Office

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

**City of Lighthouse Point, Florida
Direct and Overlapping Activities Debt
As of September 30, 2020**

Table 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimate Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Broward County	\$ 97,455,000	1.24%	\$ 1,208,442
School Board of Broward County	1,873,985,000	1.15%	<u>21,550,828</u>
Subtotal, overlapping debt			22,759,270
City direct debt			<u>18,797,530</u>
Total direct and overlapping debt			\$ <u><u>41,556,800</u></u>

Sources: Debt outstanding data provided by each governmental unit.

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

The School Board of Broward County debt outstanding is as of June 30, 2020.

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

The City Charter does not set a debt margin.

The City does not have any pledged revenue.

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

Table 14

Calendar Year	Population	School Enrollment	Unemployment Rate	Personal Income	
				Total	Per Capita
2011	10,344	256,872	11.5%	\$ 75,315,293	\$ 42,194
2012	10,536	258,803	9.0%	\$ 78,687,882	\$ 43,351
2013	10,401	260,796	8.4%	\$ 80,525,783	\$ 43,792
2014	10,374	262,563	6.4%	\$ 80,905,552	\$ 43,283
2015	10,358	265,401	5.6%	\$ 85,167,498	\$ 44,909
2016	10,506	268,836	5.0%	\$ 89,572,271	\$ 46,906
2017	10,526	271,105	4.6%	\$ 94,239,400	\$ 48,680
2018	10,560	271,517	3.9%	\$ 98,087,689	\$ 50,269
2019	10,587	270,550	3.3%	\$ 102,145,579	\$ 52,308
2020	10,536	267,970	7.1%	\$ N/A	\$ N/A

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

Notes: School Enrollment data is County-wide.

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

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

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

Table 15

Employer	Type of Business	Fiscal Year 2020			Fiscal Year 2014		
		Employees	Rank	Total County	Employees	Rank	Total County
Publix Supermarkets	Retail	193	1	0.020%	275	1	0.027%
City of Lighthouse Point	Municipality	106	2	0.011%	103	2	0.010%
Hendrick Honda	Automotive	103	3	0.011%	99	3	0.010%
Sheehan Buick GMC, Inc.	Automotive	100	4	0.011%	*	*	*
Bonefish Mac's Sports Grille	Restaurant	100	4	0.011%	85	4	0.008%
Papa's Raw Bar	Restaurant	63	5	0.007%	*	*	*
Phil Smith Kia	Automotive	52	6	0.006%	*	*	*
McDonald's	Restaurant	48	7	0.005%	*	*	*
The Nauti Dawg Marina Café	Restaurant	46	8	0.005%	48	6	0.005%
Wash Depot I, Inc.	Automotive	44	9	0.005%	*	*	*
Lighthouse Point Yacht Club	Restaurant	-	-	-	84	5	0.008%
Total		855		0.092%	694		0.068%

Source: Individual businesses upon payment of annual business tax.

* Data not available prior to FY 2014 as this was the first year businesses have provided this information.

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

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

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Government:				
Finance and administration	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Subtotal	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Public safety:				
Police	<u>41.52</u>	<u>42.05</u>	<u>42.05</u>	<u>42.03</u>
Fire	<u>27.00</u>	<u>27.00</u>	<u>27.00</u>	<u>27.00</u>
Building	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.50</u>
Code enforcement	<u>3.45</u>	<u>3.45</u>	<u>3.00</u>	<u>3.00</u>
Subtotal	<u>74.97</u>	<u>75.50</u>	<u>75.05</u>	<u>75.53</u>
Public works	<u>12.63</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>
Transportation	<u>0.85</u>	<u>0.82</u>	<u>0.82</u>	<u>0.82</u>
Culture/recreation:				
Library	<u>4.73</u>	<u>4.60</u>	<u>4.10</u>	<u>4.10</u>
Recreation	<u>8.21</u>	<u>8.38</u>	<u>8.00</u>	<u>7.60</u>
Subtotal	<u>12.94</u>	<u>12.98</u>	<u>12.10</u>	<u>11.70</u>
Total authorized employees	<u><u>106.39</u></u>	<u><u>106.30</u></u>	<u><u>104.97</u></u>	<u><u>105.05</u></u>

Source: City of Lighthouse Point departmental staff.

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

Table 16

2016	2015	2014	2013	2012	2011
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
43.00	43.00	42.50	42.50	42.50	41.50
27.00	27.00	27.00	27.00	27.00	27.00
3.50	3.00	3.00	2.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	2.50
76.50	76.00	75.50	74.50	75.50	74.00
12.00	12.00	12.00	12.00	12.00	14.00
0.88	0.88	0.88	0.88	0.88	0.88
3.90	3.90	3.90	3.45	4.45	4.45
7.68	6.04	6.04	6.04	6.04	6.04
11.58	9.94	9.94	9.49	10.49	10.49
<u>105.96</u>	<u>103.82</u>	<u>103.32</u>	<u>101.87</u>	<u>103.87</u>	<u>104.37</u>

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

Function/Program	2020	2019	2018	2017
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections:				
Registered voters	8,610	8,277	6,855	8,379
Votes cast in last election	2,633	3,463	-	2,235
Lien searches processed	556	443	478	530
Business licenses issued	419	424	480	494
Ordinances prepared and adopted	4	8	16	9
Resolutions prepared and adopted	47	63	65	60
Commission minutes prepared adopted	24	26	30	19
Agenda packets prepared	24	26	25	17
Public safety:				
Police:				
Stations	1	1	1	1
Uniformed employees	34	34	34	34
Calls-for-service handled	10,505	11,549	10,380	10,615
Traffic accidents handled	357	457	427	455
Traffic citations/warnings issued	2,330	3,424	2,354	2,231
Fire:				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,711	1,510	1,460	1,704
Building:				
Permits issued	2,736	2,974	3,149	3,070
Value of construction	\$ 34,543,605	\$ 37,838,490	\$ 50,925,434	\$ 41,555,309
Physical environment:				
Miles of streets	41.12	41.12	41.12	41.12
Miles of waterways	18.00	18.00	18.00	18.00
Culture/recreation:				
Library:				
Books in collection	35,392	42,963	40,688	42,593
Circulation	22,422	39,765	41,117	41,272
Volunteer hours	2,914	8,151	8,498	9,447
Recreation:				
Facilities				
Al Fletcher Park acreage	0.50	0.50	0.50	0.50
Dan Witt Park acreage	6.00	6.00	6.00	6.00
DeGroff Park acreage	4.60	4.60	4.60	4.60
Exchange Club park acreage	14.00	14.00	14.00	14.00
Frank McDonough Park acreage	6.10	6.10	6.10	6.10
Tennis Center	1	1	1	1

Source: City of Lighthouse Point departmental staff.

Table 17

2016	2015	2014	2013	2012	2011
2.49	2.49	2.49	2.49	2.49	2.49
8,640	7,827	7,848	7,894	7,894	7,622
-	1,722	1,885	2,639	2,639	2,614
506	525	461	459	440	346
449	415	446	460	462	481
16	10	15	3	9	8
64	57	47	51	57	50
21	29	29	25	26	28
19	26	24	20	26	24
1	1	1	1	1	1
34	34	34	34	33	33
10,724	10,940	8,992	8,516	8,330	7,986
451	400	360	347	324	362
3,070	3,462	1,973	2,366	2,299	2,530
1	1	1	1	1	1
26	26	26	26	26	26
1,397	1,444	1,332	1,235	1,297	1,293
3,297	2,863	2,702	2,634	1,548	2,322
\$ 42,754,614	\$ 33,659,276	\$ 20,268,696	\$ 26,680,297	\$ 25,131,177	\$ 19,231,270
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
41,761	41,841	41,000	38,323	42,227	41,662
39,482	40,377	40,000	42,673	42,681	59,759
10,000	10,400	10,500	10,200	10,166	8,600
0.50	0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00	6.00
4.60	4.60	4.60	4.60	4.60	4.60
14.00	14.00	14.00	14.00	14.00	14.00
6.10	6.10	6.10	6.10	6.10	6.10
1	1	1	1	1	1

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

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
General government				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	55,208	55,208	55,208	55,208
Public safety:				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
Culture/Recreation:				
Libraries	1	1	1	1
Acres of parks	31	31	31	31
Number of parks	5	5	5	5

Source: City Departments

Table 18

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208
1 1	1 1	1 1	1 1	1 1	1 1
1 31 5	1 31 5	1 31 5	1 31 5	1 31 5	1 31 5

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COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report to City Management

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 26, 2021

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 26, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 26, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 26, 2021

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

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

We have examined the City of Lighthouse Point, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the City's compliance with the specific requirements. Our responsibility is to express an opinion on the City's compliance with the specific requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

Keefe McCullough

KEEFE MCCULLOUGH

Fort Lauderdale, Florida
March 26, 2021

CPA's + Trusted Advisors