

City of Margate, Florida



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY OF MARGATE, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

Prepared by the
Finance Department

Ismael Diaz, Finance Director

ABOUT THE COVER

City of Margate Cover Photo: Photo collage, including Firefighters Park

Cover Design: Yarelis Martinez, City Manager's Office

City of Margate, Florida

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INTRODUCTORY SECTION

Mayor
Anthony N. Caggiano

Vice Mayor
Tommy Ruzzano

Commissioners
Antonio V. Arserio
Arlene R. Schwartz
Joanne Simone



City Manager
Cale Curtis

Interim City Attorney
Weiss Serota Helfman
Cole & Bierman

City Clerk
Jennifer M. Johnson

City of Margate, Florida

March 28, 2023

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Margate:

We are pleased to present the City of Margate's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. State law requires that all general-purpose local governments publish a complete set of audited financial statements within nine months of the close of each fiscal year. The financial statements included in the report conform with generally accepted accounting principles (GAAP) and are audited by a firm of licensed certified public accountants 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.

This report consists of management's representations concerning the financial operations and condition of the City. Responsibility for both the reliability of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefit, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Margate.

State statutes require an annual audit by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2022, are free of material misstatement. Keefe McCullough, a firm of licensed certified public accountants, have audited the City's financial statements and issued an unmodified ("clean") opinion for the fiscal year ended September 30, 2022. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

As a recipient of federal, state, and county financial assistance, the City is subject to annual single audits in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General of the State of Florida. Expenditures of federal awards were above the applicable threshold for the fiscal year ended September 30, 2022. Therefore, the City was required to have an audit in accordance with the Uniform Guidance.

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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City of Margate, (the "City"), was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. In 1961, the Town of Margate was incorporated as a City. The City is located in southeastern Florida in Broward County. It encompasses an area of approximately 9 square miles with a population of approximately 58,760. The U.S. Census Bureau lists a median household income of \$52,881.

The City operates under the City Commission/City Manager form of government. The City Commission consists of the Mayor, Vice Mayor, and three commissioners. The five commission members are elected at-large on a non-partisan basis for a four-year term. Effective with terms beginning November 2012, term limitations for City Commissioners are three consecutive four-year terms. The mayor is elected annually by the members of the City Commission for a one-year term, not to exceed two years in succession. The City Commission determines policy, adopts legislation, approves the City's annual budget, and hires the City Manager, City Attorney, City Clerk, Assistant City Manager, Police Chief, and Fire Chief. The City Manager is responsible for carrying out the policies of the City Commission, overseeing the daily management of the City, and for appointing the City's department directors.

The City provides a full range of services including police and fire protection, emergency medical, water and wastewater, stormwater, parks and recreation, public improvements, streets, planning and zoning, and general administrative. Internal services for the City which are accounted for on a cost reimbursement basis consist of workers' compensation and general liability, automobile, and various other types of insurance. This report includes all funds of the City. The City is financially accountable for two blended component units which consist of the City of Margate Community Redevelopment Agency (CRA) and the Northwest Focal Point Senior Center (Center). All component units are included as an integral part of the City's financial statements. Additional information on both of these legally separate entities can be found in the notes to the financial statements (see pages 29 and 30 of this report). In addition to being included in the City's financial statements and as required by amended Florida Statute 163.387(8), the CRA has produced its own separate stand-alone financial statements for fiscal year ended September 30, 2022.

The annual budget serves as the basis for the City's financial planning and control. All City departments are required to submit requests for appropriation to the City Manager. These requests are used as a starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Commission by August 15th of each year. The operating budget includes proposed expenditures/expenses and the means of financing them. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30th of each year. The appropriated budget is prepared by fund, function, and department. The City Manager may approve transfers of appropriations within a department; however, transfers of appropriations between departments or funds require approval of the City Commission. Budget to actual comparisons are provided in this report for governmental funds for which an appropriated annual budget has been adopted. Program based budgeting has been implemented for each General Fund department, as well as all funds to provide program descriptions, goals/objectives, actual and budgeted expenditures/expenses, and performance measures to facilitate the reader's understanding of City programs.

Local economy

The information presented in the financial statements may be better understood when it is considered from the broader perspective in which the City operates. The City of Margate is situated in the heart of South Florida, which consists of Broward, Palm Beach and Miami-Dade counties. Being centrally located in Broward County, Margate is easily accessible via Interstate 75, Interstate 95, Interstate 595, Sawgrass Expressway, and Florida's Turnpike. It is only approximately twenty minutes from the Fort Lauderdale-Hollywood International Airport and Port Everglades, one of the western hemisphere's most accessible deep-water seaports for cargo, cruise and trade ships. Major economic influences in the area include housing, job market, tourism/travel, construction, tax reform, weather events, and various other items.

There are over 1,900 registered businesses in the City ranging from small local stores/service companies, to national and international corporate headquarters. It is home to some major employers including Northwest Medical Center, JM Lexus, Broward County Schools, Arrigo Dodge and Walmart.

The local economy in Margate continues to show positive signs as it continues to recover from the pandemic. Margate currently has a 2.0% homeowner vacancy rate and 7.2% rental vacancy rate. The City's total taxable assessed value provided by the Broward County Property Appraiser of \$3.8 billion for FY 2022 is an increase of 6.1% from FY 2021. According to the Broward County Property Appraiser, the average assessed value for single family homes in the City was \$197,974.

The following development projects are currently in construction, in development/permit review, or recently completed:

- A new residential development of fifteen townhouses is proposed for 508 Melaleuca Drive. The original structure was demolished in 2018 and the address is currently vacant; no permits have been submitted for the new structure.
- Legacy of Margate is expected to begin construction in 2023 for four buildings along with a clubhouse for their new apartment complex. The 220-unit apartment complex is proposed at the northwest corner of Coconut Creek Parkway and Banks Road; demolition has been completed.
- Currently under review is a proposed new construction of a 131,680 square foot (sf) warehouse and distribution center to be located at the northwest corner of Copans Road and Banks Road. Site work has begun and both the North and South buildings are in the process of receiving a temporary certificate of occupancy.
- A new 32,000 sf medical office building located at 3251 N State Road 7 has had the building shell completed with interior improvements now taking place; a new interior buildout was submitted for a dental office.
- AutoNation has proposed a 10,534 sf expansion at 5355 NW 24 Street. The first phase has been completed and the second phase is currently in the plan review process.
- A new 32,760 sf self-storage building at 5600 NW 31 Street was completed with modifications to architectural elevations, pedestrian elements, and landscaping with construction that began in 2021 and received a certificate of occupancy in May 2022.
- Chipotle at 5671 W Atlantic Boulevard is expected to start renovations in 2023.
- Serino Park at 5600 SW 8th Court is in the process of a complete renovation.

The business community in the City of Margate continues to show signs of steady growth. The last of the vacant lots are being developed and there has been an increase in redeveloping existing commercial areas. Going forward, redevelopment will be the primary activity for growth. The Development Services Department has been tasked with analyzing the City's comprehensive plans to best attract a variety of new businesses to the City.

The CRA continues to move forward in implementing programs and projects contained in the Community Redevelopment Plan. The CRA completed several projects during the year including David Park Improvements and Stormwater Improvements. The CRA also has capital projects started or underway, but not completed in FY 2022 including construction of Chevy Chase Plaza Improvements, Atlantic Boulevard Streetscape, Serino Park Renovations, Margate Boulevard Improvements, SW 6th Street Improvements, and Wayfinding Signage.

The CRA has Commercial Property Improvement Grant Programs designed to encourage property owners to voluntarily upgrade the exteriors of their property. The programs are for facade improvements and/or landscaping upgrades for commercial properties located in the target areas, on a reimbursement basis for pre-approved improvements. Eligible expenses for facade improvements include design fees, permits, light fixtures, new impact storefront systems, etc. while eligible expenses for the landscaping upgrades include design fees, asphalt removal, plant materials, irrigation systems, etc. The CRA also has a New Business Incentive Grant Program designed to help facilitate the establishment of new businesses within the CRA. The program provides financial assistance as a grant for new businesses to reduce costs associated with the construction of new buildings to house the new businesses, providing incentives of a 5% reimbursement of eligible construction costs up to a maximum of \$500,000, subject to program requirements.

Long-term financial planning and relevant financial policies

The City continues to mitigate the economic impact of a recovering economy on staff, residents and public. The pandemic affected both City revenues and expenditures and Staff analysis led to the determination that State Shared Revenues (Sales Tax and Half Cent Sales Tax), Recreation Fees, and Fines and Forfeitures experienced some of the largest impacts. The potential increase to expenditures will be absorbed into proposed budgets or handled with a budget amendment, as necessary, with an expected use of reserve funds or American Rescue Plan Act monies designated for revenue replacement to cover any deficits. The City submitted for reimbursement and has been reimbursed for COVID related costs when available, including from Broward County and FEMA. The City was also awarded American Rescue Plan Act (ARPA) monies totaling approximately \$11 million of which \$10 million will be used for revenue replacement in FY 2023, while the City explores other opportunities for the best use of the remaining balance of these monies.

The City produces a long-range financial forecast to demonstrate past experience and expected trends for revenues and expenditures. The analysis helps to guide staff, management, and the City Commission on the position the City can expect in the near-term and the distant future. The analysis aids in decision-making related to the operating budget, capital projects, and various policies. Major funds have a ten-year financial forecast produced and used to determine the impact of long-term liabilities and the revenue streams available for funding them. In addition, the long-range plan incorporates the City's strategic plan.

The City has implemented a comprehensive investment policy to set forth the investment objectives and the parameters for the management of public funds of the City. The policy is designed to safeguard the City's funds, ensure the availability of operating and capital funds when needed, and provide for an investment return competitive with comparable funds and financial market indices. The policy was established in accordance with Section 218.415, Florida Statutes which establishes investment plan guidelines for Florida local governments. The policy was approved on December 17, 2014 by resolution of the City Commission.

The investment policy permits investment of City monies in the Florida's State Board of Administration's (SBA) Florida PRIME Investment Pool, United States Government Securities, United States Government Agencies, United States Sponsored Agencies, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Corporate Notes, Asset Backed Securities, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, and Intergovernmental Investment Pools.

All securities are purchased on a delivery-versus-payment basis which requires the City to have possession of the security before releasing funds. Investment securities are only purchased from Qualified Financial Institutions and investment institutions that are designated as Primary Securities Dealers by the Federal Reserve Bank of New York.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions which enhances the usefulness of fund balance reporting by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned. Fund balances classified as nonspendable are not in spendable form or are legally/contractually required to be maintained intact. Restricted fund balances are constrained for specific purposes imposed by external parties, law, or specific legislation; while committed fund balances are amounts constrained for specific purposes imposed by formal action of the City Commission. Assigned fund balances represent amounts intended to be used for a specific purpose with no formal constraints. Unassigned fund balance is the residual classification of the General Fund and represents the net resources available at the end of the fiscal year.

The City formally adopted by resolution a fund balance policy in September 2015. The policy defined the various components of fund balance and the City Commission delegated authority to the City Manager to assign fund balances as appropriate. The policy also set forth that where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted, committed, assigned, and lastly unassigned.

Additionally, in FY 2015, the City Commission committed \$1,060,302 of fund balance to be used for Citizen Project Initiatives which will remain committed until all monies are spent. In February 2017, the fund balance policy was amended to commit an additional \$20,030 from the Student Involvement fund balance and the Residents Projects fund balance. A separate investment account was also set up for these monies and any interest earned is added to committed fund balance. During FY 2019, the Commission passed a resolution to use some of the funds to pay for a weekly bulk trash pickup throughout the City. During FY 2020, the Commission passed a resolution to use committed fund balance monies to provide a sponsorship program for the registration, class, or session fees for children to participate in various recreation sports leagues for up to \$150 per child and not to exceed \$100,000. In addition, the Commission also passed a resolution to use committed funds to provide masks and hand sanitizer for senior citizen residents in the City to aid in the fight against COVID-19 in an amount not to exceed \$100,000. In FY 2021, the Commission passed a resolution to continue to use funds for registration, class, or session fees for children to participate in various recreation sports leagues for up to \$150 per child, not to exceed \$100,000 (reduced by amounts paid in FY 2020). The total spent for registration, class or session fees for FY 2020 through FY 2022 was \$77,745 and the unspent portion of the budget for FY 2022 was added back to the committed fund balance. The remaining committed fund balance at September 30, 2022 was \$890,188.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87 - Leases in Fiscal Year 2022, which improves accounting and financial reporting for leases by governments and establishes a single model for lease accounting based on the foundation principle that leases are financing of the right to use an underlying asset.

The City is pursuing long-term economic growth through attracting new business, supporting and encouraging improvements to existing businesses, stimulating job growth, providing exceptional recreational and cultural opportunities, and building a positive image for the community where people can live, work, shop, and enjoy entertainment in one central location. In addition, the CRA has strived to carry out the CRA's goal of creating an active and walkable entertainment, recreation, and commercial district.

As of September 2022, the City's average unemployment rate was 2.5% which was lower than last year's rate of 4.6%. The City's unemployment rate was slightly below the County unemployment rate of 2.6% and the statewide unemployment rate of 2.6%. The City Commission/Administration is working to have a well-planned City incorporating key components to ensure a positive quality of life for the residents, and an economically stimulating environment for businesses to prosper.

Tax reform legislation or Amendment 1, effective in October 2008, provided for an additional \$25,000 property tax exemption for homesteaded properties, portability of the Save Our Homes benefit, and a \$25,000 exemption on personal tangible property. Effective in November 2012, tax reform legislation or Amendment 2, provided that veterans disabled due to combat injury would receive a homestead property tax discount; Amendment 9, provided for the homestead property tax exemption for the surviving spouse of military veterans or first responders; and Amendment 11, provided for an additional homestead exemption to low-income seniors who maintain long-term residency. This legislation has affected the City's current and future property tax revenues and is described in detail in the notes to the financial statements beginning on page 40.

For fiscal year 2022, the City experienced an increase in municipal taxable property value of approximately \$217 million (6.1%). The City's total millage of 7.7145 in FY 2022 was lower than the FY 2021 (.0238 decrease) total millage. This decrease is reflective of a 0.5974 debt service millage for the voter approved parks bonds. The operating millage for FY 2022 of 7.1171 remained the same as the FY 2021 operating millage. The City continues to adjust to economic challenges, while managing resources effectively, to maintain a high quality of services that Margate's residents have come to expect and enjoy.

The City has an award winning Police Department and an ISO Class I Fire Department. Other recognitions and awards include Playful City, USA; Tree City, USA: National Association of Town Watch's "National Night Out" Award; the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for FY 1998 through FY 2021; the GFOA's Distinguished Budget Presentation Award for FY 2018 through FY 2022; and the 2019 Granicus Digital Efficiency Award. In 2020, the City earned the Better Buildings Goal Achiever Award from the Department of Energy for reducing the City's overall energy use intensity by 21.3%. In 2021, the National Council for Home Safety and Security ranked the City as one of the top 50 Safest Cities in Florida; In 2022 the City won a bronze Telly Award for "It's Margate Delish" social video series that highlights the diverse culinary offering in Margate.

Major initiatives and transitions

General government initiatives include:

- Broward County in conjunction with the City promoted Broward County's Emergency Rental Assistance Program to provide its residents with relief for rental expenses.
- The City completed a new interactive web page for both Building and Code Services. This feature provides permit requirements and information about common code violations right at your fingertips.
- The City was awarded the GFOA Distinguished Budget Presentation Award for the fifth time for the FY 2022 Adopted Budget Book representing a major achievement for the City and the meeting of nationally recognized requirements for an effective budget presentation.
- The Finance Department implemented Gravity Software system which allows the City to compile the data for the Annual Comprehensive Financial Report (ACFR), as well as record City leases as required by a new Government Accounting Standards Pronouncement effective for FY 2022.
- The Human Resources Department published the City's Employment Guide containing updated policies and rules for staff. Also, Human Resources completed revisions to the Code of Ordinances, Chapter 30 - Personnel, approved by the City Commission.

- The City Clerk office continued to work with Laserfiche, a new electronic records management platform, which allows the City to expand the range of digital information technology governance and best practices. Ordinances, Resolutions and Minutes are being scanned into the new software system.
- The City Clerk office initiated a project to digitize all microfilm rolls into properly formatted PDF documents. It is estimated that this will save the City \$3,220 annually in storage costs. This project is ongoing and will be performed in-house at no additional cost.
- A conceptual site plan for a covered Logistics Parking Facility vehicle storage area immediately north of Fire Station 58 was prepared and presented. This project is on hold as alternatives are investigated.
- As of September 2022, the new Fire Station 58 was approaching 90% completion with the outer building shell fully constructed and the finishes largely complete. The new modern, state of the art building that replaces a 47-year old station will be Florida Green Building Coalition certified.
- The Police Body-Worn Camera Program implementation was completed. Officers performing patrol function, or an assignment, permanent or temporary (i.e. overtime), that consists of answering calls for service, conducting traffic enforcement, investigative stops, proactive patrolling and/or frequent contacts with citizens currently utilize a body-worn camera.
- The Police Department's Citywide Safety and Security Monitoring Initiative implementation was completed. A real-time video surveillance component was implemented. Personnel may now access/monitor multiple high resolution surveillance cameras throughout the City's parks.
- The Police Department has allocated funds for and will soon implement the digital evidence platform FileOnQ. FileOnQ is a modern and dedicated property and evidence management system that integrates with the City's current Records Management System.
- As of September 2022, The Building Department is finalizing details of the inspection scheduling software before going live. Customers will be able to schedule inspections and view inspection results using a computer or by text. Customers will still also be able to call and schedule inspections. Customers will also have the ability to schedule inspections during non-work hours.
- The City was pending second review and final approval by Broward County Planning Council for recertification of the City's Comprehensive Land Use Plan.
- The 2019 General Obligation Bond proceeds were used to fund various projects throughout the year.
- Vinson Park was re-opened on April 23, 2022. The improvements included the installation of a new playground with shade and safety surfacing, a new water feature, upgrades to the existing concession building, installation of artificial turf for both baseball fields, replacement of the batting cages and dugouts, and other general park improvements.
- Design for Oriole and Centennial Park renovations is complete and construction is expected to begin in FY 2023.
- The City installed a glued poured-in-place rubberized surfacing at Winfield Park, and synthetic playground grass at Coral Gate Park. Both projects received a \$50,000 grant, with no grant match requirements. These projects support the Parks and Recreation Master Plan guidance to remove all sand surfacing and replace it with modern safety surfacing material. Project close-out and \$50,000 grant reimbursement were completed in FY 2022.

- Governmental capital projects completed in FY 2022 consisted of Public Works Quonset Hut Replacement, City Hall UPS Replacement, and Blueway Trail Improvement. Ongoing capital projects included Fire Station #58, PR/SC Fixed Generator Replacement, Fire Station 18 Roof replacement and, Building Department and ProjectDox Software implementation.
- Department of Environmental and Engineering Services (DEES) continued to replace various water mains and wastewater gravity/force mains throughout the City. In addition, DEES projects completed in FY 2022 included rehabilitation of three raw water wells (#2, 5, and 12); conversion of the remainder of Cycle 4 and Cycle 3 to Automatic Meter Reading and Critical Valve Exercising. Ongoing capital projects include Water Main Improvements, Water Meter Installation/Replacement, Water Supply Well Rehabilitation, East Wastewater Treatment Plant Upgrade, and Water Main/Force Main Control Improvements.
- The City has used reserves to help balance the budget. Although the budget may use monies from fund balance/net position to balance the budget, savings are typically realized in areas, such as vacant position personnel related costs, contracts, consultants, fees, and other cost control resources.

Financial Reporting Award 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 of Margate, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the thirty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department for their tremendous efforts and support. Sincere appreciation is also extended to the City's independent auditors for their guidance and patience in producing this report. In closing, due credit should be given to the Mayor and City Commissioners for their dedicated support/policy guidance for City operations.

Respectfully submitted,



Cale Curtis
City Manager



Ismael Diaz
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Margate
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrell

Executive Director/CEO

CITY OF MARGATE, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2022

ELECTED OFFICIALS

CITY COMMISSION

Mayor	Anthony N. Caggiano
Vice Mayor	Tommy Ruzzano
Commissioner	Antonio V. Arserio
Commissioner	Arlene R. Schwartz
Commissioner	Joanne Simone

APPOINTED OFFICIALS

CITY MANAGER

Cale Curtis

ASSISTANT CITY MANAGER

Larry Vignola

INTERIM CITY ATTORNEY

Weiss Serota Helfman Cole & Bierman, P.L.

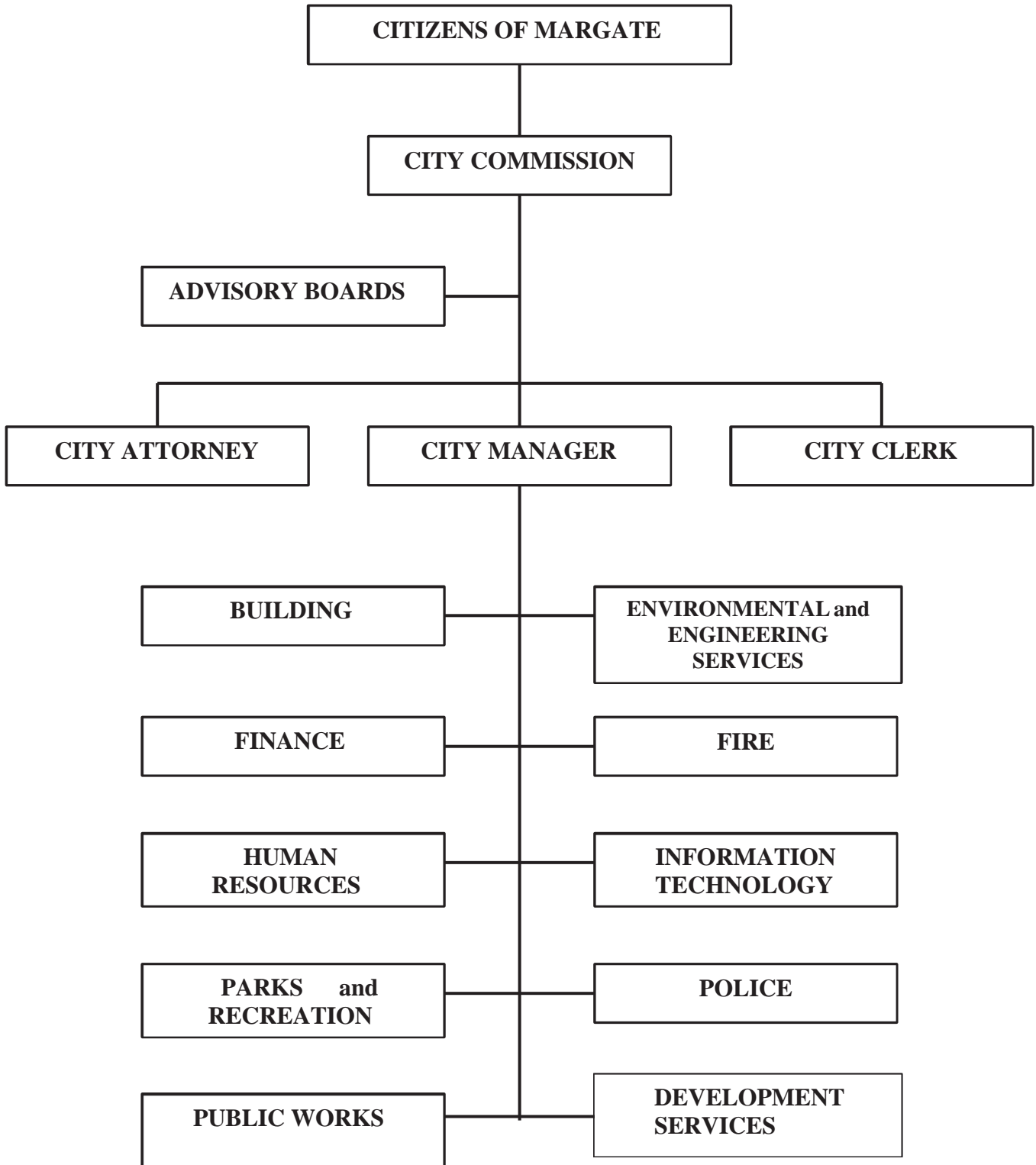
CITY CLERK

Jennifer M. Johnson

DEPARTMENT DIRECTORS

Building, Director	Richard R. Nixon
Development Services, Director	Elizabeth Taschereau
Environmental and Engineering Services, Director	Curt Keyser
Finance, Director	Ismael Diaz
Fire, Chief	Roberto Lorenzo
Human Resources, Director	Laurie Meyer
Information Technology, Director	Patrick Garmon
Parks and Recreation, Director	Michael A. Jones
Police, Chief	Joseph Galaska
Public Works, Director	Gio Batista
Northwest Focal Point Senior Center, Director	Terry Lieberman
CRA, Director	Cale Curtis

CITY OF MARGATE, FLORIDA
ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Commission
City of Margate, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 15 and 72 through 76, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, based on our audit, the budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

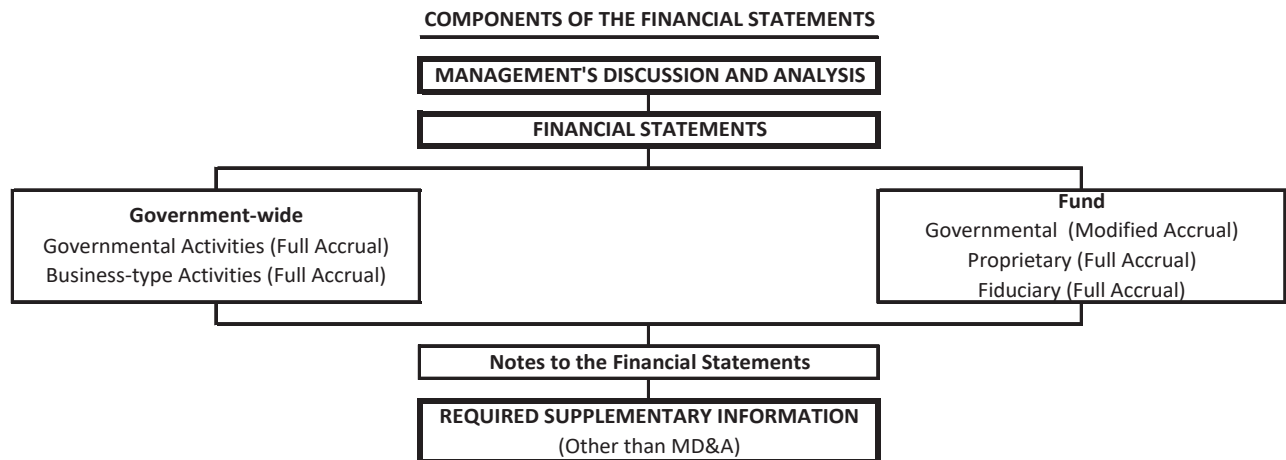
As management of the City of Margate, Florida (the City), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. Since the management’s discussion and analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, it should be read in conjunction with the transmittal letter and the City’s financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$ 201.9 million (*net position*). Of this amount, \$ 25.8 million (*unrestricted net position*) may be used to meet the City’s ongoing obligations to citizens and creditors in accordance with the City’s fund designation and fiscal policies.
- The City’s net position increased by approximately \$ 11.5 million in comparison to the prior year. The business-type activities’ net position increased by \$ 3.1 million, while the net position of governmental activities increased by \$ 8.4 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$ 95.6 million, an increase of \$ 4.2 million in comparison with the prior year. Approximately 45.8% of this total amount, or \$ 43.8 million, is available for spending at the City’s discretion (*assigned and unassigned fund balances*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 16.1 million, or 25% of total General Fund expenditures.
- The City’s total debt (bonds and leases) decreased \$ 0.7 million.

Overview of the Financial Statements

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



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

The *statement of net position* shows the total assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial health. The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods, i.e., uncollected taxes, and earned but unused vacation leave. The *statement of activities* provides a breakdown of revenues and expenses by function. Those functions generally supported by taxes and intergovernmental revenues, such as general government, public safety, economic and physical environment, culture and recreation, and public works, are considered governmental activities. Those functions that are primarily funded through user fees and charges are identified as business-type activities. In Margate, the latter activities include Water and Wastewater and Stormwater Utility.

The government-wide statements include not only the City of Margate itself, (known as the primary government), but also blended component units, such as the Margate Community Redevelopment Agency (CRA) and the Northwest Focal Point Senior Center (Center). Financial information for these blended component units is reported in the financial information presented for the primary government itself. In addition, as required by amended Florida Statute 163.387(8), each community redevelopment agency meeting the specified \$ 100,000 threshold must provide for a separate audit, basic financial statements, notes to the financial statements, management's discussion and analysis, and other required supplementary information.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City categorizes funds into three basic fund types: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Margate Community Redevelopment Agency Trust Fund, Margate Community Redevelopment Agency Sinking Fund, Margate Community Redevelopment Agency Capital Improvement Fund, and Margate Community Redevelopment Agency Loan Proceeds Fund; these are considered to be major funds. All the other governmental funds are combined for presentation purposes as nonmajor funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 18 through 23 of this report.

Proprietary Funds are comprised of two different categories. Enterprise funds are the equivalent of business-type activities in the government-wide statements. These include the Water and Wastewater Fund and the Stormwater Utility Fund. The City maintains one Internal Service Fund, the General Insurance Fund, which provides support to City departments rather than providing services to the general public.

The basic proprietary fund financial statements can be found on pages 24 through 28 of this report.

Notes to the Financial Statements are integral to a complete understanding of both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 67 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 77 of this report.

Government-wide Financial Analysis

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$ 201.9 million at the close of the most recent fiscal year.

**City of Margate, Florida
Management's Discussion and Analysis
September 30, 2022**

	Net Position (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 127,488	\$ 110,417	\$ 79,481	\$ 76,824	\$ 206,969	\$ 187,241
Capital assets	95,428	93,066	58,631	57,740	154,059	150,806
Total assets	<u>222,916</u>	<u>203,483</u>	<u>138,112</u>	<u>134,564</u>	<u>361,028</u>	<u>338,047</u>
Pension related deferred outflows	16,420	15,246	1,464	1,329	17,884	16,575
OPEB related deferred outflows	5,555	6,035	1,161	1,249	6,716	7,284
Total deferred outflows of resources	<u>21,975</u>	<u>21,281</u>	<u>2,625</u>	<u>2,578</u>	<u>24,600</u>	<u>23,859</u>
Non-current liabilities	124,552	87,792	11,344	6,872	135,896	94,664
Other liabilities	16,952	11,447	4,623	4,081	21,575	15,528
Total liabilities	<u>141,504</u>	<u>99,239</u>	<u>15,967</u>	<u>10,953</u>	<u>157,471</u>	<u>110,192</u>
Pension related deferred inflows	10,221	47,983	384	4,692	10,605	52,675
OPEB related deferred inflows	6,325	7,228	1,207	1,371	7,532	8,599
Lease related deferred inflows	8,106	-	-	-	8,106	-
Total deferred inflows of resources	<u>24,652</u>	<u>55,211</u>	<u>1,591</u>	<u>6,063</u>	<u>26,243</u>	<u>61,274</u>
Net Position:						
Net investment in capital assets	71,582	75,507	58,472	57,740	130,054	133,247
Restricted	45,515	33,240	500	500	46,015	33,740
Unrestricted (deficit)	<u>(38,362)</u>	<u>(38,433)</u>	<u>64,207</u>	<u>61,886</u>	<u>25,845</u>	<u>23,453</u>
Total net position	<u>\$ 78,735</u>	<u>\$ 70,314</u>	<u>\$ 123,179</u>	<u>\$ 120,126</u>	<u>\$ 201,914</u>	<u>\$ 190,440</u>

By far the largest portion of the City's net position (64.4%) reflects its investment in capital assets (for example, land, intangibles, improvements other than buildings, buildings, infrastructure, equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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. The City's net investment in capital assets decreased by \$ 3.2 million during the year which is primarily due the annual depreciation of capital assets and amortization of lease assets in both governmental and business-type activities. While there were increases in capital assets due to the implementation of Governmental Accounting Standards Board Statement No. 87 for leases (GASB 87) in FY 2022, the lease additions are offset by the lease liability with very little impact to the City's net investment in capital assets for both governmental and business-type activities.

An additional portion of the City's net position (22.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 25.8 million (12.8%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with its financial policies and strategies.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the business-type activities and positive balances in two of the three categories of net position (net investment in capital assets and restricted) for the governmental activities.

The City's overall net position increased approximately \$ 11.5 million, from the prior fiscal year primarily resulting from an increase in capital asset acquisitions in both governmental and business type activities, along with management's control of expenditures to keep in line with decreasing revenues.

**City of Margate, Florida
Management's Discussion and Analysis
September 30, 2022**

Changes in Net Position

The following schedule is a summary of the City's operations for fiscal year 2022 with comparative information for fiscal year 2021:

	Changes in Net Position (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 21,129	\$ 29,325	\$ 29,421	\$ 28,726	\$ 50,550	\$ 58,051
Operating grants and contributions	2,103	3,126	-	41	2,103	3,167
Capital grants and contributions	174	-	309	1,336	483	1,336
General revenues:						
Ad valorem taxes	27,726	26,369	-	-	27,726	26,369
Tax incremental revenues	8,937	8,062	-	-	8,937	8,062
Other taxes	20,813	18,789	-	-	20,813	18,789
Intergovernmental	81	594	-	-	81	594
Investment income (loss)	(616)	172	(1,753)	120	(2,369)	292
Other	4,021	2,631	102	55	4,123	2,686
Total revenues	84,368	89,068	28,079	30,278	112,447	119,346
Expenses:						
Program Expenses:						
General government	21,798	17,628	-	-	21,798	17,628
Public safety	38,589	42,003	-	-	38,589	42,003
Economic and physical environment	2,427	2,202	-	-	2,427	2,202
Culture and recreation	6,874	6,484	-	-	6,874	6,484
Public works	7,293	7,455	-	-	7,293	7,455
Debt service	931	995	5	-	936	995
Water and wastewater utility	-	-	19,992	17,609	19,992	17,609
Stormwater utility	-	-	3,064	2,214	3,064	2,214
Total expenses	77,912	76,767	23,061	19,823	100,973	96,590
Increase (decrease) in net position before transfers	6,456	12,301	5,018	10,455	11,474	22,756
Transfers	1,965	1,943	(1,965)	(1,943)	-	-
Increase (decrease) in net position	8,421	14,244	3,053	8,512	11,474	22,756
Net position, October 1	70,314	56,070	120,126	111,614	190,440	167,684
Net position, September 30	<u>\$ 78,735</u>	<u>\$ 70,314</u>	<u>\$ 123,179</u>	<u>\$ 120,126</u>	<u>\$ 201,914</u>	<u>\$ 190,440</u>

Revenues: For fiscal year ended September 30, 2022, revenues from governmental activities totaled \$ 84.4 million. This was a decrease of approximately \$ 4.7 million, or 5.3%, from the prior fiscal year. Additional details on the components of this change will be discussed below.

Governmental activities tax incremental revenues increased by approximately \$ 876,000, or 10.9%. This is the tax revenue that the CRA collects from the City, Broward County and the North Broward Hospital District. These taxes are based on the incremental increase of the real property value, are dedicated to the redevelopment of the designated CRA area and cannot be used for general governmental purposes.

The City's taxable value increased 6.2% from fiscal year 2021. The net increase in ad valorem taxes was approximately \$ 1.4 million or 5.2%.

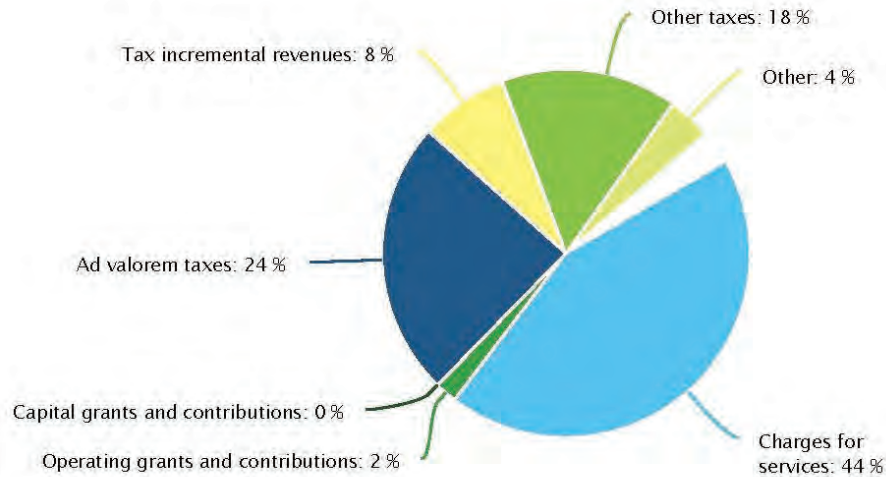
Other changes in governmental activities resulted from the following:

- Charges for services experienced a decrease of approximately \$ 8.2 million (28.0%) over fiscal year 2021 due primarily to the termination of the interlocal agreement fee from the City of Coconut Creek for fire rescue services.
- Other taxes of the governmental activities, which include gas taxes, utility services taxes, franchise taxes and other taxes increased by approximately \$ 2 million or 10.8%. These taxes are tied to usage by the public.
- Intergovernmental revenues decreased by \$ 514,000.
- Investment income decreased by \$ 0.8 million primarily resulting from inflation, and other factors impacting the United States economy including interest rate changes and fears of recession.
- Other revenues increased by approximately \$ 1.4 million attributed to \$ 580,000 in gains on disposal and the remaining is spread over nine funds and fifty revenue accounts.
- Capital grants and contributions increased by \$ 174,000.
- Operating grants and contributions decreased by just over \$ 1 million, a 32.7% decrease from the previous year. This was largely due a one-time reimbursement from Broward County for COVID related expenditures.

For fiscal year ended September 30, 2022, revenues from business-type activities totaled \$ 28.1 million. This was a decrease of \$ 2.2 million, or 7.3 % from the prior fiscal year. Additional details on the components of this change will be discussed below.

- Business-type charges for services increased slightly by \$ 695,000 to approximately \$ 29.4 million. This 2.4% increase is due to rate increases and increased consumption.
- Capital grants and contributions decreased by approximately \$ 1,027,000 in fiscal year 2022 mainly due to decrease in contributions from developers.
- Investment income decreased by \$ 1.9 million due to various factors including inflation, changes to the interest rate and recession fears.
- Other revenues increased by \$ 48,000 for the City.

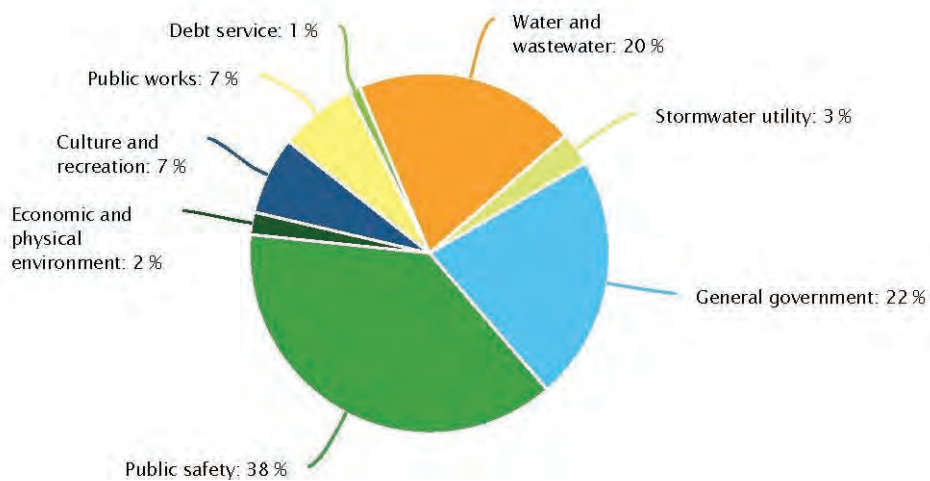
Sources of Revenue: Government-wide for Fiscal Year 2022



* The table above does not include investment income (loss)

Expenses: For fiscal year ended September 30, 2022, expenses for governmental activities totaled \$ 77.9 million, which was an increase of approximately \$ 1.1 million from prior year expenses. For the fiscal year ended September 30, 2022, expenses for business-type activities totaled approximately \$ 23.1 million or an increase of \$ 3.2 million from prior year expenses. This was due primarily from the increased costs of operations and the addition of lease vehicles to replace worn out vehicles.

Functional Expenses: Government-wide for Fiscal Year 2022



Financial Analysis of the City’s Funds

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

Governmental Funds: The focus of the City's Governmental Funds is to provide information on near-term inflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Overall, governmental funds ended the year with \$ 95.6 million in fund balance, including \$ 16.1 million in unassigned fund balance.

The *General Fund* is the main operating fund of the City. At the end of the current fiscal year, fund balance totaled \$ 38.1 million of which approximately \$ 83,000 is nonspendable, \$ 44,000 is restricted, \$ 890,000 is committed, \$ 20.9 million is assigned for future obligations, and \$ 16.1 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance (\$ 16.1 million) represents 25% of total General Fund expenditures, while total fund balance represents 58.9% of that same amount.

The fund balance of the City's General Fund increased by approximately \$.8 million. The increase was due mainly to increase in revenues from property and utility taxes. Total expenditures decreased in the General Fund overall, due mainly to a decrease in public safety expenditures for vehicle acquisitions.

The following Margate Community Redevelopment Agency (CRA) funds were reported as major funds: Trust Fund, Sinking Fund, Capital Improvement Fund, and Loan Proceeds Fund. The Trust Fund had a zero fund balance at the end of the current fiscal year end. This was the result of a transfer of monies to the CRA Capital Improvement Fund at year end as required by Florida Statutes. The Sinking Fund had a zero ending fund balance as a result of making the final debt service payment on related debt during FY 2022. The CRA Capital Improvement Fund had a total fund balance of \$ 23.3 million at the end of the current fiscal year, all of which is restricted for future redevelopment projects. The increase of \$ 6.4 million in the fund balance of the Capital Improvement Fund was due to transfers from the Trust Fund for on-going capital projects. The CRA Loan Proceeds Fund had a \$ 4.8 million fund balance at fiscal year-end, all of which is restricted for future development projects. The Fund balance of the CRA Loan Proceeds Fund decreased by \$ 625,000 during the year primarily due to an increase in land acquisition costs for purchase of a property.

Proprietary Funds: The City's proprietary funds are presented in more detail in the fund statements but represent the same activities reflected in the business-type activities. Proprietary funds also include internal service funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$ 60.6 million and \$ 3.6 million in the Stormwater Utility Fund. The Water and Wastewater Fund experienced a \$ 2.5 million increase in net position and the Stormwater Utility Fund reported a \$.6 million increase in net position.

At the end of fiscal year 2022 the City's self-insurance fund, the General Insurance Fund, had assets of \$ 6.9 million, as well as liabilities of approximately \$ 5.8 million which represented estimated claims payable. Ending net position was \$ 1.1 million. This is a decrease of \$.5 million from the prior year mainly due to an increase in estimated claims payable.

Original Budget Compared to Final Budget

During the year, there were several significant amendments (\$ 3.1 million) increasing the expenditures budget. These resulted primarily from:

1. An initial amendment (\$ 573,000) consisting of General Fund (\$ 296,000) to fund strategic planning activities, a new Human Resources position and a Police Covid Grant. Also to adjust all other funds (\$ 278,000) to fund a position in the Building Fund, to record two FRDAP Grants for Parks and Recreation projects, additional funding for a continuing project each in both the Fire and Public Works departments.
2. General Fund budget changes (\$ 1.2 million) to fund increased Fire department operations, accrued leave payouts and approved personnel adjustments.
3. The transfer (\$ 200,000) from the Recreation Trust Fund to the General Capital Projects Fund for Dog Park lighting.
4. The transfer from fund balance (\$ 1.5 million) in the Public Safety Impact Fee Fund to fund the Police operating expenses, specialized equipment and vehicles; as well as Fire equipment.

Monies utilized to fund the expenditures were from the appropriate fund balance reserves.

General Fund Budgetary Highlights

Final budget compared to actual results. General Fund revenues in total exceeded the final budget in four of the five major revenue categories. The final budget to actual revenues resulted in an increase of approximately \$ 4.2 million. This was primarily due to increases in intergovernmental revenues of \$ 2.2 million which included increases in sales tax revenues (\$ 1.2M) and monies received from FEMA for reimbursement of Urban Search and Rescue and Covid expenditures (\$ 214,000); charges for services (\$ 1.6M); and utility service taxes (\$ 494,000).

Total General Fund expenditures were less than final budgeted by approximately \$ 4.6 million. The majority of this favorable budget was recognized in the various operating cost line item expenditures throughout the General Fund due mainly from vacant budgeted positions, COVID-19 pandemic reduced expenditures of certain functions/ operations, cost control measures, purchase orders encumbered to be expended in the following fiscal year, and vehicle acquisition expenditures were not incurred.

City of Margate, Florida
Management's Discussion and Analysis
September 30, 2022

	Original Budget	Final Budget	Actual Amounts
Revenues:			
Property taxes	\$ 25,475,000	\$ 25,475,000	\$ 25,579,047
Permits, fees, and other taxes	11,579,150	11,579,150	12,526,953
Intergovernmental	5,769,500	5,902,060	8,089,802
Charges for services	13,550,068	13,550,068	15,188,766
Other	1,979,628	1,991,241	1,319,466
Total revenues	<u>58,353,346</u>	<u>58,497,519</u>	<u>62,704,034</u>
Total expenditures	<u>66,091,369</u>	<u>69,177,837</u>	<u>64,625,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,738,023)</u>	<u>(10,680,318)</u>	<u>(1,921,138)</u>
Other Financing Sources (Uses):			
Transfers in	1,964,840	1,964,840	1,964,840
Issuance of leases	-	-	868,399
Proceeds from sale of capital assets	50,000	50,000	639,644
Transfers out	(801,125)	(801,125)	(801,125)
Total other financing sources (uses)	<u>1,213,715</u>	<u>1,213,715</u>	<u>2,671,758</u>
Net change in fund balances	<u>\$ (6,524,308)</u>	<u>\$ (9,466,603)</u>	<u>\$ 750,620</u>

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2022, amount to \$ 154.1 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, machinery and equipment, intangibles, and construction in progress.

Capital Assets (net of accumulated depreciation and amortization)
(in thousand dollars)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 28,966	\$ 28,952	\$ -	\$ -	\$ 28,966	\$ 28,952
Intangibles	4,908	4,908	-	-	4,908	4,908
Construction in progress	6,345	3,530	12,828	13,566	19,173	17,096
Infrastructure	28,853	31,451	41,201	39,360	70,054	70,811
Buildings	10,502	10,751	2,384	2,804	12,886	13,555
Machinery and equipment	6,140	5,688	2,218	2,010	8,358	7,698
Improvements other than buildings	9,714	7,786	-	-	9,714	7,786
Total	<u>\$ 95,428</u>	<u>\$ 93,066</u>	<u>\$ 58,631</u>	<u>\$ 57,740</u>	<u>\$ 154,059</u>	<u>\$ 150,806</u>

In the governmental funds, major additions included the acquisition of lease vehicles for Police, Public Works, and various other departments; renovations/improvements at Vinson Park, Winfield Park, and the construction in progress for Fire Station 58.

CRA additions included improvements to the Sports Complex Covered Field and the purchase of a building. Construction in progress projects include improvements for David Park, Chevy Chase Plaza, Atlantic Boulevard Streetscape, Serino Park Renovations, Margate Boulevard Improvements and SW 6th Street Improvements.

**City of Margate, Florida
Management’s Discussion and Analysis
September 30, 2022**

Business-type additions included infiltration and inflow rehabilitation, rehabilitation of raw water wells, water main replacement, and rehabilitation of the backwash holding tank. In addition, major equipment additions included acquisition of lease vehicles and purchase of a sewer vacuum truck.

Additional information on the City’s capital assets can be found in Note 6 on pages 46 through 48 of this report.

Debt Administration: At the end of the fiscal year, the City had \$ 27.3 million in general obligation bonds (including \$ 3.7 million in bond premium), as well as \$ 1.8 million outstanding in leases for a total outstanding debt of \$ 29.1 million.

	Outstanding Debt (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 23,580	\$ 24,580	\$ -	\$ -	\$ 23,580	\$ 24,580
Premium on general obligation bonds	3,707	3,951	-	-	3,707	3,951
Community redevelopment bonds	-	426	-	-	-	426
Leases	1,645	854	153	-	1,798	854
Total	\$ 28,932	\$ 29,811	\$ 153	\$ -	\$ 29,085	\$ 29,811

More detailed information about the City’s long-term liabilities is presented in Note 7 beginning on page 49 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors affected the development of the Fiscal Year 2022/2023 budget. The local economy continued to show positive signs; however, the COVID-19 pandemic continued to affect the budget development. Property taxes, which are 40.32% of the total General Fund revenue budget, are budgeted for no increase in the operating millage rate which remains at 7.1171, generating \$ 28.0 million, an increase of \$ 2.5 million higher than fiscal year 2021 amended budget due mainly to increased property values. The debt service millage reflects a decrease of 10.7% from .5974 to .5337 due to a decrease in the debt service payments for the outstanding General Obligation Refunding Bonds, Series 2016 and the General Obligation Bonds, Series 2019. The property taxes associated with the debt service millage are recorded in the respective debt service funds.

The City monitors Florida Legislature initiatives that may impact the City, such as changes to communications and sales taxes. State Shared Revenues (Sales Tax, Half Cent Sales Tax), Recreation Fees, and Fines and Forfeitures experienced some of the largest impacts from the Coronavirus Pandemic. The City continued to respond to the pandemic focusing on mitigating the impact of COVID-19. Both revenues and expenditures continue to be impacted by the pandemic.

The water and wastewater rates increased beginning October 1, 2015 through FY 2021 based on the consumer price index stated in the rate ordinances. The City is in the process of doing a rate study and there were no changes to the water and wastewater rates in FY 2022 or for the FY 2023 budget. Stormwater rates increased beginning January 2020 and will continue to have a 5% increase annually each fiscal year beginning with October 1, 2020.

Requests for Information

This financial report is designed to provide a general overview of the City of Margate's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Margate, 5790 Margate Boulevard, Margate, Florida 33063.

**BASIC
FINANCIAL STATEMENTS**

City of Margate, Florida
Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash, cash equivalents, and investments	\$ 115,976,653	\$ 72,673,742	\$ 188,650,395
Accounts receivable, net	3,049,030	3,825,141	6,874,171
Lease receivables	8,309,583	-	8,309,583
Prepayments and other assets	151,951	-	151,951
Inventories	-	1,112,711	1,112,711
Restricted cash, cash equivalents, and investments	-	1,869,411	1,869,411
Capital assets:			
Land	28,966,267	-	28,966,267
Intangibles	4,908,567	-	4,908,567
Construction in progress	6,344,673	12,827,703	19,172,376
Infrastructure	94,509,097	110,025,746	204,534,843
Buildings	18,827,968	27,718,551	46,546,519
Machinery and equipment	21,786,638	8,230,989	30,017,627
Improvements other than buildings	16,982,999	-	16,982,999
Total capital assets	192,326,209	158,802,989	351,129,198
Less: accumulated depreciation and amortization	(96,897,806)	(100,171,753)	(197,069,559)
Total capital assets, net	95,428,403	58,631,236	154,059,639
Total assets	222,915,620	138,112,241	361,027,861
Deferred Outflows of Resources:			
Deferred outflows related to pensions	16,420,189	1,463,541	17,883,730
Deferred outflows related to OPEB	5,555,102	1,161,228	6,716,330
Total deferred outflows of resources	21,975,291	2,624,769	24,600,060
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,351,873	2,748,576	8,100,449
Deposits	62,543	1,873,806	1,936,349
Accrued interest payable	268,944	530	269,474
Unearned revenue	11,268,389	-	11,268,389
Noncurrent liabilities:			
Due within one year:			
Claims and judgements	2,749,940	-	2,749,940
Bonds payable	1,045,000	-	1,045,000
Compensated absences	1,265,672	112,962	1,378,634
Leases payable	450,285	78,521	528,806
Due in more than a year:			
Other post employment benefits (OPEB) liability	13,385,742	2,989,098	16,374,840
Claims and judgements	2,967,925	-	2,967,925
Bonds payable	26,241,947	-	26,241,947
Compensated absences	9,702,423	1,926,180	11,628,603
Leases payable	1,194,292	74,541	1,268,833
Net pension liability	65,548,722	6,162,508	71,711,230
Total liabilities	141,503,697	15,966,722	157,470,419
Deferred Inflows of Resources:			
Deferred inflows related to pensions	10,221,340	384,178	10,605,518
Deferred inflows related to OPEB	6,324,731	1,206,858	7,531,589
Deferred amount on lease receivables	8,106,405	-	8,106,405
Total deferred inflows of resources	24,652,476	1,591,036	26,243,512
Net Position:			
Net investment in capital assets	71,582,216	58,472,473	130,054,689
Restricted for:			
Renewal and replacement	-	500,000	500,000
Debt service	68,211	-	68,211
Culture and recreation	1,451,796	-	1,451,796
Physical and economic redevelopment	575,530	-	575,530
Public safety	7,212,478	-	7,212,478
Highway and streets	8,156,763	-	8,156,763
Community redevelopment	28,049,983	-	28,049,983
Unrestricted (deficit)	(38,362,239)	64,206,779	25,844,540
Total net position	\$ 78,734,738	\$ 123,179,252	\$ 201,913,990

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

**City of Margate, Florida
Statement of Activities
For the Year Ended September 30, 2022**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 21,797,531	\$ 2,233,761	\$ 64,370	\$ -	\$ (19,499,400)	\$ -	\$ (19,499,400)
Public safety	38,588,704	16,146,820	450,272	-	(21,991,612)	-	(21,991,612)
Economic and physical environment	2,427,507	707,788	345,315	-	(1,374,404)	-	(1,374,404)
Culture and recreation	6,874,049	1,331,184	1,243,186	173,588	(4,126,091)	-	(4,126,091)
Public works	7,293,006	708,899	-	-	(6,584,107)	-	(6,584,107)
Interest expense	930,811	-	-	-	(930,811)	-	(930,811)
Total governmental activities	77,911,608	21,128,452	2,103,143	173,588	(54,506,425)	-	(54,506,425)
Business-type activities:							
Water and wastewater	19,991,966	25,768,232	-	309,442	-	6,085,708	6,085,708
Stormwater utility	3,064,050	3,652,934	-	-	-	588,884	588,884
Interest expense	4,513	-	-	-	-	(4,513)	(4,513)
Total business-type activities	23,060,529	29,421,166	-	309,442	-	6,670,079	6,670,079
Total primary government	\$ 100,972,137	\$ 50,549,618	\$ 2,103,143	\$ 483,030	(54,506,425)	6,670,079	(47,836,346)
General revenues:							
Taxes:							
Property					27,725,606		27,725,606
Franchise					4,822,811		4,822,811
Utility service					6,905,854		6,905,854
Sales					7,488,997		7,488,997
Gas					1,595,035		1,595,035
Tax incremental revenue					8,937,619		8,937,619
Intergovernmental not restricted to specific program					80,783		80,783
Investment income (loss)					(615,693)	(1,753,430)	(2,369,123)
Miscellaneous					3,389,616		3,389,616
Gain on disposal of capital assets					631,344	101,643	732,987
Transfers					1,964,840	(1,964,840)	-
Total general revenues and transfers					62,926,812	(3,616,627)	59,310,185
Change in net position					8,420,387	3,053,452	11,473,839
Net position, beginning					70,314,351	120,125,800	190,440,151
Net position, ending					\$ 78,734,738	\$ 123,179,252	\$ 201,913,990

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

City of Margate, Florida
Balance Sheet - Governmental Funds
September 30, 2022

	Major Governmental Funds		
	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Sinking Fund
Assets:			
Cash, cash equivalents, and investments	\$ 51,189,695	\$ 174,067	\$ -
Accounts receivable, net	2,339,964	1,020	-
Lease receivables	-	-	-
Prepayments and other assets	83,260	-	-
Total assets	<u>\$ 53,612,919</u>	<u>\$ 175,087</u>	<u>\$ -</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,120,273	\$ 44,883	\$ -
Tenant deposits	-	62,543	-
Unearned revenue	11,200,728	67,661	-
Total liabilities	<u>15,321,001</u>	<u>175,087</u>	<u>-</u>
Deferred Inflows of Resources:			
Deferred amount on lease receivables	-	-	-
Unavailable revenues	197,095	-	-
Total deferred inflows of resources	<u>197,095</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Prepayments and other assets	83,260	-	-
Leases	-	-	-
Restricted for:			
Public safety	-	-	-
Transportation	-	-	-
Building	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Economic development	-	-	-
Tree preservation	43,977	-	-
Redevelopment projects	-	-	-
Streetlights	-	-	-
Utilities	-	-	-
Capital projects	-	-	-
Committed for:			
Citizen project initiatives	890,188	-	-
Assigned for:			
Subsequent year appropriation	2,934,277	-	-
Health insurance	750,000	-	-
Other insurance	635,600	-	-
Future employee payouts	1,200,000	-	-
Capital projects - parks and recreation	1,750,000	-	-
Technology	1,900,000	-	-
Capital projects	2,249,558	-	-
Emergency preparedness	4,750,000	-	-
Vehicle replacement	2,125,442	-	-
Communications	1,500,000	-	-
Public safety	1,000,000	-	-
Other	142,927	-	-
Unassigned	16,139,594	-	-
Total fund balances	<u>38,094,823</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 53,612,919</u>	<u>\$ 175,087</u>	<u>\$ -</u>

<u>Margate Community Redevelopment Agency Capital Improvement Fund</u>	<u>Margate Community Redevelopment Agency Loan Proceeds Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 23,284,909	\$ 4,783,209	\$ 29,669,241	\$ 109,101,121
536	-	705,952	3,047,472
-	-	8,309,583	8,309,583
-	-	68,691	151,951
<u>\$ 23,285,445</u>	<u>\$ 4,783,209</u>	<u>\$ 38,753,467</u>	<u>\$ 120,610,127</u>
\$ 18,671	\$ -	\$ 1,079,773	\$ 5,263,600
-	-	-	62,543
-	-	-	11,268,389
<u>18,671</u>	<u>-</u>	<u>1,079,773</u>	<u>16,594,532</u>
-	-	8,106,405	8,106,405
-	-	70,167	267,262
<u>-</u>	<u>-</u>	<u>8,176,572</u>	<u>8,373,667</u>
-	-	68,691	151,951
-	-	203,178	203,178
-	-	3,985,902	3,985,902
-	-	7,792,869	7,792,869
-	-	3,226,576	3,226,576
-	-	1,407,819	1,407,819
-	-	68,211	68,211
-	-	513,806	513,806
-	-	-	43,977
23,266,774	4,783,209	-	28,049,983
-	-	363,894	363,894
-	-	61,724	61,724
-	-	5,085,337	5,085,337
-	-	-	890,188
-	-	-	2,934,277
-	-	-	750,000
-	-	-	635,600
-	-	-	1,200,000
-	-	-	1,750,000
-	-	-	1,900,000
-	-	6,719,115	8,968,673
-	-	-	4,750,000
-	-	-	2,125,442
-	-	-	1,500,000
-	-	-	1,000,000
-	-	-	142,927
<u>-</u>	<u>-</u>	<u>-</u>	<u>16,139,594</u>
<u>23,266,774</u>	<u>4,783,209</u>	<u>29,497,122</u>	<u>95,641,928</u>
<u>\$ 23,285,445</u>	<u>\$ 4,783,209</u>	<u>\$ 38,753,467</u>	<u>\$ 120,610,127</u>

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

City of Margate, Florida
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Funds
September 30, 2022

Fund Balances - Total Governmental Funds (Page 19)		\$ 95,641,928
<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 governmental fund.</p>		
Governmental capital assets	\$ 192,326,209	
Less: accumulated depreciation and amortization	<u>(96,897,806)</u>	95,428,403
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.</p>		
Governmental bonds payable	\$ (27,286,947)	
Leases payable	(1,644,577)	
Compensated absences payable	<u>(10,968,095)</u>	(39,899,619)
<p>Bond interest payable not reported in the governmental funds.</p>		
		(268,944)
<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 post employment benefits (OPEB) liability	\$ (13,385,742)	
Deferred outflows relating to OPEB	5,555,102	
Deferred inflows relating to OPEB	<u>(6,324,731)</u>	(14,155,371)
<p>Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues.</p>		
		267,262
<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 liability	\$ (65,548,722)	
Deferred outflows relating to pensions	16,420,189	
Deferred inflows relating to pensions	<u>(10,221,340)</u>	(59,349,873)
<p>Internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		<u>1,070,952</u>
Net Position of Governmental Activities (Page 16)		<u>\$ 78,734,738</u>

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

City of Margate, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2022

	Major Governmental Funds			
	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Sinking Fund	Margate Community Redevelopment Agency Capital Improvement Fund
Revenues:				
Property taxes	\$ 25,579,047	\$ -	\$ -	\$ -
Franchise taxes	4,822,811	-	-	-
Utility service taxes	6,905,854	-	-	-
Tax incremental	-	8,937,619	-	-
Licenses and permits	798,288	750	-	-
Intergovernmental	8,089,802	-	-	-
Investment income (loss)	(865,862)	31,306	(248)	156,194
Charges for services	15,188,766	-	-	-
Rental income	-	707,038	-	-
Fines and forfeitures	367,764	-	-	-
Impact fees	-	-	-	-
Miscellaneous	1,817,564	65,915	-	-
Total revenues	<u>62,704,034</u>	<u>9,742,628</u>	<u>(248)</u>	<u>156,194</u>
Expenditures:				
Current:				
General government	18,109,509	1,388,154	-	-
Public safety	37,536,266	-	-	-
Economic and physical environment	-	1,215,317	-	516,928
Culture and recreation	4,933,756	-	-	-
Public works	3,778,971	-	-	-
Debt service:				
Principal retirement	230,613	-	426,179	-
Interest and other charges	36,057	-	6,542	-
Total expenditures	<u>64,625,172</u>	<u>2,603,471</u>	<u>432,721</u>	<u>516,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,921,138)</u>	<u>7,139,157</u>	<u>(432,969)</u>	<u>(360,734)</u>
Other Financing Sources (Uses):				
Transfers in	1,964,840	-	422,791	6,716,366
Issuance of leases	868,399	-	-	-
Proceeds from sale of capital assets	639,644	-	-	-
Transfers out	(801,125)	(7,139,157)	-	-
Total other financing sources (uses)	<u>2,671,758</u>	<u>(7,139,157)</u>	<u>422,791</u>	<u>6,716,366</u>
Net change in fund balances	750,620	-	(10,178)	6,355,632
Fund Balances, Beginning	<u>37,344,203</u>	<u>-</u>	<u>10,178</u>	<u>16,911,142</u>
Fund Balances, Ending	<u>\$ 38,094,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,266,774</u>

Margate Community Redevelopment Agency Loan Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,146,559	\$ 27,725,606
-	-	4,822,811
-	-	6,905,854
-	-	8,937,619
-	2,897,556	3,696,594
-	3,362,316	11,452,118
221	62,696	(615,693)
-	23,155	15,211,921
-	-	707,038
-	578,117	945,881
-	277,773	277,773
-	1,717,805	3,601,284
<u>221</u>	<u>11,065,977</u>	<u>83,668,806</u>
-	-	19,497,663
-	7,379,302	44,915,568
624,785	241,820	2,598,850
-	2,645,792	7,579,548
-	2,027,974	5,806,945
-	1,159,997	1,816,789
-	1,148,394	1,190,993
<u>624,785</u>	<u>14,603,279</u>	<u>83,406,356</u>
<u>(624,564)</u>	<u>(3,537,302)</u>	<u>262,450</u>
-	1,001,125	10,105,122
-	313,196	1,181,595
-	186,466	826,110
-	(200,000)	(8,140,282)
-	1,300,787	3,972,545
(624,564)	(2,236,515)	4,234,995
<u>5,407,773</u>	<u>31,733,637</u>	<u>91,406,933</u>
<u>\$ 4,783,209</u>	<u>\$ 29,497,122</u>	<u>\$ 95,641,928</u>

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

City of Margate, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities - Governmental Funds
For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds (Page 22) \$ 4,234,995

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated or amortized over their estimated useful lives and reported as depreciation or amortization expense.

Expenditures for capital assets	\$ 8,638,628	
Less: net book value of disposed capital assets	(499,841)	
Less: current year provision for depreciation and amortization	<u>(5,776,872)</u>	2,361,915

Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net position.

Principal repayments

General obligation bonds	\$ 1,000,000	
Community redevelopment bonds	426,179	
Leases	<u>390,610</u>	1,816,789

Proceeds from debt issuance

Lease financing		(1,181,595)
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Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item. 67,005

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 the governmental funds.

Change in accrued compensated absences	\$ 674,445	
Amortization of bond premiums	245,031	
Change in accrued interest payable on bonds	15,151	
Change in net pension liability and other related deferral amounts	139,752	
Change in OPEB liability and other related deferral amounts	<u>569,368</u>	1,643,747

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net expense of certain activities in the internal service fund is reported with governmental activities. (522,469)

Change in Net Position of Governmental Activities (Page 17) \$ 8,420,387

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

City of Margate, Florida
Statement of Net Position - Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Assets:				
Current assets:				
Cash, cash equivalents, and investments	\$ 68,100,492	\$ 4,573,250	\$ 72,673,742	\$ 6,875,532
Accounts receivable, net	3,568,429	256,712	3,825,141	1,558
Inventories	1,112,711	-	1,112,711	-
Restricted assets:				
Cash, cash equivalents and investments	1,869,411	-	1,869,411	-
Total current assets	74,651,043	4,829,962	79,481,005	6,877,090
Non-current assets:				
Capital assets:				
Construction in progress	12,827,703	-	12,827,703	-
Infrastructure	107,079,804	2,945,942	110,025,746	-
Buildings	27,718,551	-	27,718,551	-
Machinery, equipment, and vehicles	6,261,206	1,969,783	8,230,989	-
Total capital assets	153,887,264	4,915,725	158,802,989	-
Less: accumulated depreciation and amortization	(98,578,991)	(1,592,762)	(100,171,753)	-
Total capital assets, net	55,308,273	3,322,963	58,631,236	-
Total assets	129,959,316	8,152,925	138,112,241	6,877,090
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	1,381,606	81,935	1,463,541	-
Deferred outflows relating to OPEB	1,087,031	74,197	1,161,228	-
Total deferred outflows of resources	2,468,637	156,132	2,624,769	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	2,369,332	379,244	2,748,576	88,273
Accrued interest	416	114	530	-
Customer deposits	4,395	-	4,395	-
Claims and judgements	-	-	-	2,749,940
Compensated absences payable	99,353	13,609	112,962	-
Leases payable	61,981	16,540	78,521	-
Payable from restricted assets:				
Customer deposits	1,869,411	-	1,869,411	-
Total current liabilities	4,404,888	409,507	4,814,395	2,838,213
Non-current liabilities:				
Other post employment benefits (OPEB) liability	2,740,344	248,754	2,989,098	-
Leases payable	53,007	21,534	74,541	-
Claims and judgements	-	-	-	2,967,925
Compensated absences payable	1,694,125	232,055	1,926,180	-
Net pension liability	5,703,167	459,341	6,162,508	-
Total non-current liabilities	10,190,643	961,684	11,152,327	2,967,925
Total liabilities	14,595,531	1,371,191	15,966,722	5,806,138

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

City of Margate, Florida
Statement of Net Position - Proprietary Funds
(Continued)
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Deferred Inflows of Resources:				
Deferred inflows relating to pensions	380,462	3,716	384,178	-
Deferred inflows relating to OPEB	1,122,628	84,230	1,206,858	-
Total deferred inflows of resources	1,503,090	87,946	1,591,036	-
Net Position:				
Net investment in capital assets	55,187,584	3,284,889	58,472,473	-
Restricted for renewal and replacement	500,000	-	500,000	-
Unrestricted	60,641,748	3,565,031	64,206,779	1,070,952
Total net position	\$ 116,329,332	\$ 6,849,920	\$ 123,179,252	\$ 1,070,952

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

City of Margate, Florida
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2022

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Major Water and Wastewater Fund</u>	<u>Nonmajor Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund - General Insurance Fund</u>
Operating Revenues:				
Charges for services:				
Residential	\$ 11,662,281	\$ 1,393,219	\$ 13,055,500	\$ -
Commercial and multi-family	13,041,065	2,259,715	15,300,780	-
Costs billed to other funds	-	-	-	2,083,125
Other services	1,064,886	-	1,064,886	252,618
Total operating revenues	<u>25,768,232</u>	<u>3,652,934</u>	<u>29,421,166</u>	<u>2,335,743</u>
Operating and Administrative Expenses:				
Cost of sales, maintenance, and services	17,061,569	2,784,045	19,845,614	816,998
Depreciation and amortization	2,930,397	280,005	3,210,402	-
Administrative services	-	-	-	19,667
Claims	-	-	-	1,968,012
Total operating and administrative expenses	<u>19,991,966</u>	<u>3,064,050</u>	<u>23,056,016</u>	<u>2,804,677</u>
Operating income (loss)	<u>5,776,266</u>	<u>588,884</u>	<u>6,365,150</u>	<u>(468,934)</u>
Non-Operating Revenues (Expenses):				
Gain on disposal of capital assets	101,643	-	101,643	-
Interest expense	(3,335)	(1,178)	(4,513)	-
Investment income (loss)	(1,717,390)	(36,040)	(1,753,430)	(53,535)
Total non-operating revenues	<u>(1,619,082)</u>	<u>(37,218)</u>	<u>(1,656,300)</u>	<u>(53,535)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>4,157,184</u>	<u>551,666</u>	<u>4,708,850</u>	<u>(522,469)</u>
Capital Contributions and Transfers:				
Capital contributions - impact fees	309,442	-	309,442	-
Transfers out	(1,964,840)	-	(1,964,840)	-
Total capital contributions and transfers	<u>(1,655,398)</u>	<u>-</u>	<u>(1,655,398)</u>	<u>-</u>
Change in net position	<u>2,501,786</u>	<u>551,666</u>	<u>3,053,452</u>	<u>(522,469)</u>
Net Position, Beginning	<u>113,827,546</u>	<u>6,298,254</u>	<u>120,125,800</u>	<u>1,593,421</u>
Net Position, Ending	<u>\$ 116,329,332</u>	<u>\$ 6,849,920</u>	<u>\$ 123,179,252</u>	<u>\$ 1,070,952</u>

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

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Cash Flows From Operating Activities:				
Receipts from customers, users and other	\$ 25,734,437	\$ 3,647,384	\$ 29,381,821	\$ 2,335,528
Payments for interfund services used	(1,290,584)	(443,475)	(1,734,059)	(19,667)
Payments to suppliers for goods and services	(6,838,337)	(1,244,214)	(8,082,551)	(3,099,678)
Payments to employees	(9,167,149)	(789,170)	(9,956,319)	-
Net cash provided by (used by) operating activities	<u>8,438,367</u>	<u>1,170,525</u>	<u>9,608,892</u>	<u>(783,817)</u>
Cash Flows From Noncapital Financing Activities:				
Transfer to other funds	(1,964,840)	-	(1,964,840)	-
Net cash provided by (used by) noncapital financing activities	<u>(1,964,840)</u>	<u>-</u>	<u>(1,964,840)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Capital contributions	309,442	-	309,442	-
Interest paid	(2,919)	(1,064)	(3,983)	-
Principal payments on leases	(48,146)	(12,171)	(60,317)	-
Acquisition and construction of capital assets, net	(3,762,065)	(24,261)	(3,786,326)	-
Net cash provided by (used by) capital and related financing activities	<u>(3,503,688)</u>	<u>(37,496)</u>	<u>(3,541,184)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Investment income (loss)	(1,719,752)	(36,095)	(1,755,847)	(53,535)
Net cash provided by (used by) investing activities	<u>(1,719,752)</u>	<u>(36,095)</u>	<u>(1,755,847)</u>	<u>(53,535)</u>
Net increase (decrease) in cash, cash equivalents, and investments	1,250,087	1,096,934	2,347,021	(837,352)
Cash, Cash Equivalents, and Investments, Beginning	<u>68,719,816</u>	<u>3,476,316</u>	<u>72,196,132</u>	<u>7,712,884</u>
Cash, Cash Equivalents, and Investments, Ending	<u>\$ 69,969,903</u>	<u>\$ 4,573,250</u>	<u>\$ 74,543,153</u>	<u>\$ 6,875,532</u>
Reconciliation to Statement of Net Position:				
Cash, cash equivalents, and investments	\$ 68,100,492	\$ 4,573,250	\$ 72,673,742	\$ 6,875,532
Restricted cash, cash equivalents, and investments	<u>1,869,411</u>	<u>-</u>	<u>1,869,411</u>	<u>-</u>
Cash, cash equivalents, and investments	<u>\$ 69,969,903</u>	<u>\$ 4,573,250</u>	<u>\$ 74,543,153</u>	<u>\$ 6,875,532</u>

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

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
(Continued)
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 5,776,266	\$ 588,884	\$ 6,365,150	\$ (468,934)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,930,397	280,005	3,210,402	-
Change in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	(96,790)	(5,550)	(102,340)	(215)
Prepayments and other assets	-	-	-	7,681
Inventories	(205,635)	-	(205,635)	-
Deferred outflows relating to pensions and OPEB	(41,674)	(4,920)	(46,594)	-
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	173,933	304,450	478,383	12,730
Compensated absences payable	(91,412)	10,900	(80,512)	-
Net pension liability	4,071,421	354,412	4,425,833	-
Claims and judgements	-	-	-	(335,079)
Customer deposits payable	62,995	-	62,995	-
OPEB obligation	(24,759)	(1,763)	(26,522)	-
Deferred inflows relating to pensions and OPEB	(4,116,375)	(355,893)	(4,472,268)	-
Total adjustments	<u>2,662,101</u>	<u>581,641</u>	<u>3,243,742</u>	<u>(314,883)</u>
Net cash provided by (used by) operating activities	<u>\$ 8,438,367</u>	<u>\$ 1,170,525</u>	<u>\$ 9,608,892</u>	<u>\$ (783,817)</u>

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

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Margate, Florida (the "City"), in Broward County, was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. On June 22, 1961, the Town of Margate was incorporated as a City, and is governed by its present Charter dated March 15, 1979. It is located in the western portion of Broward County, Florida and has a population of approximately 58,760 living within an area of approximately 9 square miles. The City operates under the commission/city manager form of government. It provides the following services: general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The City also operates two enterprise funds which provide water/wastewater services and stormwater services. In addition, an internal service fund is maintained for insurance.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. In November 2010, the Governmental Accounting Standards Board ("GASB") issued Statement No. 61, which modified certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. The Statement provides that a component unit should be included in the reporting entity financial statements using the blending method in any of these circumstances: (a) the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit or burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit; (b) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively or almost exclusively, benefits the primary government even though it does not provide services directly to it; or (c) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. Based on these requirements, the City maintains two blended component units.

Blended component units. The Margate Community Redevelopment Agency (the "CRA") was established by the City under authority granted by Florida Statute, Chapter 163, Section III. The City determined that the CRA was necessary in order to establish the means by which debilitating blight can be arrested and erased and in order to proceed with a redevelopment and revitalization plan for the redevelopment area. The purpose was to deter blight and deterioration; protect and enhance property values; encourage and foster revitalization and economic growth; and to improve the quality of life for residents working or living within or adjacent to the redevelopment area. The CRA is a legally separate entity established by Ordinance 96-15 of the City of Margate Commission on October 2, 1996. As a tax increment district, the CRA receives operating revenues from taxing jurisdictions within Broward County. Funds are also provided by fees collected, investment income, and the unexpended fund balance from the previous year. The CRA is governed by a Board of Commissioners (the "Board"), which is composed of five members appointed by the Commission of the City of Margate, Florida. The Board exercises all powers granted to the Agency pursuant to Chapter 163, Section III of the Florida Statutes. Currently, the CRA Board is composed of the Margate City Commission.

Note 1 - Summary of Significant Accounting Policies (continued)

The CRA includes the following Community Redevelopment Agency funds: Trust Fund, Sinking Fund, Capital Improvement Fund, and Loan Proceeds Fund, which have all been classified as major funds using the blended method since the governing body of the City is the governing body of the CRA and a financial benefit relationship exists in that the assets of the CRA revert back to the City at the sunseting of the CRA in 2026.

The Northwest Focal Point Senior Center, (the "Center"), is a special district located in Margate, providing services to the elderly residing within the City, as well as Broward County. The Center funds its operations through grants from various governmental and charitable agencies, as well as in-kind services from the City. On August 19, 2009, the City of Margate passed Ordinance 2009-11 making the Center a dependent special district and a separate governmental body from the City of Margate. The Governing Board of the Center is composed of the elected officials of the City. The City provides various support services to the Center for a nominal fee and subsidizes some of the Center's program costs. In addition, the Center subleases the building where it is located from the Areawide Council on Aging of Broward County, Inc., (the "Council") for \$ 1 per year under a 99-year lease term. The Council rents the building from the City under the same terms and conditions. In April 2014, the Board, through resolution, delegated to the City of Margate's City Manager the hiring and all employment related matters as to the Project Director and day-to-day oversight of the Project Director and operations of the Center. Additionally, the City advances the Center its operating funds which are repaid when reimbursement is received from grantors. The Center is reported as a nonmajor special revenue fund using the blended method since the governing body of the City is the governing body of the Center and management of the City has operational responsibility for the Center.

Separate financial statements are not required for the Center (blended component unit); however separate financial statements have been prepared for the CRA. Effective for the fiscal year ended September 30, 2020, the Florida Legislature enacted Chapter 2019-163, Laws of Florida, which amended Section 163.387(8), Florida Statutes, to require that each CRA meeting the specified \$ 100,000 threshold provide for a separate audit and that the resultant audit report accompany the City annual financial report filed with the Florida Department of Financial Services. The CRA audit is to be separate from the audit of the County or the City that created the CRA, which must include within their reporting entities the CRA as a component unit. In addition, the separate CRA audit report must present stand-alone financial statements which include basic financial statements, notes to the financial statements, management's discussion and analysis, and other required supplementary information.

Financial statement information related to each entity are also included as separate columns in the financial statements reported for the City.

B. Government-wide and Fund Financial Statements

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

Effective for fiscal year end September 30, 2022, the City implemented four new GASB statements of financial accounting standards.

Note 1 - Summary of Significant Accounting Policies (continued)

Statement No. 87, Leases, was issued in June 2017. The Statement will better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It also increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities previously classified as operating leases to be recognized as inflows of resources or outflows of resources based on contract payment provisions. The provisions for this Statement are effective for fiscal year ending September 30, 2022. All required disclosures were added.

Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, was issued in June 2018. This Statement will enhance information about capital assets and the cost of borrowing for a reporting period by establishing accounting requirements for interest incurred before the end of a construction period. The provisions for this Statement are effective for fiscal year ending September 30, 2022. The statement was implemented with no impact on the City's financial statements.

Statement No. 92, Omnibus 2020, was issued in January 2020. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions for this Statement are effective for fiscal year ending September 30, 2022. The statement had no impact on the City's financial statements.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32, was issued in June 2020. This Statement increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform; mitigates costs associated with the reporting of certain defined contribution pension plans, defined contributions other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans), as fiduciary component units in fiduciary fund financial statements; and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Codes (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions for this Statement are effective for fiscal year ending September 30, 2022. The statement had no impact on the City's financial statements.

Pronouncements Issued But Not Yet Adopted - The City's management has not yet determined the effect these statements will have on the City's financial statements.

Statement No. 91, Conduit Debt Obligations, was issued in May 2019. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice related to commitments extended by issues, arrangements associated with conduit debt obligations, and related note disclosures. This Statement will also clarify the existing definition of a conduit debt obligation, establish that a conduit debt obligation is not a liability of the issuer, establish standards for accounting and financial reporting of additional/voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improve required note disclosures. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Note 1 - Summary of Significant Accounting Policies (continued)

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, was issued in March 2020. This Statement will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. In addition, the Statement provides guidance for accounting and financial reporting for availability payment arrangements. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Statement No. 96, Subscription-Based Information Technology Arrangements, was issued in May 2020. This Statement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments) by defining a SBITA, establishing the asset as an intangible asset with a corresponding subscription liability, providing capitalization criteria, and requiring certain note disclosures related to a SBITA. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

Statement No. 99, Omnibus 2022, was issued in April 2022. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some provisions of this Statement are effective immediately, and others will take effect for fiscal years ending September 30, 2023, and 2024.

Statement No. 100 - Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62, was issued in June 2022. This Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement are effective for fiscal year ending September 30, 2024.

Statement No. 101- Compensated Absences, was issued in June 2022. This Statement will aim to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for fiscal year ending September 30, 2025.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Fiduciary funds have been excluded from this presentation since these resources are not available for general government funding purposes. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, interfund activities are eliminated to avoid distorted financial results.

The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those expenses that are clearly identifiable within a specific function or segment. *Program revenues* include 1) charges to customers for goods, services, or privileges provided 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 not properly included among program revenues are reported instead as *general revenues*.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the governmental fund financial statements to the governmental activities of the government-wide presentations.

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 major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus is used to describe types of transactions and events reported in a fund's operating statement. Basis of accounting is when revenues and expenditures/expenses are recognized in accounts and reported in the financial statements. Basis is also related to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements and fiduciary fund financial statements. 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Measurable is the amount of the transaction that can be determined and available is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. 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, claims, and judgment, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, utility service taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, revenues are recognized when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Note 1 - Summary of Significant Accounting Policies (continued)

The financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for using a separate set of self-balancing accounts. These accounts consist of assets, liabilities, deferred outflows of resources, deferred inflows of resources, fund equities, revenues, and expenditures/expenses. Fund accounting is used to demonstrate legal compliance and to assist financial management by segregating transactions related to certain government functions or activities.

Generally accepted accounting principles establish minimum criteria to determine major funds. These criteria consist of a percentage of the assets, liabilities, deferred outflows/inflows of resources, revenues, and expenditures/expenses of the applicable fund category and the governmental and enterprise funds combined. Nonmajor funds are presented in the single column in the respective fund statements.

The City reports the following major governmental funds:

The *General Fund* is the main operating fund of the City. It accounts for all financial resources of the general government except those required to be accounted for in a separate fund, due to legal or other requirements. Revenue is derived primarily from property taxes, utility service taxes, franchise taxes, licenses and permits, intergovernmental, and charges for services. General operating expenditures, fixed charges, and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Margate Community Redevelopment Agency Trust Special Revenue Fund* accounts for the redevelopment of certain designated areas. Revenue is derived primarily from tax incremental revenue, which is the revenue that the CRA collects from the City, Broward County, and the North Broward Hospital District. Those taxes are based on the incremental increase of the real property value and are dedicated to the redevelopment of the area. Revenues are also derived from rental of properties owned by the CRA.

The *Margate Community Redevelopment Agency Sinking Debt Service Fund* accounts for the accumulation of monies in a Sinking Fund for the repayment of 2012 Community Redevelopment Refunding Revenue Bonds.

The *Margate Community Redevelopment Agency Capital Improvement Capital Projects Fund* accounts for the capital projects of the CRA and redevelopment of the designated redevelopment areas. Resources and revenues are derived from the transfer of funds from the CRA Trust Fund as required by Florida Statutes and any related interest earned during the year.

The *Margate Community Redevelopment Agency Loan Proceeds Capital Projects Fund* accounts for the capital projects financed by loan proceeds of the CRA for the financing and redevelopment of the designated redevelopment areas.

In accordance with Florida Statute 163.387, each of these Margate Community Redevelopment Agency funds is presented as a major fund. The annual audit of these funds included an evaluation in light of the applicable requirements of Section 163.387. Per the City's management, the year-end fund balances of \$ 23.3 million and \$ 4.8 million have been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan.

The other governmental funds are a summary of all the nonmajor governmental funds.

Note 1 - Summary of Significant Accounting Policies (continued)

The City reports the following major proprietary fund:

The *Water and Wastewater Fund* accounts for the operation of the City's water and wastewater system.

Additionally, the City reports the following fund types, which are a summary of all the nonmajor governmental funds.

The *Special Revenue Funds* are used to account for resources legally restricted for the financing of particular activities or projects.

The *Debt Service Funds* are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

The *Capital Projects Funds* are used to account for and report financial resources that are assigned to expenditures for capital outlay, including acquisition or construction of major capital projects.

In addition, the City maintains the following nonmajor proprietary funds:

The *Stormwater Utility Fund* accounts for the operation of the City's stormwater management utility which includes collection, disposal and treatment of stormwater.

The *Internal Service General Insurance Fund* accounts for the financing of the general insurance coverage provided to other departments or agencies of the City on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of the cost allocation from the Water and Wastewater Fund and Stormwater Utility Fund to the General Fund. Elimination of this allocation would distort the direct costs and program revenues reported for those sectors.

Amounts reported as program revenues in the government-wide financial statements include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not classified as program revenues are reported as general revenues.

Proprietary funds distinguish *operating revenues* and *expenses* from nonoperating items. *Operating revenues and expenses* generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of sales, maintenance, and services; administrative expenses; and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is used last.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and cash equivalents and investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (including restricted assets) with original maturities of three (3) months or less from the date of acquisition, Florida's State Board of Administration's (SBA) Florida PRIME Investment Pool ("Florida PRIME"), Florida Public Assets for Liquidity Management (FL PALM), money market accounts, and equity in the City's pooled cash.

State statutes require all deposits of the City, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Pooled cash is an investment tool employed by the City that maximizes earning potential by investing large amounts of idle cash for short periods of time. It is available for use by all funds with the exception of cash and investments required to be segregated due to legal restrictions or bond covenants. Income earned from the pooling of investments is allocated to the respective funds. Each fund's equity in the City's pooled cash is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

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

The City invests surplus funds in a variety of investment vehicles including the Florida PRIME, an external investment pool. The City owns shares of the pool and not the underlying securities. The SBA administers the fund and provides regulatory oversight. Florida Prime is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7, Florida Administrative Code. These rules provide guidance and establish policies/general operating procedures for administration of the pool.

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a-7 like fund. A 2a-7 like external investment pool is one that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with SEC Rule 2a-7, which governs the operation of SEC regulated money market funds. 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. The Florida PRIME is rated by Standard and Poor's and has a current rating of AAAM. The investments in Florida PRIME are not insured by FDIC or any other governmental agency.

The City also invests surplus funds in the Florida Public Assets for Liquidity Management (FL PALM). FL PALM is a common law trust organized under the laws of the State of Florida and is a SEC Rule 2a-7 like external investment pool similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at amortized cost which approximates fair value. The FL PALM is rated by Standard and Poor's and has a current rating of AAAM. The investments in FL PALM are not insured by FDIC or any other governmental agency.

Note 1 - Summary of Significant Accounting Policies (continued)

The City previously adopted *GASB Statement No. 79, Certain External Investment Pools and Pool Participants* (applicable to the Florida PRIME and the FL PALM accounts) which requires the disclosure of the presence of any limitations or restrictions on withdrawals in the notes to the financial statements. Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity of the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statutes 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosures have been made. As of September 30, 2022, there were no redemption fees or maximum transaction amounts or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Investments are reported at fair value (quoted market price or the best available estimate thereof). However, money market investments, including short term, highly liquid investments with a remaining maturity at time of purchase of one year or less, are reported at amortized cost. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds.

Receivables and payables: During the course of operations, the City has numerous transactions between funds to provide goods or render services. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the fiscal year end are referred to as “due to/from other funds” or “advances to/from other funds”. Any residual outstanding balances between the governmental activities and business-type activities at year end are reported in the government-wide financial statements as “internal balances”.

All trade and other receivables are shown net of allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City’s historical bad-debt experience.

Inventory and prepaid items: Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when purchased (purchase method).

Note 1 - Summary of Significant Accounting Policies (continued)

Certain payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted assets: Restricted assets in the enterprise funds include funds restricted for customer deposits.

Capital assets: Capital assets, which include land, buildings, improvements other than buildings, infrastructure, machinery and equipment, intangibles, construction in progress and lease assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The government defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of 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, but are expensed as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. In accordance with GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* interest incurred during the construction phase of capital assets is expensed as incurred.

Capital assets of the primary government, as well as the component units, are depreciated or amortized using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Infrastructure	20-40
Buildings	40-50
Machinery and equipment	2-15
Improvements other than buildings	6-20

Contributions of funds from federal, state, or local services for the purpose of purchasing property, plant, and equipment, as well as connection fees intended to recover the cost of connecting new customers to the system are recorded as capital contributions on the proprietary statement of revenues, expenses, and changes in net position.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: pension and OPEB related deferred outflows reported in the government-wide statement of net position and in the statement of net position - proprietary funds. Deferred outflows of resources relating to the pension and OPEB plans (the "Plans") include contributions made to the Plans subsequent to the measurement date of the net liabilities, differences between expected and actual experience, changes in assumptions or inputs, net difference in projected and actual earnings on the Plans' investments and changes in proportion and differences between City contributions and proportionate share of contribution.

Note 1 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has the following items that qualify for reporting in this category: pension and OPEB related amounts, lease-related amounts and unavailable revenues.

Pension and OPEB related deferred inflows include changes in assumptions or inputs, net difference in projected and actual earnings on the Plans' investments, difference between expected and actual experience and changes in proportion and differences between City contributions and proportionate share of contributions.

Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

The governmental funds report unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated absences: It is the City's policy to permit eligible employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if certain criteria are met. The accumulated compensated absences and associated employee-related costs are accrued when incurred in the government-wide and proprietary fund financial statements. The current portion is the amount estimated to be used in the following fiscal year. Expenditures for accumulated compensated absences have been reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences for governmental funds represent a reconciling item between the funds and government-wide presentations. In the proprietary fund financial statements, vested or accumulated vacation and sick leave, both current and non-current, is recorded as an expense and liability of the relevant proprietary fund as the benefits accrue to employees.

Unearned revenue: Unearned revenue represents resources that have been received, but not yet earned.

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

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1 - Summary of Significant Accounting Policies (continued)

Property taxes: The State of Florida permits the City to levy property taxes up to 10 mills of assessed property valuation for the General Fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2021-2022 fiscal year was 7.1171 mills and the debt service millage was 0.5974 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$ 25,000 homestead exemption by an additional \$ 25,000 (by exempting the assessed value between \$ 50,000 and \$ 75,000), except for school district taxes. Amendment 1 also provided “portability”, allowing property owners to transfer up to \$ 500,000 of the “Save Our Homes” benefits to their next homestead when they move. “Save Our Homes” became effective in 1995 and limits (caps) the annual increase in assessed value for homesteaded property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. In addition, Amendment 1 also provided a \$ 25,000 exemption for tangible personal property and a ten percent (10%) cap on increases in the annual assessment of non-homesteaded properties.

Current tax collections for the year ended September 30, 2022 were approximately 95.7% of the total tax levy, net of discounts allowed.

Property taxes based on assessed values at January 1 are levied on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments are auctioned beginning June 1 of each year.

Property tax revenue is recorded when it becomes available. Available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City Commission establishes the tax levy of the City. The adoption of the final millage rate for fiscal year 2021-2022 occurred on September 22, 2021. Under Florida law, the assessment of all properties and the collection of all county, municipal, special district and school board property taxes are provided by Broward County’s Property Appraiser and Tax Collector, who are elected County officials.

The property tax calendar for the revenues billed and received for the fiscal year ended September 30, 2022 is shown as follows:

Lien date	January 1, 2021
Levy date, tax bills mailed	November 1, 2021
Last date for 4% discount on taxes paid	November 30, 2021
Last date for 3% discount on taxes paid	December 31, 2021
Last date for 2% discount on taxes paid	January 31, 2022
Last date for 1% discount on taxes paid	February 28, 2022
Final due date of payment of taxes	March 31, 2022
First date for auctioning tax certificates on delinquent accounts	June 1, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Net position/fund balance: Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position of the government-wide and proprietary funds are categorized as (a) net investments in capital assets, (b) restricted, or (c) unrestricted. The first category represents net investments in capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended debt proceeds. The restricted category represents the balance of assets restricted by requirements of debt covenants and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components. Restricted fund balance is used first when both restricted and unrestricted are available unless legal documents/contracts prohibit this.

In the fund financial statements, governmental funds report five categories of fund balances: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balances are amounts constrained for specific purposes by external parties (creditors, grantors, contributors), law, or enabling legislation legally enforceable by external parties. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission (highest level of decision making authority) through an ordinance or resolution (which are both equal and the highest level of decision making) are classified as committed fund balances. The limitation imposed by the resolution/ordinance remains in place until similar action is taken (adoption of another resolution/ordinance) to remove or revise the limitation. Assigned fund balances are amounts without formal constraints, but are intended to be used for specific purposes. This intent can be expressed by the City Commission or through the Commission delegating this responsibility to City management. The authority of the City Manager to make these designations is provided for through resolution and fund balance policy. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance.

Use of estimates: The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Deposits: At year-end, the City's carrying amount of deposits was \$ 30,659,279 including petty cash funds and cash on hand totaling \$ 9,870 as of September 30, 2022. Deposits whose balances exceed the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act which sets forth the investment objectives and parameters for the management of public funds for the City.

Note 2 - Deposits and Investments

Custodian Credit Risk. Custodian credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the City’s deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, “Florida Security for Public Deposit Act”. Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository’s collateral pledging level.

The City has \$ 45,719,510 invested in the Florida PRIME and \$ 45,394,549 invested in the FL PALM as of September 30, 2022. The fair value of both the Florida PRIME and the FL PALM is the same as the book value of the pool shares.

Investments: The City adopted a formal investment policy in December 2014 in accordance with Section 218.415, Florida Statutes (Local Government Investment Policies). It was designed to safeguard the City’s funds, ensure the availability of operating and capital funds when needed, and provide for an investment return competitive with comparable funds and financial market indices. Authorized investments include Florida PRIME, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit of Savings Accounts, Repurchase Agreements, Commercial Paper, Corporate Notes, Bankers’ Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, and Intergovernmental Investment Pools.

The City’s investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % Portfolio Composition	Maximum % Individual Issuers	Maximum % Individual Sectors
Florida Local Government Surplus Trust Fund (Florida PRIME)	25%	N/A	N/A
U.S. Government Securities	100%	N/A	N/A
U.S. Government Agencies	50%	10%	N/A
U.S. Sponsored Agencies	80%	25%	N/A
Interest Bearing Time Deposit	10%	10%	N/A
Repurchase Agreements	20%	5%	N/A
Commercial Paper	25%	2%	10%
Corporate Notes	25%	2%	10%
Asset Backed Securities	10%	2%	5%
Bankers' Acceptances	15%	5%	N/A
State/Local Government Taxable/Tax Exempt General Obligation Bonds	25%	N/A	N/A
State/Local Government Taxable/Tax Exempt Revenue/Excise Bonds	10%	N/A	N/A
Money Market Mutual Funds	35%	15%	N/A
Intergovernmental Investment Pools	25%	N/A	N/A

Note 2 - Deposits and Investments (continued)

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to declines in fair value by limiting its investment portfolio with a final maturity of seven years or less from the date of purchase and weighted average duration of the entire portfolio of less than three years.

The City employs several investment duration and investment management strategies to minimize the City’s portfolio interest rate risk. The City maintains sixty days or more of liquidity in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates changes.

The weighted average days to maturity at September 30, 2022 for the SBA Florida PRIME and FL PALM was 21 days and 28 days, respectively.

Information about the sensitivity of the fair values of the City’s investments to market rate fluctuations is provided by the following table that shows the distribution of City funds as of September 30, 2022.

Investment Type	Fair Value	Remaining Maturity (in years)	
		Less Than 1	1 to 5
U.S. Treasury Notes	\$ 29,338,492	\$ 6,359,614	\$ 22,978,878
Corporate Notes	14,502,740	2,749,544	11,753,196
U.S. Agency Notes	9,106,063	2,398,897	6,707,166
U.S. Sponsored Agencies	8,883,685	44,760	8,838,925
Municipal/Provincial Bonds	3,412,713	771,979	2,640,734
Asset Backed Securities	3,122,966	-	3,122,966
Short Term Bills and Notes	350,072	350,072	-
Money Market Funds	29,737	29,737	-
	<u>\$ 68,746,468</u>	<u>\$ 12,704,603</u>	<u>\$ 56,041,865</u>

Credit risk. The City’s investment policy limits investments to the safest types of securities. Investment transactions shall seek to keep capital losses at a minimum and to attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Florida PRIME and FL PALM are rated AAAM by Standard and Poor’s. City monies that are invested in U.S. Government obligations are considered to have no credit risk.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. All City investments are being held by a third party commercial trust bank and are fully insured and collateralized under the name of the City or its agent.

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2022

Note 2 - Deposits and Investments (continued)

The following table discloses Standard and Poor's credit ratings by investment type for each of the City's fixed income securities.

	Fair Value	Percentage of Portfolio
U.S. government guaranteed	\$ 30,916,160	44.96%
AAA	4,234,070	6.16%
AA+	17,213,795	25.04%
AA	911,318	1.33%
AA-	1,227,517	1.79%
A+	4,142,701	6.03%
A	5,995,469	8.72%
A-	3,500,207	5.09%
NR	605,231	0.88%
Total credit risk debt securities	\$ 37,830,308	55.04%
Total fixed income securities	\$ 68,746,468	100.00%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2022:

Investments	September 30, 2022	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 29,338,492	\$ 29,338,492	\$ -	\$ -
Corporate Notes	14,502,740	-	14,502,740	-
U.S. Agency Notes	9,106,063	-	9,106,063	-
U.S. Sponsored Agencies	8,883,685	-	8,883,685	-
Municipal/Provincial Bonds	3,412,713	-	3,412,713	-
Asset Backed Securities	3,122,966	-	3,122,966	-
Short Term Bills and Notes	350,072	-	350,072	-
Money Market Funds	29,737	29,737	-	-
Total investments measured at fair value	\$ 68,746,468	\$ 29,368,229	\$ 39,378,239	\$ -
Investments measured at amortized cost:				
Florida PRIME	45,719,510			
FL PALM	45,394,549			
Cash and cash equivalents:				
Money market funds and other deposits	30,649,409			
Petty cash	9,870			
Total unrestricted and restricted cash, cash equivalents and investments	\$ 190,519,806			

These Level 2 holdings consist of government instrumentality securities and corporate bonds. The fair value of these investments is determined through matrix pricing and the valuations are provided by an independent pricing source which relies upon multiple broker data feeds.

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2022

Note 3 - Receivables

Receivables as of September 30, 2022 for the City’s individual funds in the aggregate, including the allowances for uncollectible receivables are as follows:

	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Water and Wastewater Fund	Nonmajor and other Funds	Total
Intergovernmental	\$ 891,396	\$ -	\$ -	\$ 17,996	\$ 638,410	\$ 1,547,802
Accounts	153,552	-	-	3,436,397	250,427	3,840,376
Taxes	899,961	-	-	-	1,692	901,653
Others	<u>2,866,979</u>	<u>1,020</u>	<u>536</u>	<u>124,036</u>	<u>73,693</u>	<u>3,066,264</u>
Gross receivables	4,811,888	1,020	536	3,578,429	964,222	9,356,095
Less: allowance for uncollectible	<u>(2,471,924)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(2,481,924)</u>
Net total receivables	<u>\$ 2,339,964</u>	<u>\$ 1,020</u>	<u>\$ 536</u>	<u>\$ 3,568,429</u>	<u>\$ 964,222</u>	<u>\$ 6,874,171</u>

Note 4 - Transfers

The outstanding balance between funds results from the time lag between the dates that payment between funds is made. Transfers at September 30, 2022, consisted of the following:

Transfers Out:	Transfers in:				Total
	General Fund	Margate Community Redevelopment Agency Sinking Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 801,125 c	\$ 801,125
Margate Community Redevelopment Agency Trust Fund	-	422,791 a	6,716,366 b, c	-	7,139,157
Margate Community Redevelopment Agency Escrow Account Fund	-	-	-	-	-
Nonmajor Governmental Funds	-	-	-	200,000 c	200,000
Water and Wastewater Fund	<u>1,964,840 d</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,964,840</u>
Total	<u>\$ 1,964,840</u>	<u>\$ 422,791</u>	<u>\$ 6,716,366</u>	<u>\$ 1,001,125</u>	<u>\$ 10,105,122</u>

Reasons for these transfers are set forth below:

- a) Debt obligation
- b) Annual sweep between funds
- c) Capital improvements
- d) Return on Investment (ROI)

Note 5 - Deferred Inflows of Resources and Unearned Revenue

As of September 30, 2022, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Deferred Inflows</u>	<u>Unearned Revenue</u>
Intergovernmental revenue	\$ 97,378	\$ 10,849,938
Miscellaneous revenue	169,884	149,830
Business licenses	-	200,960
Rental income	<u>8,106,405</u>	<u>67,661</u>
	<u>\$ 8,373,667</u>	<u>\$ 11,268,389</u>

Note 6 - Capital Assets

Capital assets activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 28,952,497	\$ 61,501	\$ (47,731)	\$ 28,966,267
Intangibles	4,908,567	-	-	4,908,567
Construction in progress	<u>3,529,703</u>	<u>3,787,709</u>	<u>(972,739)</u>	<u>6,344,673</u>
Total capital assets, not being depreciated	<u>37,390,767</u>	<u>3,849,210</u>	<u>(1,020,470)</u>	<u>40,219,507</u>
Capital assets, being depreciated:				
Infrastructure	94,382,377	126,720	-	94,509,097
Buildings	18,684,600	605,763	(462,395)	18,827,968
Machinery and equipment	19,940,346	1,086,770	(1,478,907)	19,548,209
Improvements other than buildings	<u>14,474,746</u>	<u>2,569,722</u>	<u>(61,469)</u>	<u>16,982,999</u>
Total capital assets, being depreciated	<u>147,482,069</u>	<u>4,388,975</u>	<u>(2,002,771)</u>	<u>149,868,273</u>
Less accumulated depreciation for:				
Infrastructure	(62,930,576)	(2,725,151)	-	(65,655,727)
Buildings	(7,933,767)	(453,694)	61,191	(8,326,270)
Machinery and equipment	(15,104,904)	(1,561,961)	1,473,886	(15,192,979)
Improvements other than buildings	<u>(6,689,856)</u>	<u>(597,022)</u>	<u>18,198</u>	<u>(7,268,680)</u>
Total accumulated depreciation	<u>(92,659,103)</u>	<u>(5,337,828)</u>	<u>1,553,275</u>	<u>(96,443,656)</u>
Total capital assets, being depreciated, net	<u>54,822,966</u>	<u>(948,853)</u>	<u>(449,496)</u>	<u>53,424,617</u>

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2022

Note 6 - Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Lease assets:				
Equipment	<u>867,861</u>	<u>1,373,182</u>	<u>(2,614)</u>	<u>2,238,429</u>
Less accumulated amortization for:				
Equipment	<u>(15,106)</u>	<u>(439,044)</u>	<u>-</u>	<u>(454,150)</u>
Total lease assets, being amortized, net	<u>852,755</u>	<u>934,138</u>	<u>(2,614)</u>	<u>1,784,279</u>
Governmental Activities capital assets, net	\$ <u>93,066,488</u>	\$ <u>3,834,495</u>	\$ <u>(1,472,580)</u>	\$ <u>95,428,403</u>
Business-type Activities: Capital assets, not being depreciated:				
Construction in progress	\$ <u>13,565,969</u>	\$ <u>3,023,303</u>	\$ <u>(3,761,569)</u>	\$ <u>12,827,703</u>
Capital assets, being depreciated:				
Infrastructure	106,093,023	3,932,723	-	110,025,746
Buildings	27,671,710	46,841	-	27,718,551
Machinery and equipment	<u>7,800,280</u>	<u>643,792</u>	<u>(429,341)</u>	<u>8,014,731</u>
Total capital assets, being depreciated	<u>141,565,013</u>	<u>4,623,356</u>	<u>(429,341)</u>	<u>145,759,028</u>
Less accumulated depreciation for:				
Infrastructure	(66,733,361)	(2,091,247)	-	(68,824,608)
Buildings	(24,867,356)	(467,050)	-	(25,334,406)
Machinery and equipment	<u>(5,789,975)</u>	<u>(589,872)</u>	<u>429,341</u>	<u>(5,950,506)</u>
Total accumulated depreciation	<u>(97,390,692)</u>	<u>(3,148,169)</u>	<u>429,341</u>	<u>(100,109,520)</u>
Total capital assets, being depreciated, net	<u>44,174,321</u>	<u>1,475,187</u>	<u>-</u>	<u>45,649,508</u>
Lease assets:				
Equipment	<u>-</u>	<u>216,258</u>	<u>-</u>	<u>216,258</u>
Less accumulated amortization for:				
Equipment	<u>-</u>	<u>(62,233)</u>	<u>-</u>	<u>(62,233)</u>
Total lease assets, being amortized, net	<u>-</u>	<u>154,025</u>	<u>-</u>	<u>154,025</u>
Business-type Activities capital assets, net	\$ <u>57,740,290</u>	\$ <u>4,652,515</u>	\$ <u>(3,761,569)</u>	\$ <u>58,631,236</u>

Note 6 - Capital Assets (continued)

Provision for depreciation and amortization was charged to functions of the City as follows:

Governmental activities:	
Public works	\$ 2,232,735
Public safety	1,620,460
Culture and recreation	1,054,140
Economic and physical environment	607,998
General government	<u>261,539</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 5,776,872</u>
Business-type activities:	
Water and Wastewater Fund	\$ 2,930,397
Stormwater Utility Fund	<u>280,005</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 3,210,402</u>

Construction Commitments

The City has the following active construction commitments with contractors at September 30, 2022:

<u>Projects</u>	<u>Incurred- to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Blueway Trails	\$ 241,094	\$ 9,325
Fire Station 58 Replacement	4,412,178	949,276
PR/SC Fixed Generator Replacement	-	114,935
Tower/Antenna	72,971	60,831
Generator	-	123,810
Custom four-fold Door	-	270,000
Chevy Chase	160,566	117,219
Ace Plaza	-	35,661
Serino Park	324,123	1,724,284
Stormwater Improvements (CRA)	-	160,083
Business-type Activities:		
Sewer Line Replacement	-	267,170
Water & Wastewater Equipment	249,236	38,835
Lift Station Renovation	-	<u>1,116,171</u>
	<u>\$ 5,460,168</u>	<u>\$ 4,987,600</u>

Note 7 - Long-Term Debt

Governmental Activities

General Obligation Bonds

\$ 9,105,000 General Obligation Bonds, Series 2019 - In November 2018, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding \$10 million for purposes of improving parks and recreation projects and paying certain costs and expenses related to the issuance of the Bonds. In April 2019, the City issued the General Obligation Bonds, Series 2019 in the principal amount of \$ 9,105,000. The bonds were issued for the purpose of acquiring, constructing, equipping, renovating, replacing and improving parks and recreation projects. The outstanding bonds bear an interest rate from 3.0% to 5.0%, payable semiannually on January 1st and July 1st of each year. The Series 2019 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of repaying the Series 2019 Bonds. The bonds will mature on July 1, 2039 with the first principal payment due July 1, 2020. The bonds maturing on and after July 1, 2030 may be subject to redemption prior to their respective maturities. \$ 8,250,000

The annual debt service requirements until maturity for the General Obligation Bonds, Series 2019 outstanding at September 30, 2022, are as follows:

Year Ending September 30,	Series 2019		
	Principal	Interest	Total
2023	\$ 335,000	\$ 321,100	\$ 656,100
2024	350,000	304,350	654,350
2025	365,000	286,850	651,850
2026	385,000	268,600	653,600
2027	405,000	249,350	654,350
2028-2032	2,340,000	927,150	3,267,150
2033-2037	2,825,000	446,100	3,271,100
2038-2039	1,245,000	56,250	1,301,250
	<u>\$ 8,250,000</u>	<u>\$ 2,859,750</u>	<u>\$ 11,109,750</u>

Note 7 - Long-Term Debt (continued)

\$ 18,950,000 General Obligation Refunding Bonds, Series 2016 - In July 2016, the City issued the General Obligation Refunding Bonds, Series 2016. The bonds were issued to refund the General Obligation Bonds, Series 2007 which was used to finance various projects consisting of repavement, repair and installation of streets, sidewalks and bridges within the City. The outstanding bonds bear an interest rate from 2.0% to 5.0%, payable semi-annually on January 1st and July 1st of each year. The Series 2016 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of repaying the Series 2016 Bonds. The July 1, 2037 maturity date remains unchanged. The bonds maturing on and after July 1, 2027 may be subject to redemption prior to their respective maturities.

\$ 15,330,000

The annual debt service requirements until maturity for the General Obligation Refunding Bonds, Series 2016 outstanding at September 30, 2022, are as follows:

Year Ending September 30,	Series 2016		
	Principal	Interest	Total
2023	\$ 710,000	\$ 766,500	\$ 1,476,500
2024	745,000	731,000	1,476,000
2025	785,000	693,750	1,478,750
2026	820,000	654,500	1,474,500
2027	865,000	613,500	1,478,500
2028-2032	5,010,000	2,374,500	7,384,500
2033-2037	6,395,000	990,000	7,385,000
	<u>\$ 15,330,000</u>	<u>\$ 6,823,750</u>	<u>\$ 22,153,750</u>

Bonds Authorized, but Unissued

In February 2009, the City passed an ordinance authorizing the issuance of Water and Sewer Revenue Bonds, Series 2009 in the aggregate principal not to exceed \$ 12,190,000 to finance all or a portion of the cost of constructing, acquiring and equipping certain improvements to the water and sewer system of the City. As of September 30, 2022, the City has not issued the 2009 Series of Water and Sewer Revenue Bonds.

Arbitrage

The City has performed the required arbitrage liability computation in accordance with the Internal Revenue Service (IRS) arbitrage regulations. As of September 30, 2022, there are no rebatable arbitrage liabilities for the outstanding bond issues.

The following is a summary of changes in long-term liabilities of the City for the year ended September 30, 2022.

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2022

Note 7 - Long-Term Debt (continued)

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022	Due Within One Year
Governmental Activities:					
Bonds payable and capital leases:					
General Obligation Bonds, Series 2019	\$ 8,570,000	\$ -	\$ (320,000)	\$ 8,250,000	\$ 335,000
General Obligation Refunding Bonds, Series 2016	16,010,000	-	(680,000)	15,330,000	710,000
Bonds from direct borrowings and direct placements:					
CRA Redevelopment Refunding Revenue Bonds, Series 2012A	219,830	-	(219,830)	-	-
CRA Redevelopment Refunding Revenue Bonds, Series 2012B	206,349	-	(206,349)	-	-
Total general obligation and revenue bonds	<u>25,006,179</u>	<u>-</u>	<u>(1,426,179)</u>	<u>23,580,000</u>	<u>1,045,000</u>
Deferred amounts:					
Bond issuance premium, Series 2019	793,841	-	(44,514)	749,327	-
Bond issuance premium, Series 2016	3,158,137	-	(200,517)	2,957,620	-
Total deferred amounts	<u>3,951,978</u>	<u>-</u>	<u>(245,031)</u>	<u>3,706,947</u>	<u>-</u>
Total bonds payable	28,958,157	-	(1,671,210)	27,286,947	1,045,000
Leases	853,592	1,181,595	(390,610)	1,644,577	450,285
Subtotal	<u>29,811,749</u>	<u>1,181,595</u>	<u>(2,061,820)</u>	<u>28,931,524</u>	<u>1,495,285</u>
Other long-term liabilities:					
Compensated absences payable	11,642,540	819,571	(1,494,016)	10,968,095	1,265,672
Net pension liability	26,753,522	38,795,199	-	65,548,721	-
Claims and judgements	6,052,944	1,632,933	(1,968,012)	5,717,865	2,749,940
Other post employment benefits liability	13,531,495	-	(145,753)	13,385,742	-
Subtotal	<u>57,980,501</u>	<u>41,247,703</u>	<u>(3,607,781)</u>	<u>95,620,423</u>	<u>4,015,612</u>
Governmental activity long-term liabilities	<u>\$ 87,792,250</u>	<u>\$ 42,429,298</u>	<u>\$ (5,669,601)</u>	<u>\$ 124,551,947</u>	<u>\$ 5,510,897</u>
Business-type Activities:					
Leases	\$ -	\$ 213,379	\$ (60,317)	\$ 153,062	\$ 78,521
Other long-term liabilities:					
Compensated absences payable	2,119,654	94,140	(174,652)	2,039,142	112,962
Net pension liability	1,736,675	4,425,833	-	6,162,508	-
Other post employment benefits liability	3,015,620	-	(26,522)	2,989,098	-
Subtotal	<u>6,871,949</u>	<u>4,519,973</u>	<u>(201,174)</u>	<u>11,190,748</u>	<u>112,962</u>
Business-type activity long-term liabilities	<u>6,871,949</u>	<u>4,733,352</u>	<u>(261,491)</u>	<u>11,343,810</u>	<u>191,483</u>
Total Long-term Liabilities	<u>\$ 94,664,199</u>	<u>\$ 47,162,650</u>	<u>\$ (5,931,092)</u>	<u>\$ 135,895,757</u>	<u>\$ 5,702,380</u>

In governmental activities, compensated absences, net pension liability, and OPEB obligation are generally liquidated by the General Fund. For business-type activities, compensated absences, net pension liability, and OPEB obligation are generally liquidated by either the appropriate fund of Water and Wastewater or Stormwater Utility. Claims and judgments are generally liquidated by the Internal Service General Insurance Fund.

Note 8 - Leases

During 2022, the City implemented Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB No. 87 enhances the relevance and consistency of information of the City’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

City as Lessee

In fiscal year 2021, the City entered into a Fleet Management Program with Enterprise FM Trust. The City anticipates that the program will streamline fleet management, slow the increasing cost of fleet maintenance, provide optimal vehicle replacement times, and increase cost savings. At September 30, 2022, the total costs of these lease assets for the City’s governmental activities is \$ 2,238,429, less accumulated amortization of \$ 454,150. At September 30, 2022, the total costs of these leases for the City’s business-type activities is \$ 216,258, less accumulated amortization of \$ 62,233.

The future lease payments under these lease agreements are as follows:

Year Ending September 30,	Governmental Activities Leases		
	Principal	Interest	Total
2023	\$ 450,285	\$ 62,625	\$ 512,910
2024	397,107	45,175	442,282
2025	363,859	28,555	392,414
2026	339,966	13,256	353,222
2027	93,360	2,342	95,702
	<u>\$ 1,644,577</u>	<u>\$ 151,953</u>	<u>\$ 1,796,530</u>

Year Ending September 30,	Business-type Leases		
	Principal	Interest	Total
2023	\$ 78,521	\$ 4,980	\$ 83,501
2024	53,235	2,307	55,542
2025	21,306	436	21,742
	<u>\$ 153,062</u>	<u>\$ 7,723</u>	<u>\$ 160,785</u>

Note 8 - Leases (continued)

City as Lessor

The City, as a lessor, previously entered into multiple lease agreements involving land for the use of companies to construct and operate cell towers. Payments on these leases range from approximately \$ 42,000 to \$ 74,000 annually, including interest from 0.27% to 2.04%, through June 2024, with lesser amounts through February 2050. These payments are set to increase annually between 5% and 15% per lease. For the year ended September 30, 2022, the City received rental revenue of \$ 585,507 and interest revenue of \$ 143,363, recorded as miscellaneous revenues on the combining statement of revenues, expenditures, and changes in fund balances in the Recreation Trust Fund.

At September 30, 2022, the City has lease receivables in the Recreation Trust Fund of \$ 8,309,583, including interest receivable of \$ 48,882. Future minimum payments under these leases due to the City through maturity are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 378,060	\$ 139,489	\$ 517,549
2024	397,305	134,668	531,973
2025	367,619	129,211	496,830
2026	390,790	123,640	514,430
2027	340,396	117,843	458,239
2028-2032	2,120,074	502,112	2,622,186
2033-2037	1,578,853	343,211	1,922,064
2038-2042	1,127,187	216,841	1,344,028
2043-2047	866,406	126,552	992,958
2048-2050	694,011	29,008	723,019
	<u>\$ 8,260,701</u>	<u>\$ 1,862,575</u>	<u>\$ 10,123,276</u>

The Margate CRA currently has various lease arrangements for two shopping complexes it owns located along Margate Boulevard. The properties have aggregate costs of approximately \$ 3.1 million and \$ 4.3 million in land and building, respectively. The buildings have a total carrying value of \$ 2.9 million at September 30, 2022. Depreciation expense for the year was approximately \$ 85,500. Total rental revenues from these properties during the fiscal year amounted to approximately \$ 707,000. The leases have a termination clause of 12 months or less.

Note 9 - Florida Retirement System

A. Florida Retirement System:

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.

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 website: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

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 9 - Florida Retirement System (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. Each Plan member with an effective retirement date of August 1, 2011, or after, will have an individual COLA factor for retirement. 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, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular - 10.82% and 11.91%; Special Risk Administrative Support - 37.76% and 38.65%; Special Risk - 25.89% and 27.83%; Senior Management Service - 29.01% and 31.57%; Elected Officers' - 51.42% and 57.00%; and DROP participants - 18.34% and 18.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022.

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, 2022, 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, 2022, 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 9 - Florida Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2022, the City reported liabilities of \$ 59,731,027 for its proportionate share of the Pension Plan's net pension liability and \$ 11,980,203 for the HIS Plan's net pension liability for a total pension liability of \$ 71,711,230. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2022, the City's proportionate share was .160532597 percent for the Pension Plan and .113110444 percent for the HIS Plan, which was an increase of .02014391 percent and a decrease of .00788687 percent respectively, from the proportionate share measured as of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$ 6,865,441 for the Pension Plan and pension expense of \$ 608,115 for the HIS Plan for a total net pension expense of \$ 7,473,556. At September 30, 2022, 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	\$ 2,836,879	\$ 363,627	\$ 3,200,506
Changes of assumptions	7,356,126	686,713	8,042,839
Net difference between projected and actual earnings on pension plan investments	3,944,032	17,345	3,961,377
Changes in proportion and differences between City contributions and proportionate share of contributions	460,836	208,226	669,062
City contributions subsequent to the measurement date	1,832,241	177,705	2,009,946
	<u>\$ 16,430,114</u>	<u>\$ 1,453,616</u>	<u>\$ 17,883,730</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 52,714	\$ 52,714
Changes of assumptions	-	1,853,330	1,853,330
Changes in proportion and differences between City contributions and proportionate share of contributions	7,909,510	789,964	8,699,474
	<u>\$ 7,909,510</u>	<u>\$ 2,696,008</u>	<u>\$ 10,605,518</u>

Note 9 - Florida Retirement System (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, 2023. 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
2023	\$ 1,613,522	\$ (240,231)	\$ 1,373,291
2024	(525,047)	(210,349)	(735,396)
2025	(2,896,111)	(177,220)	(3,073,331)
2026	8,461,394	(232,315)	8,229,079
2027	34,605	(387,930)	(353,325)
Thereafter	-	(172,052)	(172,052)

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, 2022 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	6.70%, 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. 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:

Note 9 - Florida Retirement System (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	100.0%			
Assumed inflation - Mean			2.4%	1.3%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.70% 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 3.54% 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 3.54% 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, 2022.

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability for Pension Plan	\$ <u>103,300,704</u>	\$ <u>59,731,027</u>	\$ <u>23,301,593</u>
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City's proportionate share of the net pension liability for HIS Plan	\$ <u>13,706,335</u>	\$ <u>11,980,203</u>	\$ <u>10,551,863</u>

Note 9 - Florida Retirement System (continued)

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 2021-2022 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, 2022, 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.

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 \$ 1,385,777 for the fiscal year ended September 30, 2022.

Note 10 - Risk Management

The City is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illness of and injuries to employees; and natural disasters.

The City has established one internal service fund, the General Insurance Fund, which provides funds for expenses incurred in the insurance programs of workers' compensation and other claims. The City purchases commercial insurance for employee health care coverage, general liability, property, boiler and machinery, public officials' liability, police professional liability, law enforcement officer and firefighter insurance, accidental death and dismemberment and excess workers compensation coverage.

The General Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. All self-funded insurance program premiums are charged to the General Fund, Building Fund, Stormwater Utility Fund and Water and Wastewater Fund, as applicable. The total charge allocated to each fund is determined by trending actual claims experience. Funding for expenses incurred from unexpected and unusual claims are accounted for through a reserve established for such purposes.

The City recorded an estimated liability for indemnity of workers' compensation claims and general insurance claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claims adjustment expense) and an estimate for claims incurred but not reported, based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage or subrogation.

The following represents the changes in approximate aggregate liabilities for the City from October 1, 2020 to September 30, 2022:

	General Insurance Fund
	<u> </u>
Liability balance, October 1, 2020	\$ 4,375,676
Claims and changes in estimates	5,679,030
Claims payments	<u>(4,001,762)</u>
Liability balance, September 30, 2021	6,052,944
Claims and changes in estimates	1,632,933
Claims payments	<u>(1,968,012)</u>
Liability balance, September 30, 2022	\$ <u><u>5,717,865</u></u>
Claims and payments due within one year	\$ <u><u>2,749,940</u></u>
Assets available to pay claims at September 30, 2022	\$ <u><u>1,070,952</u></u>

The City has not had a significant reduction in insurance coverage. For each of the past three years, major categories of risk, and settled claims have not exceeded the City's retention and excess coverage in force.

Note 11 - Commitments and Contingencies

The City is currently the defendant in a number of litigation issues and claims that arose in the normal course of operations. City management intends to defend such matters. In the opinion of management, the ultimate outcome of these claims and issues will not have a material effect on the activities or net position of the City.

In FY 2015, City management noticed inconsistencies in supporting documentation for grant (housing related) awards, notified auditors and funding agencies, and provided information and supporting documentation for review. The grants program became the subject of an active police investigation and a forensic audit. As a result of these actions, the former grants manager pled guilty at arraignment and was sentenced to prison time in August 2017.

The U.S. Department of Housing and Urban Development Office of Inspector General performed an audit of the City's Neighborhood Stabilization Program (NSP) grants related to this same issue. An audit report detailing findings and recommendations was issued in May 2018. The report indicated that \$ 811,571 was spent on ineligible costs and that the Miami Office of Community Planning and Development should require the City to repay the \$ 811,571 to the program from non-Federal funds.

In October 2018, one of the audited properties with ineligible costs was sold and net proceeds remitted to the City totaled \$ 181,385. These monies were deposited thereby reducing the amount recorded in the financial statements to \$ 630,186 as a liability for the potential repayment. Therefore, the financial statements include only an adjustment for \$ 630,186 for NSP in the General Fund and do not include any other adjustments that might result from the outcome of this uncertainty. The City is waiting on instruction from HUD for further disposition of these monies. The City is currently working to settle all items related to this matter.

Audits may be forthcoming for other grant programs.

In fiscal year 2014, the CRA was audited by the Broward Office of the Inspector General (the "OIG"). The OIG audit determined that the CRA failed to comply with the requirements of the Florida Statutes for the allocation and disposition of carryforward TIF funds of approximately \$ 2.7 million. The management of the CRA and legal counsel responded in a letter that they believe that they are in compliance with the statutory requirements. As of September 30, 2022, the CRA has not received an update from the OIG with regard to the audit results during fiscal year 2014. The financial statements do not reflect any adjustments that might result from this uncertainty.

A "Sick Bank" was established in the collective bargaining agreement between the City of Margate and International Association of Firefighters (IAFF) union beginning in 1978 by Resolution 3857. The collective bargaining agreement between the City and IAFF for the period of October 1, 1985 to September 30, 1988 provided the City shall each month, as of the last day of each month, credit to the Sick Bank a dollar value equal to (.0494) times the number of regular compensated hours, exclusive of overtime, paid during the month, to each member of the bargaining unit. The credit was later revised to equal (.05769) times the number of regular compensated hours, exclusive of overtime, paid during the month, to each member of the bargaining unit. The regular base hourly rate used for the calculation was the regular base pay hourly rate in effect on the last day of the pay period immediately preceding the last day of the month. When a member used the Sick Bank, the value withdrawn from the Sick Bank was equal to his/her pay at the time he/she used the Sick Bank. Sick Bank credits were only maintained for members currently employed with the Fire Department.

Note 11 - Commitments and Contingencies (continued)

Effective with the IAFF collective bargaining agreement approved on February 7, 2018, the Sick Bank was renamed the Medical Leave Assistance Plan (MLAP). Upon ratification of the agreement, the balance from the MLAP was reduced to 1,000,000 units/dollars which are only available for use by existing members as of the date of ratification. Members must first use all available sick leave, then all available vacation, and all available compensatory time before being eligible to withdraw from the MLAP. In addition, no additional credits will be added to the MLAP, and any units/dollars remaining five years from the date of execution will be forfeited. An alternative donation program was also established with this agreement for new members and for use after the MLAP sunsets in 2023.

The Sick Bank/MLAP is not accrued as a liability because use of the program is contingent upon a future event that is beyond the control of both the employer and the employee. There is no payout to the members upon separation.

Note 12 - Other Post-Employment Benefits

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

Plan description and funding policy. The City offers to retiring employees a one-time opportunity to participate in the City’s employee group health and life insurance program (the “Plan”). The Plan is a single-employer defined benefit OPEB plan administered by Cigna Corporation. The post-employment benefits are extended to retirees and continued at the discretion of the City Commission, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change contributions required from retirees in the future as circumstances change.

Note 12 - Other Post-Employment Benefits (continued)

The participation of retirees and their eligible dependents in the Plan is at a premium cost to the retiree that is no more than the premium cost applicable to active employees. A retiring member who rejects this initial opportunity to continue to participate in the Plan will not be entitled to another opportunity to renew participation at any time in the future. The coverage provided under this Plan is supplemental and/or secondary to coverage under any and all other health insurance plans or programs that are provided to or carried by the retiring member from any other source.

The following table provides a summary of the number of participants in the Plan as of September 30, 2020 (latest valuation date):

Inactive Plan members or beneficiaries currently receiving benefits	81
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>499</u>
Total Plan members	<u><u>580</u></u>

Note 12 - Other Post-Employment Benefits (continued)

Currently, the City’s OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City’s reporting of current year benefit costs and expenses have been contributed from the General Fund. State law prohibits the City from separately rating retirees and active employees for medical plan benefits. Therefore, the City assigns to both groups a blended rate and makes available to both groups the same plan options. Contribution rates are provided for in collective bargaining agreements negotiated with various unions representing employees. Effective January 1, 2018, retirees that are not Medicare eligible are responsible for 35% of premium costs with the City contributing 65%. Effective January 1, 2021, the Federation of Public Employees (FPE) Collective Bargaining Agreement for retirees covered under this agreement that are not Medicare eligible are responsible for 40% of premium costs with the City contributing 60%. Retirees eligible for Medicare are responsible for the full premium. Life insurance coverage for retiree and spouse is 100% retiree paid. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

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

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

The total OPEB liability at September 30, 2022 was based on an actuarial valuation dated September 30, 2020 with a measurement date of September 30, 2021, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.19%
Salary Increases	Salary increase rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System; 3.6% - 8.4%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality rates are the same as used in the July 1, 2019 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Note 12 - Other Post-Employment Benefits (continued)

Healthcare Cost Trend Rates	Based on the Getzen Model, with a trend of 2% for 2021 (to reflect actual premiums), 6.00% for 2022, and gradually decreasing to an ultimate trend rate of 3.99%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death".
Expense	Administrative expenses are included in the per capita health costs.

Changes in assumptions and other inputs include the change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021. These changes are reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2021 was 2.19%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability. The discount rate was 2.41% as of the beginning of the measurement year.

Total OPEB Liability of the City: The components of the City's net OPEB liability at September 30, 2022, are as follows:

Total OPEB liability	\$	16,374,840
OPEB Plan fiduciary net position		<u>-</u>
City's net OPEB liability	\$	<u><u>16,374,840</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability		0.00%

Changes in Total OPEB Liability

Measurement year ended September 30, 2021		
Total OPEB liability:		
Service cost	\$	425,567
Interest on total OPEB liability		395,881
Change in assumptions and other inputs		98,414
Benefit payments		<u>(1,092,137)</u>
Net change in total OPEB liability		(172,275)
Total OPEB liability, beginning		<u>16,547,115</u>
Total OPEB liability, ending	\$	<u><u>16,374,840</u></u>

Note 12 - Other Post-Employment Benefits (continued)

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 2.19%, 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 the current discount rate:

	<u>1% Decrease (1.19%)</u>	<u>Current Discount Rate (2.19%)</u>	<u>1% Increase (3.19%)</u>
Total OPEB liability	\$ <u>16,800,185</u>	\$ <u>16,374,840</u>	\$ <u>15,908,436</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:

	<u>1% Trend Decrease</u>	<u>Trend Rate Assumption</u>	<u>1% Trend Increase</u>
Total OPEB liability	\$ <u>15,341,982</u>	\$ <u>16,374,840</u>	\$ <u>17,391,164</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2022, the City recognized OPEB expense of \$ 513,870. At September 30, 2022, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,797,998	\$ -
Changes in assumptions and other inputs	731,489	7,531,589
Benefits paid subsequent to measurement date	<u>1,186,843</u>	<u>-</u>
Total	\$ <u>6,716,330</u>	\$ <u>7,531,589</u>

Note 12 - Other Post-Employment Benefits (continued)

\$ 1,186,843 reported as deferred outflows of resources related to OPEB contributions resulting from City benefits made after the measurement date, but before the end of the City’s fiscal year will be recognized as a reduction of the OPEB liability in the year ended September 30, 2023 rather than the current fiscal year. Other 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,	Deferred Inflows of Resources
2023	\$ (307,578)
2024	(307,578)
2025	(307,578)
2026	(307,578)
2027	(307,578)
Thereafter	(464,212)
	<u>\$ (2,002,102)</u>

Note 13 - Deferred Compensation Plan

The City offers its employees an optional deferred compensation plan in accordance with Internal Revenue Code Section 457. The Plan available to all full-time employees permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability or fiduciary responsibility for the Plan; therefore, it is not included in the City’s financial statements.

Note 14 - Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by vendors in the next year were as follows:

Governmental Funds	
General Fund	\$ 2,894,277
Margate Community Redevelopment Agency Capital Improvement Fund	2,424,501
Nonmajor Funds	<u>3,365,432</u>
Total	<u>\$ 8,684,210</u>

Note 15 - Governmental Grants

In accordance with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act, the City is required to perform “single audits” when the required threshold of \$ 750,000 in grant expenditures from either source is exceeded. During the year ended September 30, 2022, the City exceeded the required threshold from federal sources and a federal single audit was required and completed.

Note 16 - C51 Reservoir

In December 2019, the City Commission approved an agreement for capacity allocation in Phase 1 of the C-51 Reservoir Agreement between Palm Beach Aggregates, LLC and the City providing for a regional alternative water supply. Per Chapter 163 of the Florida Statutes, the City is required to develop a 10-year water supply facilities work plan that incorporates the projects proposed by the City in the 2018 update of the Lower East Coast (LEC) water supply plan or other alternate projects approved by South Florida Water Management District (SFWMD). The C-51 Reservoir Project and storage capacity for water supply allocation is considered an alternative water supply as defined in Florida Statutes Section 371.019(1).

This agreement for capacity allocation provides for the City, as a governmental entity that owns and operates a public water utility, to contribute its pro-rata share of the capital costs and operating and maintenance costs in exchange for a contractual allocation of the permitted storage capacity in the Phase 1 Reservoir as an alternative water supply. The Capacity Allocation Agreement provides for two million gallons per day of storage capacity in the C-51 Reservoir. The regional alternative water supply stores excess wet-season storm runoff for later distribution and use during the dry season. A series of interconnected reservoirs (collectively, the C-51 Reservoir) will be constructed to receive and store water from areas under the jurisdiction of the SFWMD. Each party will be charged a pro rata contribution of capital costs and following construction a pro rata contribution of operating and maintenance costs based upon their respective storage allocation and consumptive use permit. Within thirty days after receipt of the Notice of the Commercial Operation Date, the City shall pay for the Capacity Cost share in the amount of \$ 9.2 million based on the initial capacity of two million gallons per day. The expected completion date is September 2023. This project has been included in the City's five-year capital improvement plan for FY 2023. The initial estimated annual operations payment is \$ 36,551 per MGD of the City's final capacity allocation which includes certain renewal and replacement costs.

Note 17 - Date of Management Review

The City's management has evaluated subsequent events through March 28, 2023, the date which the financial statements were available for issue.

REQUIRED
SUPPLEMENTARY INFORMATION

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 25,475,000	\$ 25,475,000	\$ 25,579,047	\$ 104,047
Franchise taxes	4,223,000	4,223,000	4,822,811	599,811
Utility service taxes	6,412,000	6,412,000	6,905,854	493,854
Licenses and permits	944,150	944,150	798,288	(145,862)
Intergovernmental	5,769,500	5,902,060	8,089,802	2,187,742
Investment income (loss)	100,000	100,000	(865,862)	(965,862)
Charges for services	13,550,068	13,550,068	15,188,766	1,638,698
Fines and forfeitures	278,500	278,500	367,764	89,264
Miscellaneous	1,601,128	1,612,741	1,817,564	204,823
	<u>58,353,346</u>	<u>58,497,519</u>	<u>62,704,034</u>	<u>4,206,515</u>
Expenditures:				
Current:				
General government:				
City commission	606,417	635,249	549,982	85,267
City manager	1,593,185	1,619,798	1,326,388	293,410
Finance	2,010,198	2,010,198	1,817,347	192,851
Non-departmental	9,553,399	10,239,067	10,047,330	191,737
Human resources	992,683	1,109,802	972,109	137,693
Development services	946,765	987,324	854,606	132,718
City clerk	1,010,619	1,010,619	910,799	99,820
City attorney	613,153	613,153	559,481	53,672
Information technology	1,081,747	1,081,747	1,071,467	10,280
Total general government	<u>18,408,166</u>	<u>19,306,957</u>	<u>18,109,509</u>	<u>1,197,448</u>
Public safety:				
Police	22,417,214	22,594,658	22,096,073	498,585
Fire	15,754,765	17,726,072	15,440,193	2,285,879
Total public safety	<u>38,171,979</u>	<u>40,320,730</u>	<u>37,536,266</u>	<u>2,784,464</u>
Culture and recreation:				
Administration	622,866	650,155	650,222	(67)
Special activities	537,117	526,384	474,798	51,586
Parks and grounds	3,255,597	3,258,413	3,102,718	155,695
Aquatics	864,994	871,162	706,018	165,144
Total culture and recreation	<u>5,280,574</u>	<u>5,306,114</u>	<u>4,933,756</u>	<u>372,358</u>
Public works:				
Administration	772,893	708,779	656,404	52,375
Buildings	2,003,978	1,980,978	1,704,046	276,932
City garage	1,453,779	1,554,279	1,418,521	135,758
Total public works	<u>4,230,650</u>	<u>4,244,036</u>	<u>3,778,971</u>	<u>465,065</u>

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
(Continued)
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Debt service:				
Principal retirement	-	-	230,613	(230,613)
Interest and other charges	-	-	36,057	(36,057)
Total debt service	-	-	266,670	(266,670)
Total expenditures	66,091,369	69,177,837	64,625,172	4,552,665
Excess (deficiency) of revenues over (under) expenditures	(7,738,023)	(10,680,318)	(1,921,138)	8,759,180
Other Financing Sources (Uses):				
Transfers in	1,964,840	1,964,840	1,964,840	-
Issuance of leases	-	-	868,399	639,644
Proceeds from sale of capital assets	50,000	50,000	639,644	818,399
Transfers out	(801,125)	(801,125)	(801,125)	-
Total other financing sources (uses)	1,213,715	1,213,715	2,671,758	1,458,043
Net change in fund balances	(6,524,308)	(9,466,603)	750,620	10,217,223
Fund Balance, Beginning	37,344,203	37,344,203	37,344,203	-
Fund Balance, Ending	<u>\$ 30,819,895</u>	<u>\$ 27,877,600</u>	<u>\$ 38,094,823</u>	<u>\$ 10,217,223</u>

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Tax incremental	\$ 8,841,554	\$ 8,841,554	\$ 8,937,619	\$ 96,065
Licenses and permits	-	-	750	750
Investment income	10,000	10,000	31,306	21,306
Rental income	611,600	611,600	707,038	95,438
Miscellaneous	-	-	65,915	65,915
Total revenues	9,463,154	9,463,154	9,742,628	279,474
Expenditures:				
General government	2,027,957	1,987,332	1,388,154	599,178
Economic and physical environment	3,147,000	3,187,625	1,215,317	1,972,308
Total expenditures	5,174,957	5,174,957	2,603,471	2,571,486
Excess of revenues over expenditures	4,288,197	4,288,197	7,139,157	2,850,960
Other Financing Uses:				
Transfers out	(4,288,197)	(7,149,089)	(7,139,157)	9,932
Net change in fund balance	-	(2,860,892)	-	2,860,892
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ (2,860,892)	\$ -	\$ 2,860,892

Note 1 - Budgetary Information

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual appropriated budgets are adopted for all governmental funds. Budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All annual appropriations lapse at fiscal year-end.

1. On or before August 15 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them. The City Commission holds budget workshops and two public hearings to solicit comments and suggestions from the citizens.
2. Prior to October 1, a final budget is legally adopted by City Ordinance. The appropriated budget is prepared by fund, function and department. The City Manager may approve transfers of appropriations within a department; transfers of appropriations between departments or funds, however, require approval of the City Commission. Accordingly, the legal level of budgetary control is at the department level, except for the Margate CRA and Northwest Focal Point Senior Center where budgetary control is at the Agency level.
3. Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as a component of either assigned or restricted fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year.

**City of Margate, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
(Unaudited)**

Fiscal Year:	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement Date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2017
Total OPEB liability:						
Service cost	\$ 425,567	\$ 747,936	\$ 644,212	\$ 738,687	\$ 2,407,457	
Interest on total OPEB liability	395,881	534,897	689,624	549,636	1,428,239	
Difference between expected and actual experience	-	2,277,231	-	4,751,845	-	
Change of benefit terms	-	-	-	-	(29,563,238)	
Change of assumptions	98,414	(5,265,968)	894,807	(2,934,302)	(2,874,119)	
Benefits payments	(1,092,137)	(899,723)	(875,081)	(543,786)	(856,527)	
Net change in total OPEB liability	(172,275)	(2,605,627)	1,353,562	2,562,080	(29,458,188)	
Total OPEB liability, beginning	16,547,115	19,152,742	\$ 17,799,180	15,237,100	44,695,288	
Total OPEB liability, ending	\$ 16,374,840	\$ 16,547,115	\$ 19,152,742	\$ 17,799,180	\$ 15,237,100	
Covered-employee payroll	\$ 39,095,092	\$ 37,591,435	\$ 36,857,279	\$ 35,953,301	\$ 32,992,116	
Total OPEB liability as a percentage of covered payroll	41.88%	44.02%	51.96%	49.51%	46.18%	

Notes to Schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Changes in assumptions include the change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021.

There were no benefit changes during the year.

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

**City of Margate, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan
(Unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015
City of Margate, Florida's proportion of the net pension liability	.160532597%	.180676507%	.195760042%	.192673565%	.194997438%	.198856274%	.191181409%	.171705136%
City of Margate, Florida's proportionate share of the net pension liability	\$ 59,731,027	\$ 13,648,057	\$ 84,845,287	\$ 66,354,094	\$ 58,734,239	* \$ 58,840,541	\$ 48,273,456	\$ 22,178,021
City of Margate, Florida's covered payroll	\$ 33,197,849	\$ 35,267,257	\$ 34,414,402	\$ 33,233,991	\$ 32,999,820	\$ 31,911,431	\$ 29,407,952	\$ 28,039,927
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	179.92%	38.70%	246.54%	199.66%	177.98%	184.39%	164.15%	79.09%
Plan fiduciary net position as a percentage of total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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.

* Reflects restatement of beginning net pension liability at July 1, 2017, due to implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**City of Margate, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Retiree Health Insurance Subsidy Program
(Unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015
City of Margate, Florida's proportion of the net pension liability	.113110444%	.120997314%	.120179308%	.119813516%	.120507804%	.119432380%	.114484765%	.111228388%
City of Margate, Florida's proportionate share of the net pension liability	\$ 11,980,203	\$ 14,842,140	\$ 14,673,698	\$ 13,405,933	\$ 12,754,681	\$ 12,770,261	\$ 13,342,725	\$ 11,343,546
City of Margate, Florida's covered payroll	\$ 41,213,753	\$ 42,837,105	\$ 41,707,825	\$ 40,069,209	\$ 39,276,280	\$ 38,131,582	\$ 35,274,258	\$ 33,842,969
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	29.07%	34.65%	35.18%	33.46%	32.47%	33.49%	37.83%	33.52%
Plan fiduciary net position as a percentage of total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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 Margate, Florida
Required Supplementary Information
Schedule of Contributions
Florida Retirement System Pension Plan
(Unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 6,198,581	\$ 6,341,923	\$ 6,002,040	\$ 5,611,835	\$ 5,217,664	\$ 4,771,913	\$ 4,363,156	\$ 4,000,142
Contributions in relation to the contractually required contribution	6,198,581	6,341,923	6,002,040	5,611,835	5,217,664	4,771,913	4,363,156	4,000,142
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Margate, Florida's covered payroll	\$ 33,442,843	\$ 35,600,251	\$ 34,591,457	\$ 33,539,981	\$ 33,028,081	\$ 31,528,008	\$ 29,636,151	\$ 28,551,940
Contributions as a percentage of covered payroll	18.53%	17.81%	17.35%	16.73%	15.80%	15.14%	14.72%	14.01%

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 Margate, Florida
Required Supplementary Information
Schedule of Contributions
Retiree Health Insurance Subsidy Program
(Unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 693,635	\$ 718,341	\$ 696,557	\$ 672,117	\$ 654,354	\$ 622,594	\$ 590,935	\$ 468,894
Contributions in relation to the contractually required contribution	693,635	718,341	696,557	672,117	654,354	622,594	590,935	468,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Margate, Florida's covered payroll	\$ 41,785,344	\$ 43,273,554	\$ 41,961,062	\$ 40,489,038	\$ 39,418,922	\$ 37,505,614	\$ 35,583,830	\$ 34,286,543
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.37%

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.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for resources legally restricted for the financing of particular activities or projects.

Road Fund - To account for the receipt and disbursement of the City's portion of the state revenue sharing of the gasoline tax and local option gas tax.

Impact Fees Fund - To account for public safety projects. Revenues are derived from impact fees collected during the building permit process.

Police Officers Training Fund - To account for the receipt and disbursement of funds derived from court costs assessed for the purpose of law enforcement education expenditures.

Confiscated Properties Fund - To account for revenues generated by Police Department confiscations and investigative reimbursements.

Building Fund - To account for the activities of the Building Department that safeguards public health, safety, and general welfare through the administration and enforcement of the Florida Building Code and all local ordinances to ensure the highest level of building code compliance.

Underground Utility Trust Fund - To account for the receipt and disbursement of funds derived from developers' contributions to be expended on future projects that place existing or future utility lines underground.

Housing and Urban Development (HUD) Grant Fund - To account for Federal funds received from the United States Department of Housing and Urban Development. These funds are used for home repairs, home ownership assistance, park rehabilitation, landscaping of blighted areas, commercial revitalization, and administration.

Recreation Trust Fund - To account for the revenues generated from cell phone towers. The funds are used for the development and improvement of recreation facilities.

Northwest Focal Point Senior Center Fund - To account for the revenues and expenditures of the special district that provides services to the elderly.

Transportation Surtax Fund - To account for the receipt and disbursement of funds derived from an interlocal agreement between the City and Broward County for the One Penny Transportation Surtax. This fund has no activity for the fiscal year ending September 30, 2021, and is included for budgetary presentation purposes only.

Debt Service Fund

General Obligation Refunding Bonds, Series 2016 Debt Service Fund - To account for and report financial resources that are restricted for principal and interest on general long-term debt, for the General Obligation Refunding Bonds, Series 2016.

General Obligation Bonds, Series 2019 Debt Service Fund - To account for the accumulation of property taxes used to pay principal, interest and related costs of the General Obligation Bonds, Series 2019.

Capital Projects Funds

General Capital Projects Fund - To account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

General Obligation Bonds Proceeds 2019 Fund - To account for the use of the 2019 bond proceeds for the costs of acquiring, constructing, equipping, renovating, replacing, and improving parks and recreation projects.

City of Margate, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Assets:				
Cash, cash equivalents, and investments	\$ 17,438,697	\$ 66,498	\$ 12,164,046	\$ 29,669,241
Accounts receivable, net	530,521	1,713	173,718	705,952
Lease receivables	8,309,583	-	-	8,309,583
Prepayments and other assets	68,691	-	-	68,691
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>26,347,492</u>	\$ <u>68,211</u>	\$ <u>12,337,764</u>	\$ <u>38,753,467</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ <u>546,461</u>	\$ <u>-</u>	\$ <u>533,312</u>	\$ <u>1,079,773</u>
Deferred Inflows of Resources:				
Deferred amount on lease receivables	8,106,405	-	-	8,106,405
Unavailable revenue	70,167	-	-	70,167
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>8,176,572</u>	<u>-</u>	<u>-</u>	<u>8,176,572</u>
Fund Balances:				
Nonspendable:				
Prepayments and other assets	68,691	-	-	68,691
Leases	203,178	-	-	203,178
Restricted for:				
Public safety	3,985,902	-	-	3,985,902
Transportation	7,792,869	-	-	7,792,869
Building	3,226,576	-	-	3,226,576
Culture and recreation	1,407,819	-	-	1,407,819
Debt service	-	68,211	-	68,211
Economic development	513,806	-	-	513,806
Streetlights	363,894	-	-	363,894
Utilities	61,724	-	-	61,724
Capital projects	-	-	5,085,337	5,085,337
Assigned for:				
Capital projects	-	-	6,719,115	6,719,115
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>17,624,459</u>	<u>68,211</u>	<u>11,804,452</u>	<u>29,497,122</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>26,347,492</u>	\$ <u>68,211</u>	\$ <u>12,337,764</u>	\$ <u>38,753,467</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ -	\$ 2,146,559	\$ -	\$ 2,146,559
Licenses and permits	2,897,556	-	-	2,897,556
Intergovernmental	3,088,728	-	273,588	3,362,316
Investment income (loss)	(8,210)	1,840	69,066	62,696
Charges for services	23,155	-	-	23,155
Fines and forfeitures	578,117	-	-	578,117
Impact fees	277,773	-	-	277,773
Miscellaneous	1,717,805	-	-	1,717,805
	<u>8,574,924</u>	<u>2,148,399</u>	<u>342,654</u>	<u>11,065,977</u>
Expenditures:				
Current:				
Public safety	4,309,313	-	3,069,989	7,379,302
Economic and physical environment	241,820	-	-	241,820
Culture and recreation	928,488	-	1,717,304	2,645,792
Public works	1,892,348	-	135,626	2,027,974
Debt service:				
Principal retirement	159,997	1,000,000	-	1,159,997
Interest and other charges	10,638	1,137,756	-	1,148,394
	<u>7,542,604</u>	<u>2,137,756</u>	<u>4,922,919</u>	<u>14,603,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,032,320</u>	<u>10,643</u>	<u>(4,580,265)</u>	<u>(3,537,302)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	1,001,125	1,001,125
Issuance of leases	313,196	-	-	313,196
Proceeds from sale of capital assets	178,016	-	8,450	186,466
Transfers out	(200,000)	-	-	(200,000)
	<u>291,212</u>	<u>-</u>	<u>1,009,575</u>	<u>1,300,787</u>
Net change in fund balances	1,323,532	10,643	(3,570,690)	(2,236,515)
Fund Balances, Beginning	<u>16,300,927</u>	<u>57,568</u>	<u>15,375,142</u>	<u>31,733,637</u>
Fund Balances, Ending	<u>\$ 17,624,459</u>	<u>\$ 68,211</u>	<u>\$ 11,804,452</u>	<u>\$ 29,497,122</u>

**City of Margate, Florida
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2022**

	Road Fund	Impact Fees Fund	Police Officers Training Fund	Confiscated Properties Fund	Building Fund	Housing and Urban Development (HUD) Grant Fund	Underground Utility Trust Fund	Recreation Trust Fund	Northwest Focal Point Senior Center Fund	Total
Assets:										
Cash, cash equivalents, and investments	\$ 8,205,972	\$ 1,691,687	\$ 19,782	\$ 2,250,917	\$ 3,404,273	\$ 513,615	\$ 61,702	\$ 1,078,950	\$ 211,799	\$ 17,438,697
Accounts receivable, net	267,141	3,452	-	49,925	787	60,048	22	505	148,641	530,521
Lease receivables	-	-	-	-	-	-	-	8,309,583	-	8,309,583
Prepayments and other assets	-	-	-	-	-	-	-	-	68,691	68,691
Total assets	\$ 8,473,113	\$ 1,695,139	\$ 19,782	\$ 2,300,842	\$ 3,405,060	\$ 573,663	\$ 61,724	\$ 9,389,038	\$ 429,131	\$ 26,347,492
Liabilities:										
Accounts payable and accrued liabilities	\$ 316,350	\$ 18,466	\$ -	\$ 11,395	\$ 178,484	\$ -	\$ -	\$ -	\$ 21,766	\$ 546,461
Deferred Inflows of Resources:										
Deferred amount on lease receivables	-	-	-	-	-	-	-	8,106,405	-	8,106,405
Unavailable revenue	-	-	-	-	-	59,857	-	-	10,310	70,167
Total deferred inflows of resources	-	-	-	-	-	59,857	-	8,106,405	10,310	8,176,572
Fund Balances:										
Nonspendable:										
Prepayments and other assets	-	-	-	-	-	-	-	-	68,691	68,691
Leases	-	-	-	-	-	-	-	203,178	-	203,178
Restricted for:										
Public safety	-	1,676,673	19,782	2,289,447	-	-	-	-	-	3,985,902
Transportation	7,792,869	-	-	-	-	-	-	-	-	7,792,869
Building	-	-	-	-	3,226,576	-	-	-	-	3,226,576
Culture and recreation	-	-	-	-	-	-	-	1,079,455	328,364	1,407,819
Economic development	-	-	-	-	-	513,806	-	-	-	513,806
Streetslights	363,894	-	-	-	-	-	-	-	-	363,894
Utilities	-	-	-	-	-	-	61,724	-	-	61,724
Total fund balances	\$ 8,156,763	\$ 1,676,673	\$ 19,782	\$ 2,289,447	\$ 3,226,576	\$ 513,806	\$ 61,724	\$ 1,282,633	\$ 397,055	\$ 17,624,459
Total liabilities and fund balances	\$ 8,473,113	\$ 1,695,139	\$ 19,782	\$ 2,300,842	\$ 3,405,060	\$ 573,663	\$ 61,724	\$ 9,389,038	\$ 429,131	\$ 26,347,492

**City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2022**

	Road Fund	Impact Fees Fund	Police Officers Training Fund	Confiscated Properties Fund	Building Fund	Housing and Urban Development (HUD) Grant Fund	Underground Utility Trust Fund	Recreation Trust Fund	Northwest Focal Point Senior Center Fund	Total
Revenues:										
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 2,897,556	\$ -	\$ -	\$ -	\$ -	\$ 2,897,556
Intergovernmental	1,940,017	-	-	-	-	285,458	-	-	863,253	3,088,728
Investment income (loss)	(47,370)	9,963	70	8,785	16,522	1,112	171	2,215	322	(8,210)
Charges for services	-	-	-	-	-	-	-	-	23,155	23,155
Fines and forfeitures	-	-	4,800	573,317	-	-	-	-	-	578,117
Impact fees	-	277,773	-	-	-	-	-	-	-	277,773
Miscellaneous	-	-	-	13,282	815,547	-	-	728,870	-	1,717,805
Total revenues	<u>1,892,647</u>	<u>287,736</u>	<u>4,870</u>	<u>595,384</u>	<u>3,729,625</u>	<u>286,570</u>	<u>171</u>	<u>731,085</u>	<u>1,046,836</u>	<u>8,574,924</u>
Expenditures:										
Current:										
Public safety	-	349,567	19,092	434,345	3,506,309	-	-	-	-	4,309,313
Economic and physical environment	-	-	-	-	-	241,781	39	-	-	241,820
Culture and recreation	-	-	-	-	-	-	-	544	927,944	928,488
Public works	1,892,348	-	-	-	-	-	-	-	-	1,892,348
Debt service:										
Principal retirement	5,928	-	-	131,269	22,800	-	-	-	-	159,997
Interest and other charges	519	-	-	8,912	1,207	-	-	-	-	10,638
Total expenditures	<u>1,898,795</u>	<u>349,567</u>	<u>19,092</u>	<u>574,526</u>	<u>3,530,316</u>	<u>241,781</u>	<u>39</u>	<u>544</u>	<u>927,944</u>	<u>7,542,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,148)</u>	<u>(61,831)</u>	<u>(14,222)</u>	<u>20,858</u>	<u>199,309</u>	<u>44,789</u>	<u>132</u>	<u>730,541</u>	<u>118,892</u>	<u>1,032,320</u>
Other Financing Sources (Uses):										
Issuance of leases	22,025	-	-	202,628	88,543	-	-	-	-	313,196
Proceeds from sale of capital assets	-	-	-	178,016	-	-	-	-	-	178,016
Transfers out	-	-	-	-	-	-	-	(200,000)	-	(200,000)
Total other financing sources (uses)	<u>22,025</u>	<u>-</u>	<u>-</u>	<u>380,644</u>	<u>88,543</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>291,212</u>
Net change in fund balances	<u>15,877</u>	<u>(61,831)</u>	<u>(14,222)</u>	<u>401,502</u>	<u>287,852</u>	<u>44,789</u>	<u>132</u>	<u>530,541</u>	<u>118,892</u>	<u>1,323,532</u>
Fund Balances, Beginning	<u>8,140,886</u>	<u>1,738,504</u>	<u>34,004</u>	<u>1,887,945</u>	<u>2,938,724</u>	<u>469,017</u>	<u>61,592</u>	<u>752,092</u>	<u>278,163</u>	<u>16,300,927</u>
Fund Balances, Ending	<u>\$ 8,156,763</u>	<u>\$ 1,676,673</u>	<u>\$ 19,782</u>	<u>\$ 2,289,447</u>	<u>\$ 3,226,576</u>	<u>\$ 513,806</u>	<u>\$ 61,724</u>	<u>\$ 1,282,633</u>	<u>\$ 397,055</u>	<u>\$ 17,624,459</u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2022

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash, cash equivalents, and investments	\$ 56,850	\$ 9,648	\$ 66,498
Accounts receivable, net	1,382	331	1,713
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>58,232</u>	\$ <u>9,979</u>	\$ <u>68,211</u>
Fund Balances:			
Restricted for:			
Debt service	\$ <u>58,232</u>	\$ <u>9,979</u>	\$ <u>68,211</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>58,232</u>	<u>9,979</u>	<u>68,211</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>58,232</u>	\$ <u>9,979</u>	\$ <u>68,211</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2022

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property taxes	\$ 1,487,204	\$ 659,355	\$ 2,146,559
Investment income	1,299	541	1,840
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>1,488,503</u>	<u>659,896</u>	<u>2,148,399</u>
Expenditures:			
Debt service:			
Principal retirement	680,000	320,000	1,000,000
Interest and other charges	800,500	337,256	1,137,756
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>1,480,500</u>	<u>657,256</u>	<u>2,137,756</u>
Net change in fund balance	8,003	2,640	10,643
Fund Balances, Beginning	<u>50,229</u>	<u>7,339</u>	<u>57,568</u>
Fund Balances, Ending	\$ <u><u>58,232</u></u>	\$ <u><u>9,979</u></u>	\$ <u><u>68,211</u></u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2022

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash, cash equivalents, and investments	\$ 7,078,709	\$ 5,085,337	\$ 12,164,046
Accounts receivable, net	<u>173,718</u>	<u>-</u>	<u>173,718</u>
Total assets	<u>\$ 7,252,427</u>	<u>\$ 5,085,337</u>	<u>\$ 12,337,764</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 533,312</u>	<u>\$ -</u>	<u>\$ 533,312</u>
Fund Balances:			
Restricted for:			
Capital projects	-	5,085,337	5,085,337
Assigned for:			
Capital projects	<u>6,719,115</u>	<u>-</u>	<u>6,719,115</u>
Total fund balances	<u>6,719,115</u>	<u>5,085,337</u>	<u>11,804,452</u>
Total liabilities and fund balances	<u>\$ 7,252,427</u>	<u>\$ 5,085,337</u>	<u>\$ 12,337,764</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2022

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Total
Revenues:			
Intergovernmental	\$ 273,588	\$ -	\$ 273,588
Investment income	56,805	12,261	69,066
Total revenues	<u>330,393</u>	<u>12,261</u>	<u>342,654</u>
Expenditures:			
Current:			
Public safety	3,069,989	-	3,069,989
Culture and recreation	42,187	1,675,117	1,717,304
Public works	135,626	-	135,626
Total expenditures	<u>3,247,802</u>	<u>1,675,117</u>	<u>4,922,919</u>
(Deficiency) of revenues (under) expenditures	<u>(2,917,409)</u>	<u>(1,662,856)</u>	<u>(4,580,265)</u>
Other Financing Sources:			
Transfers in	1,001,125	-	1,001,125
Proceeds from sale of capital assets	8,450	-	8,450
Total other financing sources	<u>1,009,575</u>	<u>-</u>	<u>1,009,575</u>
Net change in fund balances	(1,907,834)	(1,662,856)	(3,570,690)
Fund Balances, Beginning	<u>8,626,949</u>	<u>6,748,193</u>	<u>15,375,142</u>
Fund Balances, Ending	<u>\$ 6,719,115</u>	<u>\$ 5,085,337</u>	<u>\$ 11,804,452</u>

City of Margate, Florida
Special Revenue Fund - Road
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,833,384	\$ 1,940,017	\$ 106,633
Investment income (loss)	45,000	(47,370)	(92,370)
	<u>1,878,384</u>	<u>1,892,647</u>	<u>14,263</u>
Expenditures:			
Public works	2,202,431	1,892,348	310,083
Debt service:			
Principal retirement	-	5,928	(5,928)
Interest and other charges	-	519	(519)
	<u>2,202,431</u>	<u>1,898,795</u>	<u>303,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(324,047)</u>	<u>(6,148)</u>	<u>317,899</u>
Other Financing Sources:			
Issuance of leases	-	22,025	22,025
Net change in fund balance	(324,047)	15,877	339,924
Fund Balance, Beginning	<u>8,140,886</u>	<u>8,140,886</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,816,839</u>	<u>\$ 8,156,763</u>	<u>\$ 339,924</u>

City of Margate, Florida
Special Revenue Fund - Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 500	\$ 9,963	\$ 9,463
Impact fees	<u>20,000</u>	<u>277,773</u>	<u>257,773</u>
Total revenues	<u>20,500</u>	<u>287,736</u>	<u>267,236</u>
Expenditures:			
Public safety	<u>1,529,269</u>	<u>349,567</u>	<u>1,179,702</u>
Net change in fund balance	(1,508,769)	(61,831)	1,446,938
Fund Balance, Beginning	<u>1,738,504</u>	<u>1,738,504</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 229,735</u></u>	<u><u>\$ 1,676,673</u></u>	<u><u>\$ 1,446,938</u></u>

City of Margate, Florida
Special Revenue Fund - Police Officers Training
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 100	\$ 70	\$ (30)
Fines and forfeitures	<u>-</u>	<u>4,800</u>	<u>4,800</u>
Total revenues	<u>100</u>	<u>4,870</u>	<u>4,770</u>
Expenditures:			
Public safety	<u>20,050</u>	<u>19,092</u>	<u>958</u>
Net change in fund balance	(19,950)	(14,222)	5,728
Fund Balance, Beginning	<u>34,004</u>	<u>34,004</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 14,054</u>	<u>\$ 19,782</u>	<u>\$ 5,728</u>

City of Margate, Florida
Special Revenue Fund - Confiscated Properties
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 1,500	\$ 8,785	\$ 7,285
Fines and forfeitures	30,000	573,317	543,317
Miscellaneous	-	13,282	13,282
	<u>31,500</u>	<u>595,384</u>	<u>563,884</u>
Expenditures:			
Public safety	574,960	434,345	140,615
Debt service:			
Principal retirement	-	131,269	(131,269)
Interest and other charges	-	8,912	(8,912)
	<u>574,960</u>	<u>574,526</u>	<u>434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(543,460)</u>	<u>20,858</u>	<u>564,318</u>
Other Financing Sources:			
Issuance of leases	-	202,628	202,628
Proceeds from sale of capital assets	-	178,016	178,016
	<u>-</u>	<u>380,644</u>	<u>380,644</u>
Net change in fund balance	(543,460)	401,502	944,962
Fund Balance, Beginning	<u>1,887,945</u>	<u>1,887,945</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,344,485</u>	<u>\$ 2,289,447</u>	<u>\$ 944,962</u>

City of Margate, Florida
Special Revenue Fund - Building
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Licenses and permits	\$ 1,594,900	\$ 2,897,556	\$ 1,302,656
Investment income	10,000	16,522	6,522
Miscellaneous	<u>767,869</u>	<u>815,547</u>	<u>47,678</u>
Total revenues	<u>2,372,769</u>	<u>3,729,625</u>	<u>1,356,856</u>
Expenditures:			
Public safety	4,412,553	3,506,309	906,244
Debt service:			
Principal retirement	-	22,800	(22,800)
Interest and other charges	<u>-</u>	<u>1,207</u>	<u>(1,207)</u>
Total expenditures	<u>4,412,553</u>	<u>3,530,316</u>	<u>882,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,039,784)</u>	<u>199,309</u>	<u>2,239,093</u>
Other Financing Sources:			
Issuance of leases	<u>-</u>	<u>88,543</u>	<u>88,543</u>
Net change in fund balance	(2,039,784)	287,852	2,327,636
Fund Balance, Beginning	<u>2,938,724</u>	<u>2,938,724</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 898,940</u>	<u>\$ 3,226,576</u>	<u>\$ 2,327,636</u>

City of Margate, Florida
Special Revenue Fund - Housing and Urban Development (HUD) Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,116,385	\$ 285,458	\$ (830,927)
Investment income	-	1,112	1,112
	<u>1,116,385</u>	<u>286,570</u>	<u>(829,815)</u>
Total revenues			
	<u>1,116,385</u>	<u>286,570</u>	<u>(829,815)</u>
Expenditures:			
Economic and physical environment	<u>1,521,085</u>	<u>241,781</u>	<u>1,279,304</u>
	(404,700)	44,789	449,489
Net change in fund balance			
	(404,700)	44,789	449,489
Fund Balance, Beginning	<u>469,017</u>	<u>469,017</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 64,317</u>	<u>\$ 513,806</u>	<u>\$ 449,489</u>

City of Margate, Florida
Special Revenue Fund - Underground Utility Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 300	\$ 171	\$ (129)
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total revenues	<u>50,300</u>	<u>171</u>	<u>(50,129)</u>
Expenditures:			
Economic and physical environment	<u>300</u>	<u>39</u>	<u>261</u>
Net change in fund balance	50,000	132	(49,868)
Fund Balance, Beginning	<u>61,592</u>	<u>61,592</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 111,592</u></u>	<u><u>\$ 61,724</u></u>	<u><u>\$ (49,868)</u></u>

City of Margate, Florida
Special Revenue Fund - Recreation Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 500	\$ 2,215	\$ 1,715
Miscellaneous	<u>450,000</u>	<u>728,870</u>	<u>278,870</u>
Total revenues	<u>450,500</u>	<u>731,085</u>	<u>280,585</u>
Expenditures:			
Culture and recreation	<u>500</u>	<u>544</u>	<u>(44)</u>
Excess of revenues over expenditures	<u>450,000</u>	<u>730,541</u>	<u>280,541</u>
Other Financing Uses:			
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	250,000	530,541	280,541
Fund Balance, Beginning	<u>752,092</u>	<u>752,092</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,002,092</u>	<u>\$ 1,282,633</u>	<u>\$ 280,541</u>

City of Margate, Florida
Special Revenue Fund - Northwest Focal Point Senior Center
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 732,607	\$ 863,253	\$ 130,646
Investment income	4,000	322	(3,678)
Charges for services	12,750	23,155	10,405
Miscellaneous	<u>157,000</u>	<u>160,106</u>	<u>3,106</u>
Total revenues	<u>906,357</u>	<u>1,046,836</u>	<u>140,479</u>
Expenditures:			
Culture and recreation	<u>1,078,285</u>	<u>927,944</u>	<u>150,341</u>
Net change in fund balance	(171,928)	118,892	290,820
Fund Balance, Beginning	<u>278,163</u>	<u>278,163</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 106,235</u>	<u>\$ 397,055</u>	<u>\$ 290,820</u>

City of Margate, Florida
Special Revenue Fund - Transportation Surtax
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,687,478	\$ -	\$ (1,687,478)
Investment income	<u>100</u>	<u>-</u>	<u>(100)</u>
Total revenues	<u>1,687,578</u>	<u>-</u>	<u>(1,687,578)</u>
Expenditures:			
Economic and physical environment	<u>1,687,578</u>	<u>-</u>	<u>1,687,578</u>
Net change in fund balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Margate, Florida
Debt Service Fund - Margate Community Redevelopment Agency - Sinking
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ -	\$ (248)	\$ (248)
Expenditures:			
Principal retirement	426,063	426,179	(116)
Interest and other charges	<u>6,659</u>	<u>6,542</u>	<u>117</u>
Total expenditures	<u>432,722</u>	<u>432,721</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(432,722)</u>	<u>(432,969)</u>	<u>(247)</u>
Other Financing Sources:			
Transfers in	<u>432,722</u>	<u>422,791</u>	<u>(9,931)</u>
Net change in fund balance	-	(10,178)	(10,178)
Fund Balance, Beginning	<u>10,178</u>	<u>10,178</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,178</u>	<u>\$ -</u>	<u>\$ (10,178)</u>

City of Margate, Florida
Debt Service Fund - General Obligation Refunding Bonds, Series 2016
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 1,480,500	\$ 1,487,204	\$ 6,704
Investment income	<u>250</u>	<u>1,299</u>	<u>1,049</u>
Total revenues	<u>1,480,750</u>	<u>1,488,503</u>	<u>7,753</u>
Expenditures:			
Debt service:			
Principal retirement	680,000	680,000	-
Interest and other charges	<u>800,750</u>	<u>800,500</u>	<u>250</u>
Total expenditures	<u>1,480,750</u>	<u>1,480,500</u>	<u>250</u>
Net change in fund balance	-	8,003	8,003
Fund Balance, Beginning	<u>50,229</u>	<u>50,229</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 50,229</u></u>	<u><u>\$ 58,232</u></u>	<u><u>\$ 8,003</u></u>

City of Margate, Florida
Debt Service Fund - General Obligation Bonds, Series 2019
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 657,100	\$ 659,355	\$ 2,255
Investment income	<u>300</u>	<u>541</u>	<u>241</u>
Total revenues	<u>657,400</u>	<u>659,896</u>	<u>2,496</u>
Expenditures:			
Debt service:			
Principal retirement	320,000	320,000	-
Interest and other charges	<u>337,400</u>	<u>337,256</u>	<u>144</u>
Total expenditures	<u>657,400</u>	<u>657,256</u>	<u>144</u>
Net change in fund balance	-	2,640	2,640
Fund Balance, Beginning	<u>7,339</u>	<u>7,339</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 7,339</u></u>	<u><u>\$ 9,979</u></u>	<u><u>\$ 2,640</u></u>

City of Margate, Florida
Capital Projects Fund - General
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 100,000	\$ 273,588	\$ 173,588
Investment income	5,000	56,805	51,805
	<u>105,000</u>	<u>330,393</u>	<u>225,393</u>
Expenditures:			
Public safety	6,799,663	3,069,989	3,729,674
Culture and recreation	456,243	42,187	414,056
Public works	1,236,005	135,626	1,100,379
	<u>8,491,911</u>	<u>3,247,802</u>	<u>5,244,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,386,911)</u>	<u>(2,917,409)</u>	<u>5,469,502</u>
Other Financing Sources:			
Transfers in	1,001,125	1,001,125	-
Proceeds from sale of capital assets	-	8,450	(8,450)
	<u>1,001,125</u>	<u>1,009,575</u>	<u>(8,450)</u>
Net change in fund balance	(7,385,786)	(1,907,834)	5,477,952
Fund Balance, Beginning	<u>8,626,949</u>	<u>8,626,949</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,241,163</u>	<u>\$ 6,719,115</u>	<u>\$ 5,477,952</u>

City of Margate, Florida
Capital Projects Fund - General Obligation Bonds Proceeds 2019
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 10,000	\$ 12,261	\$ 2,261
Expenditures:			
Culture and recreation	6,750,117	1,675,117	5,075,000
Net change in fund balance	(6,740,117)	(1,662,856)	5,077,261
Fund Balance, Beginning	<u>6,748,193</u>	<u>6,748,193</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,076</u>	<u>\$ 5,085,337</u>	<u>\$ 5,077,261</u>

City of Margate, Florida
Capital Projects Fund - Margate Community Redevelopment Agency - Capital Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 20,000	\$ 156,194	\$ 136,194
Expenditures:			
Economic and physical environment	<u>22,885,801</u>	<u>516,928</u>	<u>22,368,873</u>
Excess (deficiency) of revenues over (under) expenditures	(22,865,801)	(360,734)	22,505,067
Other Financing Sources:			
Transfers in	<u>6,716,367</u>	<u>6,716,366</u>	<u>(1)</u>
Net change in fund balance	(16,149,434)	6,355,632	22,505,066
Fund Balance, Beginning	<u>16,911,142</u>	<u>16,911,142</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 761,708</u>	<u>\$ 23,266,774</u>	<u>\$ 22,505,066</u>

City of Margate, Florida
Capital Projects Fund - Margate Community Redevelopment Agency - Loan Proceeds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>1,000</u>	\$ <u>221</u>	\$ <u>(779)</u>
Expenditures:			
Economic and physical environment	<u>5,201,000</u>	<u>624,785</u>	<u>4,576,215</u>
Net change in fund balance	(5,200,000)	(624,564)	4,575,436
Fund Balance, Beginning	<u>5,407,773</u>	<u>5,407,773</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>207,773</u></u>	\$ <u><u>4,783,209</u></u>	\$ <u><u>4,575,436</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102-112
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	113-116
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117-120
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 and provide comparison over time and with other governments.	121-122
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.	123-125

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

City of Margate, Florida
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2013 ¹	2014 ²	2015	2016
Governmental Activities:				
Net investment in capital assets	\$ 57,513,624	\$ 59,679,684	\$ 60,387,578	\$ 60,133,494
Restricted	24,103,414	25,349,566	25,929,103	26,152,283
Unrestricted (deficit)	12,090,802	(35,371,656)	(31,134,727)	(32,416,624)
Total governmental activities net position	<u>\$ 93,707,840</u>	<u>\$ 49,657,594</u>	<u>\$ 55,181,954</u>	<u>\$ 53,869,153</u>
Business-type Activities:				
Net investment in capital assets	\$ 41,685,485	\$ 40,903,406	\$ 43,771,693	\$ 46,413,559
Restricted	500,000	500,000	500,000	500,000
Unrestricted	31,434,457	32,016,559	36,780,207	40,415,771
Total business-type activities net position	<u>\$ 73,619,942</u>	<u>\$ 73,419,965</u>	<u>\$ 81,051,900</u>	<u>\$ 87,329,330</u>
Primary Government:				
Net investment in capital assets	\$ 99,199,109	\$ 100,583,090	\$ 104,159,271	\$ 106,547,053
Restricted	24,603,414	25,849,566	26,429,103	26,652,283
Unrestricted (deficit)	43,525,259	(3,355,097)	5,645,480	7,999,147
Total government net position	<u>\$ 167,327,782</u>	<u>\$ 123,077,559</u>	<u>\$ 136,233,854</u>	<u>\$ 141,198,483</u>

¹ Fiscal year 2013 unrestricted net assets have been restated due to the implementation of GASB 65 and the inclusion of the Northwest Focal Point Senior Center as a blended component unit.

² Fiscal year 2014 unrestricted net assets have been restated due to the implementation of GASB 68.

³ Fiscal year 2017 unrestricted net assets have been restated due to the implementation of GASB 75.

Table 1

Fiscal Year					
<u>2017³</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 60,215,424	\$ 62,969,641	\$ 65,787,214	\$ 71,662,265	\$ 75,507,061	\$ 71,582,216
23,718,734	26,704,283	26,488,946	30,818,826	33,240,371	45,514,761
<u>(53,488,962)</u>	<u>(31,336,561)</u>	<u>(34,912,594)</u>	<u>(46,410,934)</u>	<u>(38,433,081)</u>	<u>(38,362,239)</u>
<u>\$ 30,445,196</u>	<u>\$ 58,337,363</u>	<u>\$ 57,363,566</u>	<u>\$ 56,070,157</u>	<u>\$ 70,314,351</u>	<u>\$ 78,734,738</u>
\$ 48,831,575	\$ 51,915,054	\$ 53,195,346	\$ 56,090,223	\$ 57,740,290	\$ 58,472,473
500,000	500,000	500,000	500,000	500,000	500,000
<u>37,633,944</u>	<u>44,735,364</u>	<u>50,535,278</u>	<u>55,023,954</u>	<u>61,885,510</u>	<u>64,206,779</u>
<u>\$ 86,965,519</u>	<u>\$ 97,150,418</u>	<u>\$ 104,230,624</u>	<u>\$ 111,614,177</u>	<u>\$ 120,125,800</u>	<u>\$ 123,179,252</u>
\$ 109,046,999	\$ 114,884,695	\$ 118,982,560	\$ 127,752,488	\$ 133,247,351	\$ 130,054,689
24,218,734	27,204,283	26,988,946	31,318,826	33,740,371	46,014,761
<u>(15,855,018)</u>	<u>13,398,803</u>	<u>15,622,684</u>	<u>8,613,020</u>	<u>23,452,429</u>	<u>25,844,540</u>
<u>\$ 117,410,715</u>	<u>\$ 155,487,781</u>	<u>\$ 161,594,190</u>	<u>\$ 167,684,334</u>	<u>\$ 190,440,151</u>	<u>\$ 201,913,990</u>

City of Margate, Florida
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
General government	\$ 9,242,469	\$ 11,010,723	\$ 10,237,660	\$ 12,111,517
Public safety	35,380,426	37,593,750	33,491,912	40,320,179
Economic and physical environment	3,550,866	2,623,786	2,332,157	2,186,059
Culture and recreation	4,160,376	4,981,341	5,136,787	5,643,172
Public works	7,311,453	10,981,715	7,099,119	5,691,156
Interest expense	1,730,543	1,651,830	1,537,960	1,729,592
Total governmental activities	<u>61,376,133</u>	<u>68,843,145</u>	<u>59,835,595</u>	<u>67,681,675</u>
Business-type activities:				
Water and wastewater	18,673,006	18,693,949	17,201,687	17,268,787
Stormwater utility	1,083,291	1,035,953	1,094,793	1,239,865
Interest expense	-	-	-	-
Total business-type activities	<u>19,756,297</u>	<u>19,729,902</u>	<u>18,296,480</u>	<u>18,508,652</u>
Total expenses	<u>\$ 81,132,430</u>	<u>\$ 88,573,047</u>	<u>\$ 78,132,075</u>	<u>\$ 86,190,327</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 874,971	\$ 886,109	\$ 112,679	\$ 102,527
Public safety	18,383,201	18,469,940	19,009,361	18,905,230
Economic and physical environment	542,850	568,145	606,746	644,712
Culture and recreation	452,487	511,007	620,378	590,480
Public works	27,863	23,209	26,793	182,365
Operating grants and contributions	3,095,508	2,158,337	2,054,187	1,234,999
Capital grants and contributions	-	-	-	315,776
Total governmental activities	<u>23,376,880</u>	<u>22,616,747</u>	<u>22,430,144</u>	<u>21,976,089</u>
Business-type activities:				
Charges for services:				
Water and wastewater	22,693,640	22,732,250	23,119,770	23,041,571
Stormwater utility	1,249,716	1,248,354	1,249,029	1,674,706
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,317,929	318,930	3,574,749	1,429,870
Total business-type activities	<u>25,261,285</u>	<u>24,299,534</u>	<u>27,943,548</u>	<u>26,146,147</u>
Total program revenues	<u>\$ 48,638,165</u>	<u>\$ 46,916,281</u>	<u>\$ 50,373,692</u>	<u>\$ 48,122,236</u>
Net (Expense)/Revenue:				
Governmental activities	\$ (37,999,253)	\$ (46,226,398)	\$ (37,405,451)	\$ (45,705,586)
Business-type activities	<u>5,504,988</u>	<u>4,569,632</u>	<u>9,647,068</u>	<u>7,637,495</u>
Total net expense	<u>\$ (32,494,265)</u>	<u>\$ (41,656,766)</u>	<u>\$ (27,758,383)</u>	<u>\$ (38,068,091)</u>

Table 2

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 15,566,363	\$ 16,029,823	\$ 17,375,785	\$ 18,651,598	\$ 17,628,396	\$ 21,797,531	
44,439,211	23,748,248	50,009,874	54,520,281	42,003,377	38,588,704	
1,656,356	2,149,791	2,727,004	1,997,008	2,201,710	2,427,507	
6,171,871	4,392,717	5,771,761	6,089,205	6,483,972	6,874,049	
6,402,118	5,529,471	7,445,183	5,594,085	7,454,869	7,293,006	
986,383	959,049	1,026,789	1,088,437	995,383	930,811	
<u>75,222,302</u>	<u>52,809,099</u>	<u>84,356,396</u>	<u>87,940,614</u>	<u>76,767,707</u>	<u>77,911,608</u>	
18,353,056	13,355,780	19,199,737	19,292,589	17,609,210	19,991,966	
1,805,252	1,613,594	2,070,907	2,080,996	2,213,950	3,064,050	
-	-	-	-	-	4,513	
<u>20,158,308</u>	<u>14,969,374</u>	<u>21,270,644</u>	<u>21,373,585</u>	<u>19,823,160</u>	<u>23,060,529</u>	
\$ <u>95,380,610</u>	\$ <u>67,778,473</u>	\$ <u>105,627,040</u>	\$ <u>109,314,199</u>	\$ <u>96,590,867</u>	\$ <u>100,972,137</u>	
\$ 1,247,307	\$ 1,265,458	\$ 1,864,890	\$ 2,101,684	\$ 2,111,702	\$ 2,233,761	
20,764,031	25,109,960	23,755,654	24,416,207	26,009,064	16,146,820	
614,604	577,234	583,439	469,784	658,430	707,788	
626,102	609,489	588,010	115,464	349,315	1,331,184	
153,528	164,019	143,718	153,479	196,231	708,899	
1,672,897	3,331,804	2,783,414	2,139,714	3,126,078	2,103,143	
-	204,500	200,000	1,000,000	-	173,588	
<u>25,078,469</u>	<u>31,262,464</u>	<u>29,919,125</u>	<u>30,396,332</u>	<u>32,450,820</u>	<u>23,405,183</u>	
23,679,881	23,814,914	25,479,357	25,049,915	25,257,239	25,768,232	
1,890,702	1,920,205	1,977,995	3,010,498	3,469,136	3,652,934	
161,670	-	-	176,522	40,579	-	
753,965	712,549	752,643	608,478	1,336,200	309,442	
<u>26,486,218</u>	<u>26,447,668</u>	<u>28,209,995</u>	<u>28,845,413</u>	<u>30,103,154</u>	<u>29,730,608</u>	
\$ <u>51,564,687</u>	\$ <u>57,710,132</u>	\$ <u>58,129,120</u>	\$ <u>59,241,745</u>	\$ <u>62,553,974</u>	\$ <u>53,135,791</u>	
\$ (50,143,833)	\$ (21,546,635)	\$ (54,437,271)	\$ (57,544,282)	\$ (44,316,887)	\$ (54,506,425)	
<u>6,327,910</u>	<u>11,478,294</u>	<u>6,939,351</u>	<u>7,471,828</u>	<u>10,279,994</u>	<u>6,670,079</u>	
\$ <u>(43,815,923)</u>	\$ <u>(10,068,341)</u>	\$ <u>(47,497,920)</u>	\$ <u>(50,072,454)</u>	\$ <u>(34,036,893)</u>	\$ <u>(47,836,346)</u>	

City of Margate, Florida
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (continued)

	Fiscal Year			
	2013	2014	2015	2016
General Revenues:				
Governmental activities:				
Taxes:				
Property	\$ 14,920,830	\$ 15,211,654	\$ 15,587,799	\$ 16,775,348
Franchise	3,799,673	4,062,878	4,181,165	4,227,712
Utility service	6,541,179	6,573,918	6,583,890	6,549,625
Sales	4,446,926	4,817,410	5,109,632	5,255,180
Gas	1,385,386	1,450,728	1,493,761	1,518,724
Tax incremental revenue	3,604,128	4,326,277	4,180,496	4,419,493
Intergovernmental not restricted to specific program	134,625	174,228	176,397	185,753
Investment income (loss)	(116,184)	152,571	221,859	392,078
Miscellaneous	2,022,200	1,893,816	3,049,471	3,287,990
Gain (loss) on disposal of capital assets	54,385	-	69,179	26,444
Transfers	1,747,038	1,746,163	2,276,162	1,754,438
Total governmental activities	<u>38,540,186</u>	<u>40,409,643</u>	<u>42,929,811</u>	<u>44,392,785</u>
Business-type activities:				
Investment income (loss)	284,897	259,292	227,561	330,676
Gain on disposal of capital assets	64,165	29,944	33,468	63,697
Transfers	(1,747,038)	(1,746,163)	(2,276,162)	(1,754,438)
Total business-type activities	<u>(1,397,976)</u>	<u>(1,456,927)</u>	<u>(2,015,133)</u>	<u>(1,360,065)</u>
Total primary government	<u>\$ 37,142,210</u>	<u>\$ 38,952,716</u>	<u>\$ 40,914,678</u>	<u>\$ 43,032,720</u>
Change in Net Position:				
Governmental activities	\$ 540,933	\$ (5,816,755)	\$ 5,524,360	\$ (1,312,801)
Business-type activities	4,107,012	3,112,705	7,631,935	6,277,430
Total change in net position	<u>\$ 4,647,945</u>	<u>\$ (2,704,050)</u>	<u>\$ 13,156,295</u>	<u>\$ 4,964,629</u>

Table 2

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	17,564,660	\$	19,434,073	\$	21,038,583	\$	24,590,658	\$	26,368,626	\$	27,725,606
	4,187,221		4,219,667		4,328,426		4,238,113		4,341,404		4,822,811
	6,721,183		6,798,280		6,620,866		6,543,809		6,704,297		6,905,854
	5,406,711		5,706,697		5,840,184		5,285,263		6,258,880		7,488,997
	1,590,299		1,602,988		1,615,509		1,432,069		1,484,478		1,595,035
	4,977,575		5,867,757		6,362,579		7,187,259		8,061,418		8,937,619
	192,551		201,399		226,152		209,345		594,641		80,783
	594,024		601,435		2,508,447		1,880,591		172,117		(615,693)
	2,584,095		3,141,176		3,029,873		3,016,000		2,579,486		3,389,616
	3,728		49,980		41,198		(37,589)		52,272		631,344
	1,781,501		1,815,350		1,851,657		1,905,355		1,943,462		1,964,840
	<u>45,603,548</u>		<u>49,438,802</u>		<u>53,463,474</u>		<u>56,250,873</u>		<u>58,561,081</u>		<u>62,926,812</u>
	344,894		434,255		1,976,199		1,745,754		120,276		(1,753,430)
	9,138		87,700		16,313		71,326		54,815		101,643
	<u>(1,781,501)</u>		<u>(1,815,350)</u>		<u>(1,851,657)</u>		<u>(1,905,355)</u>		<u>(1,943,462)</u>		<u>(1,964,840)</u>
	<u>(1,427,469)</u>		<u>(1,293,395)</u>		<u>140,855</u>		<u>(88,275)</u>		<u>(1,768,371)</u>		<u>(3,616,627)</u>
\$	<u>44,176,079</u>	\$	<u>48,145,407</u>	\$	<u>53,604,329</u>	\$	<u>56,162,598</u>	\$	<u>56,792,710</u>	\$	<u>59,310,185</u>
\$	(4,540,285)	\$	27,892,167	\$	(973,797)	\$	(1,293,409)	\$	14,244,194	\$	8,420,387
	<u>4,900,441</u>		<u>10,184,899</u>		<u>7,080,206</u>		<u>7,383,553</u>		<u>8,511,623</u>		<u>3,053,452</u>
\$	<u>360,156</u>	\$	<u>38,077,066</u>	\$	<u>6,106,409</u>	\$	<u>6,090,144</u>	\$	<u>22,755,817</u>	\$	<u>11,473,839</u>

Table 3

City of Margate, Florida
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years (accrual basis of accounting) (in thousands of dollars)

Fiscal Year	Property	Franchise	Utility Service	Sales	Gas	Incremental	Total
2013	\$ 14,921	\$ 3,800	\$ 6,541	4,447	\$ 1,385	\$ 3,604	\$ 34,698
2014	15,212	4,063	6,574	4,817	1,451	4,326	36,443
2015	15,588	4,181	6,584	5,110	1,494	4,180	37,137
2016	16,775	4,228	6,550	5,255	1,519	4,419	38,746
2017	17,565	4,320	6,721	5,407	1,590	4,978	40,581
2018	19,434	4,220	6,798	5,707	1,603	5,868	43,630
2019	21,039	4,328	6,621	5,840	1,616	6,363	45,807
2020	24,591	4,238	6,544	5,285	1,432	7,187	49,277
2021	26,369	4,341	6,704	6,259	1,485	8,061	53,219
2022	27,726	4,823	6,906	7,489	1,595	8,938	57,477

City of Margate, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ -	\$ 16,447	\$ 21,019	\$ -
Restricted	1,223,945	1,498,012	1,240,019	1,737,109
Committed	313,585	-	1,060,302	1,060,302
Assigned	6,913,495	19,076,067	22,619,686	23,935,029
Unassigned	17,263,869	7,751,670	7,956,394	8,522,225
Total general fund	<u>\$ 25,714,894</u>	<u>\$ 28,342,196</u>	<u>\$ 32,897,420</u>	<u>\$ 35,254,665</u>
All Other Governmental Funds:				
Nonspendable, reported in:				
Special revenue funds	\$ 484,751	\$ 51,961	\$ 48,137	\$ 46,348
Capital projects funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	22,563,427	8,401,957	8,751,956	8,674,926
Debt service funds	-	1,001,488	1,014,927	1,044,678
Capital projects funds	375,436	14,690,375	14,922,201	14,695,570
Committed, reported in:				
Capital projects funds	132,581	-	-	-
Assigned, reported in:				
Capital projects funds	789,576	1,929,942	1,587,696	2,463,140
Unassigned, reported in:				
Special revenue funds	-	(25,005)	-	(2,441)
Total all other governmental funds	<u>\$ 24,345,771</u>	<u>\$ 26,050,718</u>	<u>\$ 26,324,917</u>	<u>\$ 26,922,221</u>

For additional information on fund balance classifications, see Note 1, D Net position/fund balance.

Table 4

		Fiscal Year						
		2017	2018	2019	2020	2021	2022	
\$	45,717	\$	263,640	\$	252,016	227,482	48,416	83,260
	3,402,307		3,794,975		968,156	32,908	28,606	43,977
	1,088,002		1,098,866		1,029,045	857,675	860,323	890,188
	21,944,916		14,858,097		17,577,550	19,165,039	25,038,714	20,937,804
	9,424,764		12,069,685		12,580,936	12,323,967	11,368,144	16,139,594
\$	<u>35,905,706</u>	\$	<u>32,085,263</u>	\$	<u>32,407,703</u>	<u>32,607,071</u>	<u>37,344,203</u>	<u>38,094,823</u>
\$	53,312	\$	52,026	\$	59,291	68,245	68,050	271,869
	-		-		-	-	15,000	-
	9,939,278		11,103,937		11,638,472	15,159,066	16,232,877	17,352,590
	1,592,104		1,110,957		1,145,063	1,079,040	67,746	68,211
	14,398,058		15,632,982		27,581,864	27,467,823	29,052,108	33,135,320
	-		-		-	-	-	-
	3,498,201		6,672,756		8,962,518	8,793,904	8,626,949	6,719,115
	-		-		-	-	-	-
\$	<u>29,480,953</u>	\$	<u>34,572,658</u>	\$	<u>49,387,208</u>	<u>52,568,078</u>	<u>54,062,730</u>	<u>57,547,105</u>

City of Margate, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Property taxes	\$ 14,920,830	\$ 15,211,654	\$ 15,587,799	\$ 16,775,348
Franchise taxes	3,799,673	4,062,878	4,181,165	4,095,079
Utility service taxes	6,541,179	6,573,918	6,583,890	6,549,625
Tax incremental	3,604,128	4,326,277	4,180,496	4,419,493
Licenses and permits	1,642,538	1,877,792	2,567,975	2,213,850
Intergovernmental	9,062,446	8,795,630	8,803,540	8,467,575
Investment income (loss)	(116,184)	152,571	221,859	392,078
Charges for services	17,150,655	16,972,896	16,521,975	18,272,314
Rental income	542,850	568,145	606,746	644,712
Fines and forfeitures	945,328	1,049,448	862,313	750,256
Impact fees	-	-	-	19,979
Miscellaneous	2,076,585	1,689,018	2,966,035	1,507,090
Total revenues	<u>60,170,028</u>	<u>61,280,227</u>	<u>63,083,793</u>	<u>64,107,399</u>
Expenditures:				
General government	8,864,648	9,683,148	9,900,269	11,327,985
Public safety	35,758,857	32,536,389	33,662,839	35,541,311
Economic and physical environment	1,487,821	2,247,114	1,931,976	2,190,024
Culture and recreation	3,046,418	4,152,605	4,365,561	5,049,683
Redevelopment projects	700,110	1,064,790	-	-
Public works	4,411,430	4,698,554	4,497,875	4,802,219
Debt Service:				
Principal retirement	2,510,383	2,600,937	2,686,915	2,851,608
Interest and other charges	1,814,940	1,650,987	1,561,185	1,464,264
Issuance costs and other fiscal charges	-	-	-	133,148
Capital outlay	829,592	812,791	1,923,912	-
Total expenditures	<u>59,424,199</u>	<u>59,447,315</u>	<u>60,530,532</u>	<u>63,360,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>745,829</u>	<u>1,832,912</u>	<u>2,553,261</u>	<u>747,157</u>
Other Financing Sources (Uses):				
Issuance of refunding bond	15,559,414	-	-	18,950,000
Premium on refunding bond	-	-	-	4,210,851
Issuance of bond	-	-	-	-
Premium of bond	-	-	-	-
Payment to refunded bonds escrow agent	(15,559,414)	-	-	(23,025,000)
Issuance of leases	859,878	-	-	317,103
Proceeds from sale of capital assets	-	-	-	-
Transfers in	2,312,152	20,503,194	8,358,322	5,572,149
Transfers out	(565,114)	(18,757,031)	(6,082,160)	(3,817,711)
Total other financing sources (uses)	<u>2,606,916</u>	<u>1,746,163</u>	<u>2,276,162</u>	<u>2,207,392</u>
Net change in fund balances	<u>\$ 3,352,745</u>	<u>\$ 3,579,075</u>	<u>\$ 4,829,423</u>	<u>\$ 2,954,549</u>
Debt service as a percentage of noncapital expenditures	7.4%	7.3%	7.3%	7.3%

Table 5

							Fiscal Year					
							2017	2018	2019	2020	2021	2022
\$	17,564,660	\$	19,434,073	\$	21,038,583	\$	24,590,658	\$	26,368,626	\$	27,725,606	
	4,319,854		4,219,667		4,328,426		4,238,113		4,341,404		4,822,811	
	6,721,183		6,798,280		6,620,866		6,543,809		6,704,297		6,905,854	
	4,977,575		5,867,757		6,362,579		7,187,259		8,061,418		8,937,619	
	2,805,386		4,595,434		2,524,880		2,840,947		3,805,477		3,696,594	
	8,450,327		9,644,517		11,804,119		10,303,130		11,667,156		11,452,118	
	594,024		601,435		2,527,945		1,881,165		172,117		(615,693)	
	19,099,261		21,692,497		23,401,491		23,630,396		24,367,258		15,211,921	
	614,604		577,234		583,439		469,784		658,430		707,038	
	889,820		1,179,347		704,115		791,151		592,487		945,881	
	351,226		402,892		31,511		94,951		255,987		277,773	
	2,287,818		2,556,069		2,726,094		2,404,042		2,850,289		3,601,284	
	<u>68,675,738</u>		<u>77,569,202</u>		<u>82,654,048</u>		<u>84,975,405</u>		<u>89,844,946</u>		<u>83,668,806</u>	
	14,382,715		18,583,917		17,114,239		17,338,260		17,857,747		19,497,663	
	37,678,550		40,963,436		43,678,856		45,901,655		47,179,562		44,915,568	
	2,033,200		2,806,698		3,038,198		3,011,044		4,583,289		2,598,850	
	5,926,915		6,466,214		6,242,521		8,739,939		7,292,942		7,579,548	
	-		-		-		-		-		-	
	4,603,535		4,953,068		5,328,455		4,756,989		5,202,953		5,806,945	
	2,348,141		3,155,111		2,693,816		2,844,271		3,198,416		1,816,789	
	1,243,652		1,184,846		1,097,064		1,426,924		1,264,901		1,190,993	
	-		-		170,854		-		-		-	
	-		-		-		-		-		-	
	<u>68,216,708</u>		<u>78,113,290</u>		<u>79,364,003</u>		<u>84,019,082</u>		<u>86,579,810</u>		<u>83,406,356</u>	
	459,030		(544,088)		3,290,045		956,323		3,265,136		262,450	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		9,105,000		-		-		-	
	-		-		890,288		-		-		-	
	-		-		-		-		-		-	
	969,242		-		-		-		867,861		1,181,595	
	-		-		-		518,560		155,325		826,110	
	7,033,116		10,976,434		10,040,819		10,569,583		10,795,571		10,105,122	
	(5,251,615)		(9,161,084)		(8,189,162)		(8,664,228)		(8,852,109)		(8,140,282)	
	<u>2,750,743</u>		<u>1,815,350</u>		<u>11,846,945</u>		<u>2,423,915</u>		<u>2,966,648</u>		<u>3,972,545</u>	
\$	<u>3,209,773</u>	\$	<u>1,271,262</u>	\$	<u>15,136,990</u>	\$	<u>3,380,238</u>	\$	<u>6,231,784</u>	\$	<u>4,234,995</u>	
	5.5%		5.9%		5.1%		5.8%		5.8%		4.0%	

**City of Margate, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (in thousands of dollars)**

Fiscal Year	Tax Year	Real Property					Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Market Value	Total Assessed Value as a Percentage of Estimated Market Value
		Residential Property	Commercial Property	Industrial Property	Other (1)						
2013	2012	\$ 1,817,033	\$ 510,425	\$ 95,243	\$ 248,543	\$ 782,366	\$ 1,888,878	7.7365	\$ 2,831,583	66.71%	
2014	2013	1,894,929	503,368	100,647	264,324	785,633	1,977,635	7.5593	2,984,185	66.27%	
2015	2014	2,015,025	509,434	106,087	275,250	792,233	2,113,563	7.3093	3,389,842	62.35%	
2016	2015	2,160,635	507,459	110,480	273,271	785,590	2,266,255	7.3093	3,718,806	60.94%	
2017	2016	2,300,737	556,026	116,066	275,405	803,051	2,445,183	7.0593	4,061,741	60.20%	
2018	2017	2,528,342	610,033	132,996	278,283	831,748	2,717,906	7.0593	4,476,856	60.71%	
2019	2018	2,757,756	628,900	143,835	277,644	854,849	2,953,286	7.0593	4,914,410	60.09%	
2020	2019	2,958,543	644,400	152,103	291,252	879,029	3,167,269	7.7666	5,283,748	59.94%	
2021	2020	3,157,619	662,453	161,746	322,212	910,695	3,393,335	7.7383	5,536,860	61.29%	
2022	2021	3,349,655	664,421	190,714	337,825	935,430	3,607,185	7.7145	5,887,967	61.26%	

Source: Broward County Property Appraiser.

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

(1) "Other" value includes Agricultural, Institutional, Government, and Miscellaneous.

City of Margate, Florida **Table 7**

**Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years (rate per \$1,000 of assessed value)**

Fiscal Year	City of Margate				Overlapping Rates*						Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rate	Broward County School District	Broward County	South Florida Water Management District	Children Services Council	North Broward Hospital District	Florida Inland Navigation District		
2013	7.5000	0.2365	7.7365	7.4560	5.5530	0.4289	0.4902	1.8564	0.0345	23.5555	
2014	7.3300	0.2293	7.5593	7.4800	5.7230	0.4110	0.4882	1.7554	0.0345	23.4514	
2015	6.2761	1.0332	7.3093	7.4380	5.7230	0.3842	0.4882	1.5939	0.0345	22.9711	
2016	6.3402	0.9691	7.3093	7.2740	5.7230	0.3551	0.4882	1.4425	0.0320	22.6241	
2017	6.4554	0.6039	7.0593	6.9063	5.6690	0.3307	0.4882	1.3462	0.0320	21.8317	
2018	6.5183	0.5410	7.0593	6.5394	5.6690	0.3100	0.4882	1.2483	0.0320	21.3462	
2019	6.5594	0.4999	7.0593	6.4029	5.6690	0.2936	0.4882	1.0855	0.0320	21.0305	
2020	7.1171	0.6495	7.7666	6.7393	5.6690	0.2795	0.4882	1.0324	0.0320	22.0070	
2021	7.1171	0.6212	7.7383	6.5052	5.6690	0.2675	0.4882	1.1469	0.0320	21.8471	
2022	7.1171	0.5974	7.7145	6.4621	5.6690	0.2572	0.4699	1.2770	0.0320	21.8817	

Source: Broward County Property Appraiser's Office.

Notes: The City's basic property tax rate may be increased only by majority vote of the City's Commissioners. Rates for debt service are set based on each year's requirements.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Margate.

City of Margate, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago **Table 8**

	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Northwest Regional Hospital Inc.	\$ 66,019,490	1	1.83%	\$ 37,049,070	1	1.96%
BPP Alphabet MF Pinebrook PTE LLC	57,413,050	2	1.59%	-	-	-
Avalon Toscana LLC	55,218,120	3	1.53%	-	-	-
Celebration Pointe North LLC	49,652,900	4	1.38%	-	-	-
Morguard Blue Isle LLC	44,293,410	5	1.23%	19,757,600	9	1.05%
Peppertree Plaza LLC	40,957,830	6	1.14%	-	-	-
Lakes at Margate	40,924,040	7	1.13%	-	-	-
WE Fairways of Carolina Owner LLC	33,532,900	8	0.93%	-	-	-
MHC Coral Cay Plantation LLC	30,558,470	9	0.85%	27,690,000	5	1.47%
Cross Creek Realty Holdings LLC	28,346,530	10	0.79%	-	-	-
IMT Capital II Pinebrook Pointe	-	-	-	36,944,240	2	1.96%
Florida Power & Light Company	-	-	-	32,164,842	3	1.70%
Kimco Realty Corporation	-	-	-	31,466,030	4	1.67%
Mullinax Ford South Inc.	-	-	-	23,499,700	6	1.24%
JM Auto Inc.	-	-	-	22,530,300	7	1.19%
Behringer Harvard Margate LLC	-	-	-	22,242,860	8	1.18%
Aztec RV Resort Inc.	-	-	-	17,429,370	10	0.92%
Total	\$ 446,916,740		12.40%	\$ 270,774,012		14.34%

Source: Broward County Revenue Collector.

Table 9
City of Margate, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount*	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 15,550	\$ 14,949	96.1%	\$ (133)	\$ 14,816	95.3%
2014	2013	15,902	15,241	95.8%	182	15,423	97.0%
2015	2014	16,355	15,667	95.8%	371	16,038	98.1%
2016	2015	17,490	16,758	95.8%	5	16,763	95.8%
2017	2016	18,225	17,533	96.2%	9	17,542	96.3%
2018	2017	20,232	19,382	95.8%	42	19,424	96.0%
2019	2018	21,931	20,983	95.7%	8	20,991	95.7%
2020	2019	25,753	24,554	95.3%	97	24,651	95.7%
2021	2020	27,429	26,243	95.7%	-	26,243	95.7%
2022	2021	28,975	27,721	95.7%	-	27,721	95.7%

Source: Broward County Revenue Collector (included discounts allowed).

* Amounts are exclusive of discounts, interest, and penalties.

City of Margate, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Community Redevelopment Bonds	Leases	Water and Sewer Refunding Revenue Bonds	Leases			
2013	\$ 26,180	\$ 14,133	\$ 742	\$ 6,960	\$ -	\$ 48,015	3.91%	\$ 869
2014	25,167	12,661	625	6,075	-	44,528	3.72%	804
2015	24,119	11,142	506	5,155	-	40,922	3.30%	733
2016	23,144 (2)	9,574	634	4,205	-	37,557	2.87%	656
2017	22,365 (2)	7,955	1,419	3,215	-	34,954	2.57%	603
2018	21,610 (2)	5,769	1,004	2,185	-	30,568	2.10%	524
2019	30,812 (2)	4,045	620	1,115	-	36,592	2.35%	619
2020	29,727 (2)	2,264	396	-	-	32,387	2.01%	546
2021	28,532 (2)	426	854	-	-	29,812	1.85%	502
2022	27,287 (2)	-	1,645	-	153	29,085	1.63%	495

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

(1) See Table 14, Demographic and Economic Statistics, for personal income and population data.

(2) Includes bond premium for GO Refunding Bonds, Series 2016 and for GO Bonds, Series 2019.

City of Margate, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Tax Year	Assessed Value (1)	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita (2)
			General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2013	2012	\$ 1,888,878	\$ 26,180	\$ 43	\$ 26,137	1.38%	473.11
2014	2013	1,977,635	25,167	45	25,122	1.27%	453.33
2015	2014	2,113,563	24,119	56	24,063	1.14%	430.84
2016	2015	2,266,255	23,144	83	23,061	1.02%	402.98
2017	2016	2,445,183	22,365	110	22,255	0.91%	383.97
2018	2017	2,717,906	21,610	126	21,484	0.79%	368.32
2019	2018	2,953,286	30,812	146	30,666	1.04%	518.74
2020	2019	3,167,269	29,727	76	29,651	0.94%	499.59
2021	2020	3,393,335	28,532	58	28,474	0.84%	479.76
2022	2021	3,607,185	27,287	68	27,219	0.75%	463.22

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

(1) See Table 6, Assessed Value and Estimated Actual Value of Taxable Property, for property value data.

(2) Population data can be found on Table 14.

City of Margate, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022 (dollars in thousands)

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes			
Broward County School Board	\$ 2,416,995	1.58%	\$ 38,189
Broward County	<u>68,790</u>	1.69%	<u>1,163</u>
Subtotal, overlapping debt			39,352
City of Margate direct debt			<u>29,085</u>
Total direct and overlapping debt			<u>\$ 68,437</u>

Sources: Taxable value data used to estimate applicable percentages provided by the Broward County Property Appraiser.
Debt outstanding data provided by each governmental unit as listed above.

Notes: Overlapping governments are those that coincide with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Margate. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of other governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Margate, Florida
Pledged-Revenue Coverage
Water and Wastewater Enterprise Fund
Last Ten Fiscal Years (dollars in thousands)

Table 13

		Water and Sewer Refunding Revenue Bonds									
		As Defined by Bond Indenture									
Fiscal Year	Revenues	Expenses	Net Revenues	Income Available for Debt Service	Maximum Annual Debt Service	Coverage-Dollars of Income Available for Each Dollar of Maximum Annual Debt Service					
2013	\$ 22,778	\$ 14,071	\$ 8,707	\$ 8,707	\$ 1,163	\$ 7.49					
2014	22,987	14,693	8,294	8,294	1,163	7.13					
2015	22,346	13,500	9,846	9,846	1,160	8.49					
2016	23,354	13,933	9,421	9,421	1,160	8.12					
2017	24,142	14,979	9,163	9,163	1,160	7.90					
2018	24,595	10,188	14,407	14,407	1,160	12.42					
2019	26,620	15,821	10,799	10,799	1,160	9.31					
2020	-	-	-	-	-	-					
2021	-	-	-	-	-	-					
2022	-	-	-	-	-	-					

Notes: Revenues are defined as all rates, fees, charges, assessments, or other income received by the City or accrued to the City from the operation of the Water and Wastewater System, and also includes the earning and investment income deposited in the Operations and Maintenance Fund and the Renewal and Replacement Fund derived from the investment and re-investment of monies on deposit.

Net revenues are defined as revenues remaining after deduction of operating expenses. For purposes of determining compliance with the rate covenant and parity bond provisions, net revenues shall not include nonpledged revenues.

Nonpledged revenues are defined as connection charges, special assessment charges, capacity reservation charges, meter fees, contributions in aid of construction and other capital contributions, and any non-recurring charges hereafter imposed.

Operating expenses are defined as current expenses, paid or accrued, of operations, maintenance and ordinary current repairs of the Water and Wastewater System and its facilities.

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

Table 14

Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	School Enrollment (3)	Broward County Unemployment Rate (4)
2013	55,245	\$ 1,226,936	\$ 22,209	7,118	5.60%
2014	55,417	1,197,783	21,614	7,172	5.20%
2015	55,851	1,240,283	22,207	7,297	4.90%
2016	57,226	1,309,045	22,875	7,446	4.60%
2017	57,961	1,362,547	23,508	7,447	3.30%
2018	58,329	1,453,617	24,921	7,408	2.80%
2019	59,116	1,556,702	26,333	7,490	2.80%
2020	59,351	1,609,480	27,118	7,326	7.80%
2021	59,351	1,609,480	27,118	7,283	4.40%
2022	58,760	1,786,245	30,399	7,243	2.60%

Sources:

- (1) University of Florida Bureau of Economic and Business Research. 2021 updated information unavailable.
- (2) U.S. Census Bureau
- (3) School Board of Broward County, Florida

Note: School enrollment represents students who reside in Margate that are enrolled in public/charter schools throughout Broward County.

- (4) U.S. Department of Labor, Bureau of Labor Statistics

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

Table 15

	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Global Response Corporation *	1,500	1	4.82%	1,200	1	4.11%
Northwest Medical Center	1,031	2	3.31%	940	2	3.22%
City of Margate, Florida	562	3	1.81%	523	3	1.79%
JM Lexus	450	4	1.45%	398	4	1.36%
Broward County Schools	388	5	1.25%	382	5	1.31%
Walmart	263	6	0.85%	300	6	1.03%
Centers Plan for Healthy Living	200	7	0.64%	-	-	-
Publix	153	8	0.49%	118	10	0.40%
Broward Meat and Fish	100	9	0.32%	-	-	-
Arrigo Dodge/Jeep	97	10	0.31%	-	-	-
Penn Dutch	-	-	-	173	7	0.59%
Nationwide Relocation Services	-	-	-	149	8	0.51%
AutoNation Ford Margate	-	-	-	145	9	0.50%
Total	4,744		15.25%	4,328		14.82%

Sources: Broward Planning Services Division, City-wide data.com, U.S. Bureau of Labor Statistics, Finance Department survey, and the Florida Department of Economic Opportunity.

* Per Global Response Corporation, number of employees is based on persons employed during peak seasonal times (24 hours, 7 days a week operation).

**City of Margate, Florida
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

Table 16

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
City commission	5	5	5	5	5	5	5	5	5	5
City manager	6	7	6	4	4	8	9	9	9	8
Development services **	5	7	7	9	10	8	8	9	8	8
Finance	20	20	21	8	9	9	9	9	9	9
Purchasing *	-	-	-	-	4	4	5	5	5	5
Human resources	6	6	6	6	7	7	7	7	7	8
City clerk	7	7	7	7	7	7	7	7	7	7
City attorney	1	1	1	1	1	1	1	3	2	2
Building	13	13	11	11	13	16	16	17	19	29
Information technology	6	5	5	6	6	6	6	6	6	6
Police:										
Officers	110	111	111	112	111	117	117	117	117	117
Non-certified personnel	69	40	39	35	35	36	37	36	42	37
Fire:										
Firefighters/Paramedics ***	107	108	108	116	116	123	123	123	123	76
Firefighters/EMTs	2	2	2	2	2	2	-	-	-	-
Fire Safety Inspectors	-	-	-	-	-	-	2	2	2	1
Non-certified personnel	2	2	2	2	2	2	3	3	3	3
Public Works:										
Administration	3	3	4	4	4	5	5	6	5	5
Building	9	9	8	7	8	8	9	9	9	9
Garage	10	10	8	9	9	9	9	9	9	9
Roads	3	3	3	3	3	3	3	4	4	4
Stormwater utility	9	9	10	10	11	11	11	11	11	11
Parks and Recreation	46	47	55	50	54	50	49	41	52	54
Environment & Engineering Services:										
Treatment	39	38	37	36	36	38	37	36	36	36
Transmission, distribution & collection	30	30	31	32	32	32	32	32	32	32
Utility billing *	-	-	-	6	6	6	6	6	6	6
Administration & engineering	15	15	15	16	17	18	20	20	21	21
Total	523	498	502	501	512	531	536	532	549	508

Source: City's Finance Department

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

* Purchasing and Utility Billing were previously included in Finance.

** Formerly known as Economic development.

*** Contractual services ended with the City of Coconut Creek reducing staffing accordingly.

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

Table 17

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Building permits issued	4,371	4,441	4,836	4,722	5,080	6,608	5,660	5,217	6,017	6,462
Lien inquiries	2,204	1,777	2,241	2,147	2,079	1,873	2,109	1,854	2,342	2,525
Police:										
Physical arrests	1,528	1,024	1,046	1,025	1,093	1,341	1,161	867	820	792
Parking citations	63	63	118	81	126	132	365	213	220	355
Traffic citations	5,447	4,816	5,097	5,253	6,563	8,185	5,760	3,214	3,071	4,428
Fire:										
Emergency responses	14,585	14,950	15,089	16,390	17,627	18,324	17,436	17,119	17,510	9,099
Inspections	2,877	2,849	2,782	3,360	3,512	3,369	2,579	1,400	2,589	3,066
Public works:										
Total route miles - Margate mini buses	46	57	58	67	55	55	56	55	55	55
Transit passengers - Margate mini buses	60,560	66,198	62,981	71,323	93,473	91,914	95,952	73,336	59,814	71,064
Culture and Recreation:										
Pool admissions	32,052	37,795	50,958	39,477	45,274	38,461	34,915	-	25,337	38,279
Summer camp participants	172	179	198	209	251	268	262	-	62	97
Library circulation	161,766	124,833	114,456	100,171	85,974	71,185	85,756	43,718	41,728	47,200
Environmental and Engineering Services:										
Water and wastewater system:										
Number of billed accounts monthly	16,771	16,779	16,811	16,811	16,873	16,877	16,992	17,031	17,027	17,005
Average number of gallons of water consumed daily (thousands of gallons)	6,945	7,425	6,777	6,462	6,093	5,088	5,523	6,028	5,628	5,674
Average number of gallons of wastewater treated daily (thousands of gallons)	6,900	6,602	6,246	6,484	6,716	6,947	6,532	6,532	6,489	6,689

Sources: Various City Departments

Note: Pool admissions do not include the City's summer camp participants who use the facility during summer camp.

**City of Margate, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police patrol units (marked)	116	115	89	89	100	105	101	96	94	96
Administrative buildings - Fire	1	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	3	3	3	5	3	3
Number of fire engines	10	10	7	5	5	5	5	5	3	3
Number of rescue transport vehicles	9	9	7	5	5	5	5	5	3	3
Public Works:										
Public roads (miles)	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71
City roads (miles)	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28
Transit-minibus	4	4	4	4	4	4	4	4	-	-
Culture and Recreation:										
Number of parks	19	19	19	19	19	19	19	19	19	19
Park acreage	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90
Conservation land use (acres)	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24
Community Center	1	2	2	2	2	2	2	2	2	2
Libraries	1	1	1	1	1	1	1	1	1	1
Environmental and Engineering Services:										
Administrative buildings	1	1	1	1	1	1	1	1	1	1
Water and wastewater system:										
Miles of water mains	211.51	211.27	211.00	212.00	212.67	212.75	213.43	213.43	213.43	213.08
Miles of wastewater mains	176.42	176.68	178.00	179.00	179.09	179.09	180.53	180.53	180.53	178.98
Water treatment capacity per day (thousands of gallons)	18,000	18,000	18,000	20,000	20,000	13,500	13,500	13,500	13,500	13,500

Sources: Various City Departments.

COMPLIANCE SECTION

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

To the Honorable Mayor and
Members of the City Commission
City of Margate, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida (the "City"), as of and for the year ended September 30, 2022, 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 28, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 28, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the City Commission
City of Margate, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Margate, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the City's major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

City of Margate, Florida

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2023

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

To the Honorable Mayor and
Members of the City Commission
City of Margate, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Margate, Florida (the "City") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 28, 2023.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Margate, Florida was incorporated as a municipality in 1961 under Chapter 30962, Laws of Florida, Acts of 1955. The City includes the following blended component units: Margate Community Redevelopment Agency (CRA) established under the authority of Florida Statute Chapter 163, Section III in 1996 and the Northwest Focal Point Senior Center (the "Center") established as a dependent special district in August 2009 by the City of Margate Ordinance 2009-11.

Financial Condition and Management

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

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City reported the specific information in Exhibit 1 accompanying this report. The information for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

City of Margate, Florida

Exhibit 1

**Data Elements Required By Section 218.39(3)(c), Florida Statutes and
Sections 10.554(1)(i)6, Rules of the Auditor General
(Unaudited)**

Data Element	Margate CRA	Senior Center
Number of district employees compensated at 9/30/2022	-	25
Number of independent contractors compensated at September 2022	-	-
Employee compensation for FYE 9/30/2022 (paid/accrued)	\$ -	\$ 532,392
Independent contractor compensation for FYE 9/30/2022 (paid/accrued)	\$ -	\$ -
Each construction project to begin on or after October 1, 2021; (>\$65K):		
Land Improvements	\$ 36,000	\$ -
Atlantic Boulevard Beautification Improvements	\$ 38,936	\$ -
Chevy Chase Shopping Center Improvements	\$ 36,310	\$ -
Serino Park Renovations	\$ 262,823	\$ -
Margate Boulevard Improvements	\$ 70,943	\$ -
City Center - Land Acquisition	\$ 624,706	\$ -
Budget variance report	Pages 70, 95, 100 and 101	Page 93

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

To the Honorable Mayor and
Members of the City Commission
City of Margate, Florida

We have examined the City of Margate, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. 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, 2022.

This report is intended solely for the information and use 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 28, 2023

CPA's + Trusted Advisors

**City of Margate, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2022**

Federal Agency / Pass-Through Grantor / Program Title	Assistance Listing	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards:				
U.S. Department of Health and Human Services:				
Passed through Florida Department of Elder Affairs -				
Passed through the Areawide Council on Aging of Broward County				
Aging Cluster				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	JA121-08-2021	\$ 58,359	\$ -
	93.044	JA122-08-2022	206,238	-
	93.044	N/A	<u>14,192</u>	<u>-</u>
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers - Program Income		93.044 Total	278,789	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	JB8311F-08-2021	<u>3,366</u>	<u>-</u>
		Total Aging Cluster	282,155	-
National Family Caregiver Support, Title III, Part E	93.052	JA121-08-2021	1,095	-
	93.052	JA122-08-2022	<u>3,000</u>	<u>-</u>
		93.052 Total	4,095	-
Low-Income Home Energy Assistance	93.568	JP021-08-2023	4,086	-
American Rescue Plan Act for Low-Income Home Energy Assistance	93.568	JPP22-08-2022	<u>14,904</u>	<u>-</u>
		93.568 Total	18,990	-

See notes to schedule of expenditures of federal awards.

City of Margate, Florida
Schedule of Expenditures of Federal Awards
(Continued)
For the Fiscal Year Ended September 30, 2022

Federal Agency / Pass-Through Grantor / Program Title	Assistance Listing	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards (Continued):				
<u>U.S. Department of Housing and Urban Development:</u>				
Community Development Block Grants / Entitlement Grants	14.218	B-19-MC-12-0045	41,506	41,506
	14.218	B-20-MC-12-0045	139,881	139,881
Community Development Block Grants - Coronavirus	14.218	B-20-MW-12-0045	59,857	59,857
Community Development Block Grants - Program Income	14.218	N/A	537	537
		14.218 Total	241,781	241,781
<u>Executive Office of the President:</u>				
<u>Passed through Monroe County Sheriff's Office</u>				
High Intensity Drug Trafficking Areas Program	95.001	G20MI0001A	6,882	-
	95.001	G21MI0001A	9,642	-
		95.001 Total	16,524	-
<u>U.S. Department of Homeland Security:</u>				
<u>Passed through City of Miami</u>				
National Urban Search and Rescue (US&R) Response System	* 97.025	N/A	102,919	-
	** 97.025	N/A	73,860	-
		97.025 Total	176,779	-
<u>Passed through Florida Division of Emergency Management</u>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	*** 97.036	4486DR-FL	37,755	-

See notes to schedule of expenditures of federal awards.

**City of Margate, Florida
Schedule of Expenditures of Federal Awards
(Continued)
For the Fiscal Year Ended September 30, 2022**

Federal Agency / Pass-Through Grantor / Program Title	Assistance Listing	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards (continued):				
U.S. Department of Justice:				
Direct Program				
Bulletproof Vest Partnership Program	16.607	N/A	17,388	-
Equitable Sharing Program	16.922	N/A	281,539	-
Passed through Florida Department of Law Enforcement				
Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-BROW-6-C9-137	97,380	-
Passed through Florida Office of the Attorney General				
Crime Victim Assistance	16.575	VOCA-2020 City of Margate Police De-00618	2,000	-
	16.575	VOCA-2021-City of Margate Police De-00615	14,637	-
		16.575 Total	16,637	-
U.S. Department of the Treasury:				
Direct Program				
Equitable Sharing Program	21.016	N/A	3	-
			<u>\$ 1,191,026</u>	<u>\$ 241,781</u>

Total Expenditures of Federal Awards

- * Denotes fiscal year 2017/2018 (Hurricane Florence) expenditures
- ** Denotes fiscal year 2018/2019 (Hurricane Michael) expenditures
- *** Denotes fiscal year 2020/2021 (COVID-19) expenditures

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Margate, Florida (the "City"). The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursements, as applicable.

Note 3 - Indirect Cost Rate

The City did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Contingency

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

City of Margate, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Programs

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal program(s):

<u>Assistance Listing No.</u>	<u>Federal Program(s)</u>
16.922	United States Department of Justice - Equitable Sharing Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes _____ no

SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

SECTION III - FEDERAL PROGRAMS AND STATE PROJECTS FINDINGS AND QUESTION COSTS

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.

