



City of Margate, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY OF MARGATE, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

Prepared by the
Finance Department

Ismael Diaz, Finance Director

ABOUT THE COVER

City of Margate Cover Photo: Margate Boulevard

Cover Design: Multimedia Department, Yarelis Fuentes and Jonathan Gil

City of Margate, Florida

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INTRODUCTORY SECTION

Mayor
Antonio V. Arserio

Vice Mayor
Anthony N. Caggiano

Commissioners
Tommy Ruzzano
Arlene R. Schwartz
Joanne Simone



City Manager
Cale Curtis

City Attorney
Weiss Serota Helfman
Cole & Bierman

City Clerk
Jennifer M. Johnson

City of Margate, Florida

March 30, 2026

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, 2025. 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, 2025, are free of material misstatement. Citrin Cooperman LLC, a firm of licensed certified public accountants, has audited the City's financial statements and issued an unmodified ("clean") opinion for the fiscal year ended September 30, 2025. 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, 2025. 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 58,727. The U.S. Census Bureau lists a median household income of \$62,450.

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.

Commencing in 2028, a mayor and four (4) commissioners shall be elected at large by the qualified electors of the City. Each City Commission seat shall be assigned a number from one (1) to four (4). Each City Commission seat shall be filled separately and candidates for the City Commission shall designate, at the time of qualifying, the seat for which they shall run—one (1) through four (4). A candidate receiving the highest total of votes for the seat which he/she qualified for shall be elected to the Margate City Commission for said seat. The regular election of the Mayor and all City Commissioners shall be held on the first Tuesday after the first Monday in November. Beginning with 2028, the Mayor shall be elected for two-year terms beginning in November 2028, and every two (2) years thereafter. An individual shall not be eligible for election as Mayor for more than three (3) consecutive two-year terms. Service as a Commissioner shall not be considered in applying the term limitation provisions of this Section with respect to the office of Mayor. The City Commission shall, at a Commission meeting in November or as soon as practicable thereafter, elect from among its members a Vice-Mayor who shall serve for one (1) year. The Vice-Mayor, if so elected by the City Commission, may serve another one (1) year in the same office for a total not to exceed two (2) years in succession.

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, 2025.

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 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 1,600 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, City of Margate, Broward County Schools, Walmart, and JM Lexus.

The local economy in Margate continues to show positive signs of economic growth. The City's total taxable assessed value provided by the Broward County Property Appraiser of \$4.8 billion for FY 2025 is an increase of 10% from FY 2024. According to the Broward County Property Appraiser, the average assessed value for single family homes in the City was \$249,517.

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

- Melaleuca Gardens is a proposed new residential development of fifteen townhouses for 508 Melaleuca Drive. The original structure was demolished in 2018, and the applicant is currently pending site plan approval as of 9/30/2025. No permits have been submitted for the new structure.
- Legacy of Margate/Marquesa at 5203-5231 Coconut Creek Parkway began construction in September 2025 for four buildings along with a clubhouse for a new 220-unit apartment complex. Inspections are currently being requested.
- Permit#23-4316 tenant improvements of \$3,000,000.00 in total cost of construction was submitted 12/27/2023 for Allegheny Technologies Inc (ATI). A Certificate of Occupancy was issued September 4, 2025.
- Permit#23-2847 for development of "phase II retail outparcel building" portion of "NUVO Margate Self Storage" (Coral Edge) was approved for issuance 6/12/2024. This project includes the new construction of a 7,685 SQ FT building with two retail bays located at 830 S State Road 7. The total cost of construction for this project is \$1.1 million. Plan review corrections are pending.
- Publix was built out to one space of 51,390 square feet with new construction permit #22-3778, 1st TCO issued 3/26/2025, CO documents submitted 7/15/2025. Construction of the remainder of the project is ongoing.
- Bethel Church of God submitted Permit#23-4291 on 12/26/2023 for Pre-Plan Review church expansion for \$925,000 in total cost of construction. Permit issued 2/11/2025, inspections currently being requested.

- Permit#19-3496 for an Emergency Power Service System at Northwest Medical Hospital located at 2801 N State Road 7 was submitted 12/11/2019. The total cost of construction for this project is \$6 Million. The permit expired on 6/11/2025.
- The Forest is a proposed 300 multifamily unit residential development at 787 S. State Road 7 and call center parking lot expansion at 777 S. State Road 7. Pre-Plan Review submitted 9/22/2025 for Bldg#1 Permit#25-2685, Bldg#2 Permit#25-2686 and Bldg#4 Permit#25-2688.
- 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.
- Proposed redevelopment of the plaza at 3271 N. State Road 7 (formerly Florida Career College) into a 321-unit apartment building and 6,000 square feet of commercial space is pending DRC submittal.
- Jades Holding, LLC, located at 830 S State Road 7, is pending site plan approval for a daycare building of 7,500 sq. ft. with 600 sq. ft. playground.
- Permit # 24-00400057 – Lakes of Carolina, located at 3011 Rock Island Rd, is a redevelopment of Carolina Golf course to 540 residential units and up to 30,000 SF retail. Pending approval of Land Use and Zoning.
- Permit# 25-00400047 - Abundant Life, located at 7955 Royal Palm Blvd - undergoing addition to the Church. Final site Plan approval and building permit approval pending. (See DEES/Building Dept comments.)
- MSD Bakery- 3200 Block of Holiday Springs Blvd. New Construction of 7,730 SF bakery, pending DRC approval.
- Permit # 25-00400043 - Cocogate Plaza, located at 1308-1350 N State Road 7 (White Oak Development) proposed eight-story 287-unit apartment building, two new retail buildings (6,158 SF each) pending approval.
- Permit # 25-00400066 - Panda Express, located at 5681 W Atlantic Blvd., former Boston Market building, pending approval.
- Permit # 25-00400057 - Margate Acquisition, LLC, located at 5600 Lakeside Dr, to convert existing Adult Congregate Living Facility to a Multifamily Residential. Pending approval.
- Permit # 25-00400069 - Delray Donuts, Dunkin, located at 5300 Coconut Creek Pkwy. Convert existing drive-through bank teller to a drive-through Dunkin. Pending approval.

The business community in the City of Margate has decreased by 10% over the prior year. The last of the vacant lots are being developed and the increase in redeveloping existing commercial areas continues. Redevelopment is currently 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. Per the interlocal agreement with Broward County (MCRA Resolution No. 753), regarding the extension of the CRA's sunset date of August 13, 2026, the City and the CRA was granted authorization to extend the CRA for an approximate 20-year period, solely on a non-TIF basis only (except for the City which may, if it wishes, extend the City's TIF obligations to the CRA), through and including September 30, 2047. The final TIF obligations of the Taxing authorities (excluding the City) are due on or before January 1st, 2026.

The CRA completed several projects during the year, and additional properties were purchased to further the assemblage for the downtown City Center project. The CRA also has capital projects started or underway, but not completed in FY 2025 including Coral Gate Park Improvements, Margate Boulevard Improvements, Sports Complex Field Upgrades and Gateway Signs as part of its Wayfinding Signage program.

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, signage, painting, 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. In FY 2023 the CRA began distribution of a residential Property Improvement Grant (PIP) program for homesteaded residents located within the MCRA District who qualify for the reimbursement grant for up to \$10,000 for exterior home improvements and continued the program for FY 2024 and FY 2025.

Long-term financial planning and relevant financial policies

The City continues to mitigate the economic impact of a recovering economy on staff and residents. While City revenues are showing continued growth from Florida's economy and higher interest rates, City expenditures are also showing the effects of inflation. The potential increase in expenditures will be absorbed into proposed budgets or handled with a budget amendment, as necessary, with an expected use of reserve funds. The City was awarded American Rescue Plan Act of 2021 (ARPA) monies totaling approximately \$11 million of which \$10 million was used for revenue replacement in FY 2023, while the balance of \$849,938 was allocated for the NW 8th Street Roadway Reconstruction Project in FY 2025 to cover storm water, water and wastewater related costs, of which \$598,224 was expended as of the end of the fiscal year.

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 follows the requirements for 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 the 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. The remaining committed fund balance at September 30, 2025, was \$1,034,969, which includes interest income.

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 2025, the City's average unemployment rate was 3.9% which was higher than last year's rate of 3.6%. The City's unemployment rate was slightly below the County unemployment rate of 4% and equal to the statewide unemployment rate of 3.9%. 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 38.

For fiscal year 2025, the City experienced an increase in municipal taxable property value of approximately \$420 million (10%). The City's total millage of 7.5667 in FY 2025 was lower than the FY 2024 (.0337 decrease) total millage. This decrease is reflective of a 0.4496 debt service millage for the voter approved parks bonds. The operating millage for FY 2025 of 7.1171 remained the same as the FY 2024 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 2024; the GFOA's Distinguished Budget Presentation Award for FY 2018 through FY 2025; 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; The City's Communications team has won 3 consecutive Telly Awards from 2022 through 2024, most recently for their short video series "Happy Holidays from Our Margate," and previously for their video series highlighting local businesses.

Major Initiatives and transitions

General government initiatives include:

- The City Commission approved \$849,938 to be used from the American Rescue Plan Act (ARPA) for stormwater, water and wastewater expenses associated with the NW 8th Street Roadway Reconstruction project, which commenced in March 2025.
- EasyVote election software was launched in FY 2025. The EasyVote Platform is a trusted cloud-based Election Management System designed specifically to streamline the process of running successful elections.
- The Police Department implemented new software to track inventory for property and evidence and successfully located and tagged more than 8,000 items.
- Fire Department received delivery of new rescue, engine, and quint apparatus.
- Information Technology Department completed installation of weather stations at Calypso Cove and switched out all obsolete police laptops.
- The Finance Department transferred 5 years of historical data to their new Enterprise Resource Planning (ERP) software with Aclarian LLC and recommended and tested enhancements to the software in preparation for the go-live date of October 1st, 2025.
- The City was awarded the GFOA Distinguished Budget Presentation Award for the eighth time for the FY 2025 Adopted Budget Book representing a major achievement for the City and the meeting of nationally recognized requirements for an effective budget presentation.
- Public Works Department has completed plans and finalized documents required by Broward county to determine Surtax eligibility for the Margate Bridge repair and maintenance project.
- The 2019 General Obligation Bond proceeds were used to fund various projects throughout the year.
- As of the 2023 Bond Project Presentation, there are four projects planned. The projects include Calypso Cove Improvements, Southeast Park Improvements (phase II), Oriole Park improvements, and Centennial Park Improvements. All four projects are on-going as of the end of Fiscal Year 2025.

- Governmental capital projects completed in FY 2025 included the completion of remodel projects for Fire Station 18 and 98.
- Department of Environmental and Engineering Services (DEES) continue to replace various water mains and wastewater gravity/force mains throughout the City. In addition, DEES projects started, and/or completed in FY 2025 include rehabilitation of the Water Treatment Plant (WTP) East Accelerator tank, Supervisory Control and Data Acquisition (SCADA) replacement, Meter Shop Expansion, Distribution and Collection Division Breakroom/Locker-room Renovations, and Wastewater Treatment Plant (WWTP) Permit Renewal.
- Over the past fifteen years, the City has used reserves in some Funds to help balance the budget. Although the budget may have used 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, 2024. This was the thirty-seventh 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 comprehensive annual 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, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF MARGATE, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2025

ELECTED OFFICIALS

CITY COMMISSION

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

APPOINTED OFFICIALS

CITY MANAGER

Cale Curtis

ASSISTANT CITY MANAGER

Larry Vignola

CITY ATTORNEY

Weiss Serota Helfman Cole & Bierman, P.L.

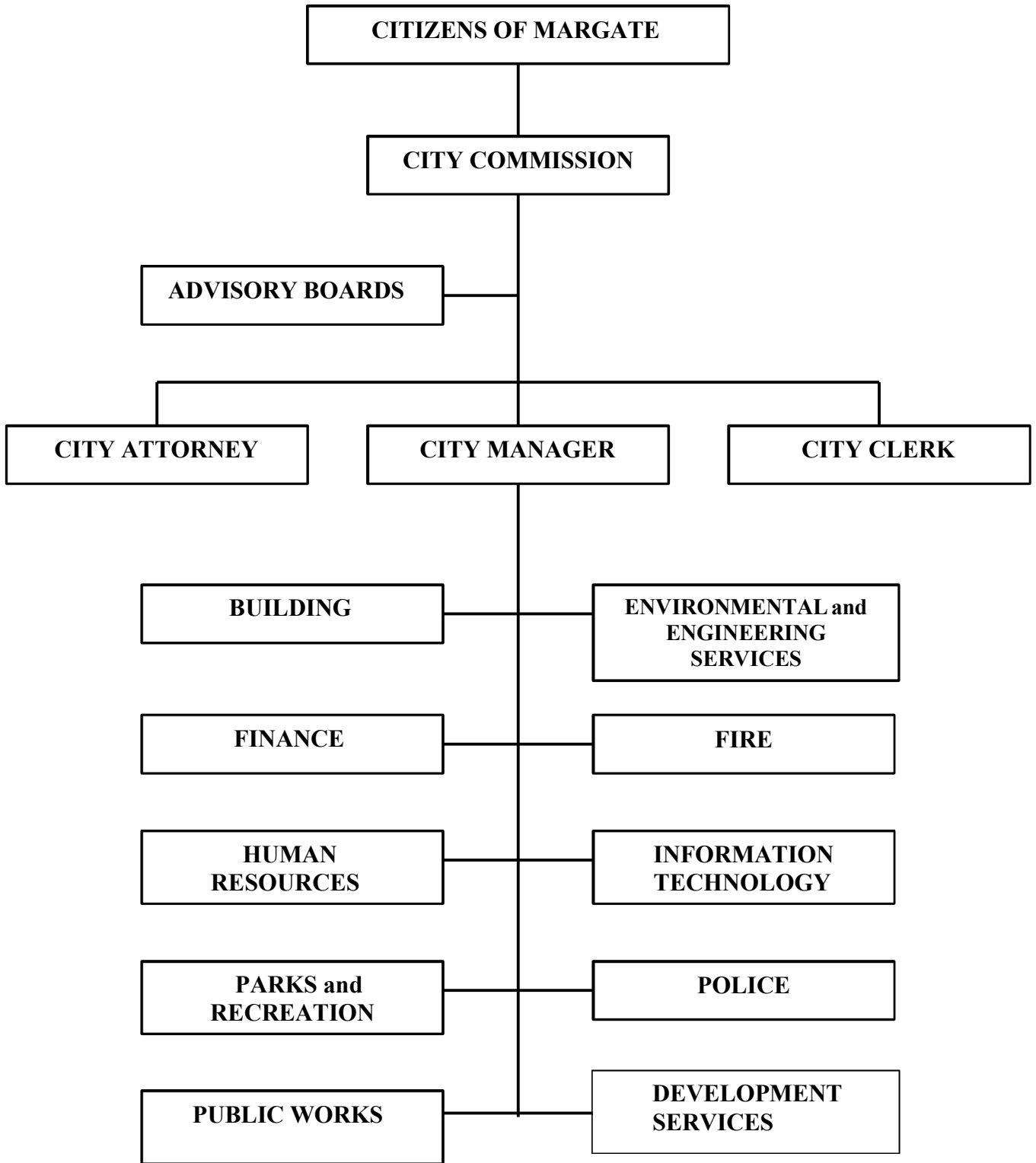
CITY CLERK

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	Michael Palma
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, 2025, 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, as of September 30, 2025, 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, budgetary comparison schedules, and the schedules related to pensions and other post-employment benefits, as listed in the table of contents, 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

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.

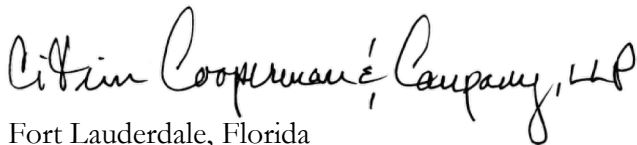
Other Information

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 30, 2026, 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 the effectiveness of the City's 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.



Fort Lauderdale, Florida
March 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

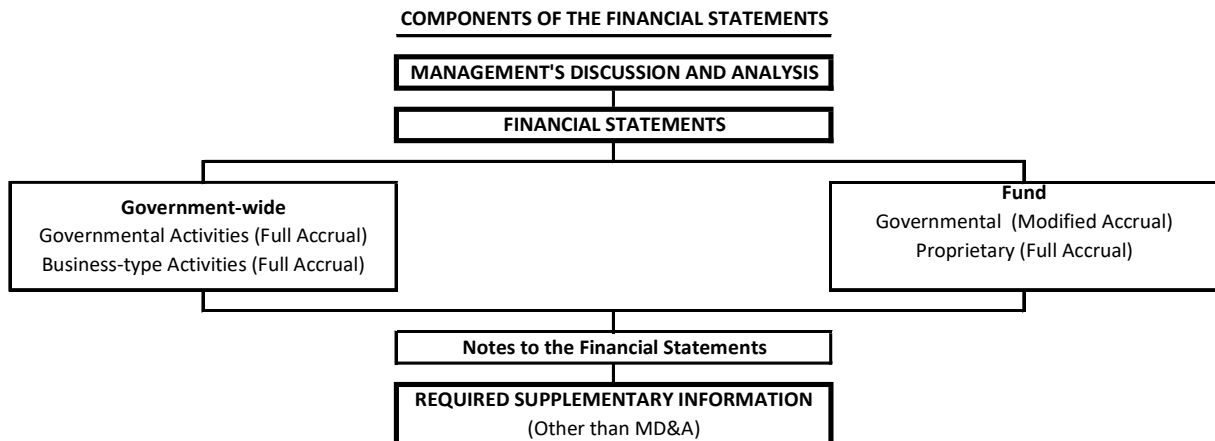
As management of the City of Margate, Florida (the City), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. Since the management’s discussion and analysis (MD&A) is designed to 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 2025 by \$ 284.3 million (*net position*). Of this amount, \$ 33.5 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 \$ 38.3 million in comparison to the prior year. The business-type activities’ net position increased by \$ 11.7 million, while the net position of governmental activities increased by \$ 26.6 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$ 132.7 million, an increase of \$ 6.4 million in comparison with the prior year. Approximately 47.30% of this total amount, or \$ 62.7 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 \$ 21.5 million, or 26.23% of total General Fund expenditures.
- The City’s total debt (bonds, leases and SBITAs) decreased by approximately \$ 126,000.

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 nineteen 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, Recreation Trust Fund, and Margate Community Redevelopment Agency Capital Improvement 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 68 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 79 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 \$ 284.3 million at the close of the most recent fiscal year.

The following schedule is a summary of the City's net position for fiscal year 2025 with comparative information for fiscal year 2024:

**City of Margate, Florida
Management's Discussion and Analysis
September 30, 2025**

	Net Position (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 154,624	\$ 148,156	\$ 62,784	\$ 59,836	\$ 217,408	\$ 207,992
Capital assets	110,996	100,010	103,126	93,684	214,122	193,694
Total assets	<u>265,620</u>	<u>248,166</u>	<u>165,910</u>	<u>153,520</u>	<u>431,530</u>	<u>401,686</u>
Pension related deferred outflows	12,593	15,523	1,051	1,366	13,644	16,889
OPEB related deferred outflows	8,663	5,548	1,675	1,170	10,338	6,718
Total deferred outflows of resources	<u>21,256</u>	<u>21,071</u>	<u>2,726</u>	<u>2,536</u>	<u>23,982</u>	<u>23,607</u>
Non-current liabilities	118,456	127,389	11,304	11,548	129,760	138,937
Other liabilities	6,714	7,342	6,607	5,551	13,321	12,893
Total liabilities	<u>125,170</u>	<u>134,731</u>	<u>17,911</u>	<u>17,099</u>	<u>143,081</u>	<u>151,830</u>
Pension related deferred inflows	14,805	12,610	878	643	15,683	13,253
OPEB related deferred inflows	4,804	5,872	973	1,146	5,777	7,018
Lease related deferred inflows	6,579	7,142	-	-	6,579	7,142
Total deferred inflows of resources	<u>26,188</u>	<u>25,624</u>	<u>1,851</u>	<u>1,789</u>	<u>28,039</u>	<u>27,413</u>
Net Position:						
Net investment in capital assets	82,161	72,881	101,844	92,982	184,005	165,863
Restricted	66,847	59,952	-	500	66,847	60,452
Unrestricted (deficit)	<u>(13,490)</u>	<u>(23,951)</u>	<u>47,030</u>	<u>43,686</u>	<u>33,540</u>	<u>19,735</u>
Total net position	<u>\$ 135,518</u>	<u>\$ 108,882</u>	<u>\$ 148,874</u>	<u>\$ 137,168</u>	<u>\$ 284,392</u>	<u>\$ 246,050</u>

By far the largest portion of the City's net position (64.70%) 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 increased by \$ 18.1 million during the year which is primarily due to an increase in capital assets for both business-type activities and governmental activities for major water and wastewater plant improvements such as the Infiltrate and Inflow rehabilitation, building improvements, watermain replacements, park improvements, and acquisition of land.

An additional portion of the City's net position (23.51%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 33.5 million (11.79%) 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 \$ 38.3 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, the increase to revenues from updated fees and charges for water and wastewater services and increased property tax revenue due to Florida's growing economy.

**City of Margate, Florida
Management’s Discussion and Analysis
September 30, 2025**

Changes in Net Position

The following schedule is a summary of the City’s operations for fiscal year 2025 with comparative information for fiscal year 2024:

	Changes in Net Position (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 25,895	\$ 21,791	\$ 39,431	\$ 35,132	\$ 65,326	\$ 56,923
Operating grants and contributions	2,414	2,157	523	-	2,937	2,157
Capital grants and contributions	1,259	150	1,923	597	3,182	747
General revenues:						
Ad valorem taxes	36,250	33,341	-	-	36,250	33,341
Tax incremental revenues	12,533	11,318	-	-	12,533	11,318
Other taxes	22,267	22,215	-	-	22,267	22,215
Intergovernmental	244	82	-	-	244	82
Investment income	5,929	6,943	2,171	3,245	8,100	10,188
Other	6,917	4,265	29	122	6,946	4,387
Total revenues	113,708	102,262	44,077	39,096	157,785	141,358
Expenses:						
Program Expenses:						
General government	23,069	23,833	-	-	23,069	23,833
Public safety	44,854	45,532	-	-	44,854	45,532
Economic and physical environment	4,715	2,640	-	-	4,715	2,640
Culture and recreation	8,782	7,241	-	-	8,782	7,241
Public works	7,047	7,797	-	-	7,047	7,797
Debt service	1,049	1,057	-	-	1,049	1,057
Water and wastewater utility	-	-	26,154	24,947	26,154	24,947
Stormwater utility	-	-	3,773	2,933	3,773	2,933
Total expenses	89,516	88,100	29,927	27,880	119,443	115,980
Increase (decrease) in net position before transfers	24,192	14,162	14,150	11,216	38,342	25,378
Transfers	2,444	2,313	(2,444)	(2,313)	-	-
Increase (decrease) in net position	26,636	16,475	11,706	8,903	38,342	25,378
Net position, October 1	108,882	92,407	137,168	128,265	246,050	220,672
Net position, September 30	\$ 135,518	\$ 108,882	\$ 148,874	\$ 137,168	\$ 284,392	\$ 246,050

Revenues: For fiscal year ended September 30, 2025, revenues from governmental activities totaled \$113.7 million. This was an increase of approximately \$ 11.4 million, or 11.19%, 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 \$ 1.2 million, or 10.74%. 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 10.0% from fiscal year 2024. The net increase in ad valorem taxes was approximately \$ 2.9 million or 8.72%.

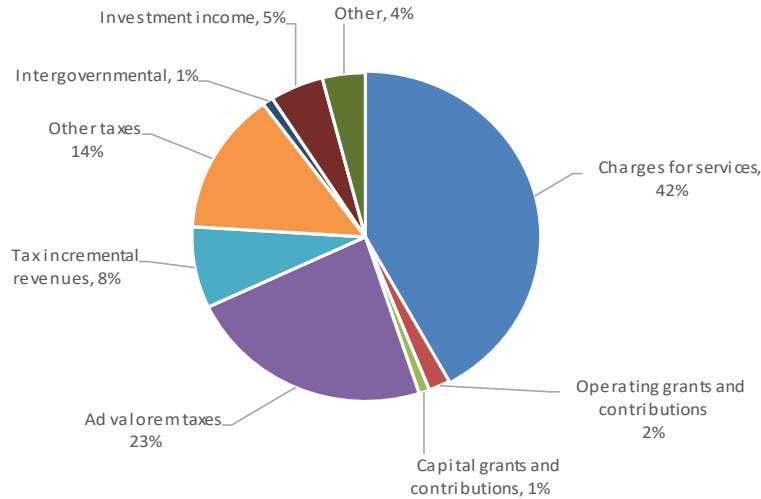
Other changes in governmental activities resulted from the following:

- Charges for services increased by approximately \$ 4.1 million due mainly to construction developer fees and ambulance transportation fees.
- Other taxes of the governmental activities, which include gas taxes, utility services taxes, franchise taxes and other taxes increased by approximately \$ 52,000 or 0.23%. These taxes are tied to usage by the public.
- Intergovernmental revenues increased by \$ 0.162 million mostly due to Federal and State grants for park improvements.
- Investment income decreased by \$ 1.0 million due to lower interest rates compared to the prior year. The Federal Reserve lowers interest rates to stimulate economic growth for the United States' economy.
- Other revenues increased by approximately \$ 2.7 million and the increase is mostly attributable to the Department of Justice Asset Forfeiture program funds received and contributions by developers for parks, trees preservation, and the Underground Utility Trust Fund.
- Capital grants and contributions increased by \$ 1.1 million due mainly to State grants received for Southeast Park improvements and for cybersecurity.
- Operating grants and contributions increased by \$ 257,000, an 11.91% increase from the previous year. This was largely due mostly to a Federal CDBG-CV Cares grant expended in FY2025 for housing assistance.

For fiscal year ended September 30, 2025, revenues from business-type activities totaled \$ 44.0 million. This was an increase of \$ 4.9 million, or 12.74 % from the prior fiscal year. Additional details on the components of this change are discussed below.

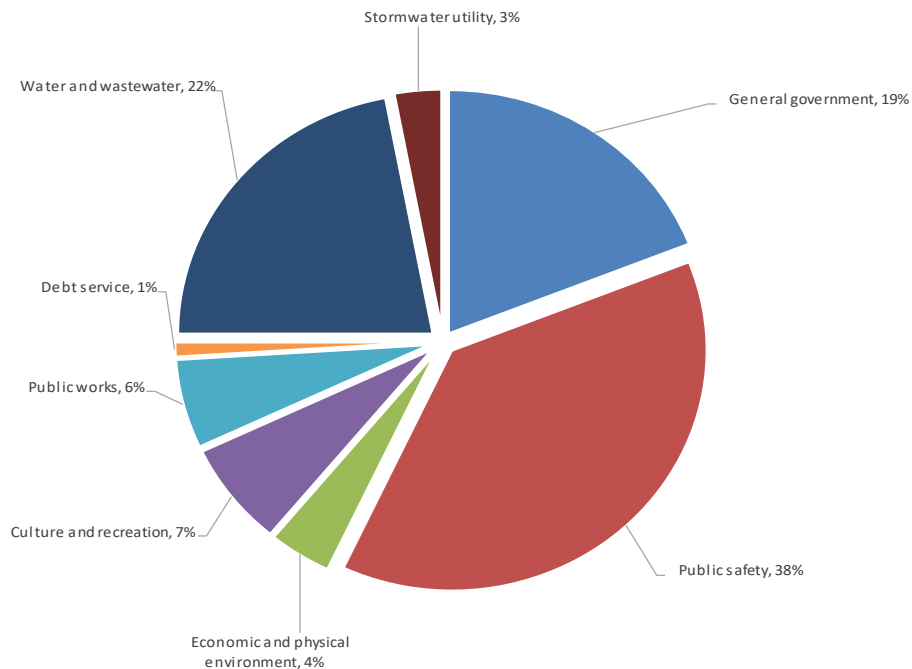
- Business-type charges for services increased slightly by \$ 4.3 million. This 12.24% increase is due to increased fees and rates effective October 1, 2024.
- Operating grants increased by approximately \$ 523,000 mainly for stormwater grant projects for Comprehensive Vulnerability Assessment, Stormwater Infrastructure and Canal Embankment Restoration, and stormwater portion of ARPA grant expenditures on the NW 8th Street Roadway Reconstruction project.
- Capital grants and contributions increased by approximately \$ 1.3 million in fiscal year 2025 mainly due to connection fees paid by developers and ARPA grant funds spent in FY2025 on the NW 8th Street Roadway Reconstruction project for water and wastewater.
- Investment income decreased by \$ 1.1 million due to lower interest rates and smaller gains on the value of investments compared to the prior year. The Federal Reserve lowers interest rates to stimulate economic growth for the United States' economy.
- Other revenues decreased by \$ 93,000 for business-type activities for miscellaneous revenue.

Sources of Revenue: Government-wide for Fiscal Year 2025



Expenses: For fiscal year ended September 30, 2025, expenses for governmental activities totaled \$ 89.5 million, which was an increase of approximately \$ 1.4 million from prior year expenses. For the fiscal year ended September 30, 2025, expenses for business-type activities totaled approximately \$ 29.9 million or an increase of \$ 2.0 million from prior year expenses. The increase in expenses for governmental activities was primarily due to increased spending on trees using developer contributions, increased amortization expense for lease assets, expenses related to new leases acquired in FY2025, increased staffing for the Parks and Recreation Department and increased contributions to the Margate Community Redevelopment Agency (MCRA). The increase in expenses for business type activities was primarily due to regulatory permit fees due in FY2025, increased costs for supplies and increased costs for repairs and maintenance.

Functional Expenses: Government-wide for Fiscal Year 2025



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 \$ 132.7 million in fund balance, including \$ 21.5 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 \$ 58.4 million of which approximately \$ 157,000 is nonspendable, \$ 167,000 is restricted, \$ 1.0 million is committed, \$ 35.5 million is assigned for future obligations, and \$ 21.5 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 (\$ 21.5 million) represents 26.23% of total General Fund expenditures, while total fund balance represents 71.19% of that same amount.

The fund balance of the City's General Fund increased by approximately \$ 3.3 million. The increase was due to increased revenues from property taxes, investments, franchise, and utility fees. Total expenditures increased in the General Fund primarily due to GASB 87 capital outlay for new leased vehicles and GASB 96 entry for subscription based information technology arrangements (SBITA).

The following Margate Community Redevelopment Agency (CRA) funds were reported as major funds: Trust Fund and Capital Improvement Fund. The Trust Fund had a fund balance of approximately \$ 885,000, of which approximately \$7,000 is nonspendable and \$ 878,000 is restricted for economic development. This was the result after budgeted transfers of \$9,352,430 were made to the CRA Capital Improvement Fund to finance on-going capital projects and Land Acquisition. The tax revenues for the year increased primarily due to increased property taxes revenue, which grew as a result of an average increase of approximately 7.97% for the taxable property values in the tax increment area for the CRA, driven by increased property values in the local real estate market. All available funds, at the end of the fiscal year, were restricted to economic development projects as required by Florida Statutes. The CRA Capital Improvement Fund had a total fund balance of \$ 45.3 million at the end of the current fiscal year, all of which is restricted for future redevelopment projects. The increase of \$ 4.6 million in the fund balance of the Capital Improvement Fund was due to transfers from the Trust Fund and \$ 1,878,637 in interest income.

The Recreation Trust Fund is also reported as a major fund. At the end of the current fiscal year, fund balance totaled \$ 3.5 million of which approximately \$ 693,000 is nonspendable, and \$ 2.8 million is restricted. Fund balance increased by approximately \$ 1.6M during the year ended September 30, 2025, due to Tower site rental fees collected and developer contributions for parks.

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 \$ 39.2 million and \$ 7.9 million in the Stormwater Utility Fund. The Water and Wastewater Fund experienced a \$ 10.4 million increase in net position and the Stormwater Utility Fund reported a \$ 1.3 million increase in net position.

At the end of fiscal year 2025 the City's self-insurance fund, the General Insurance Fund, had assets of \$ 7.2 million, as well as liabilities of approximately \$ 5.2 million which represented estimated claims payable. Ending net position was \$ 2.0 million. This is a decrease of approximately \$ 316,000 from the prior year mainly due to an increase in expenditures for workers' compensation.

Original Budget Compared to Final Budget

Throughout the year, there were some significant amendments, \$6.2 million, increasing the expenditures budget. These resulted primarily from:

1. The first FY2025 amendment consisted of a General Fund amount of \$354,206, to budget \$354,206 balance forward for the Margate Property Improvement Program; a Road Fund amount of \$550,000 and a Water and Wastewater Fund amount of \$1,049,938 for the NW 8th Street Roadway Reconstruction project, which is partially funded with ARPA grant funds.
2. General Fund budget changes of an additional \$3.1 million include \$1,339,000 for GASB 87 capital outlay for leased assets (offset by GASB 87 entry to increase revenues for lease proceeds); \$713,000 to the Fire department for increased staffing cost as a result of a mutual aid agreement, increased cost for ambulance billing administration services and the cost for repair and maintenance; \$655,000 to the Parks and Recreation Department for parking lot improvements at Firefighters Park (Res#25-013), youth sports leagues, overtime, and seasonal events; \$186,000 for ongoing legal services; \$178,989 retirement benefit settlement per Resolution #24-096; \$13,000 for personnel changes in the Information Technology Department.
3. Amendment of \$150,000 for the NW 8th Street Roadway Reconstruction project in the Road Fund; \$144,762 transfer both from the Federal Forfeiture Fund (Justice) and to Federal Forfeiture Fund/Treasury to create a separate fund for Federal Forfeiture Treasury funds; \$267,428 for various capital projects including the Dog Park and Firefighters Park improvements; and \$131,000 for Fire Station 18 improvements from Public Safety Impact Fee Fund.
4. Amendment reallocating \$162,096 of ARPA funds from the Water/Wastewater Renewal and Replacement Fund to the Stormwater Utility Fund for their portion of the NW 8th Street Roadway Reconstruction project. \$356,000 amendment to Water/Wastewater Connection Fees Fund to support new development project at Cocogate Plaza.

General Fund Budgetary Highlights

Final budget compared to actual results. General Fund revenues in total exceeded the final budget in all of the five major revenue categories. The final budget to actual revenues resulted in an increase of approximately \$ 5.2 million. The increase was primarily due to revenues from investment income (\$ 0.9 million), charges for services (\$ 1.6 million), licenses and permits (\$ 0.6 million), and utility service taxes (\$ 0.8 million).

Total General Fund expenditures were less than final budgeted by approximately \$ 4.1 million. The majority of this favorable budget was recognized in the various operating cost line item expenditures throughout the General Fund due to vacant budget positions, cost control measures, and purchase orders encumbered to be expended in the following fiscal year.

**City of Margate, Florida
Management's Discussion and Analysis
September 30, 2025**

	Original Budget	Final Budget	Actual Amounts
Revenues:			
Property taxes	\$ 33,720,000	\$ 33,720,000	\$ 34,095,348
Permits, fees, and other taxes	13,580,203	13,580,203	14,827,876
Intergovernmental	7,527,500	7,527,500	7,810,165
Charges for services	16,281,854	16,281,854	17,873,219
Other	3,828,309	3,828,309	5,503,525
Total revenues	<u>74,937,866</u>	<u>74,937,866</u>	<u>80,110,133</u>
Total expenditures	<u>79,368,987</u>	<u>86,137,874</u>	<u>82,040,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,431,121)</u>	<u>(11,200,008)</u>	<u>(1,930,326)</u>
Other Financing Sources (Uses):			
Transfers in	2,444,497	2,444,497	2,444,497
Issuance of leases	-	1,339,000	1,372,288
Issuance of SBITAs	-	-	1,305,981
Proceeds from sale of capital assets	100,000	100,000	152,800
Transfers out	(50,000)	(50,000)	(50,000)
Total other financing sources, net	<u>2,494,497</u>	<u>3,833,497</u>	<u>5,225,566</u>
Net change in fund balances	<u>\$ (1,936,624)</u>	<u>\$ (7,366,511)</u>	<u>\$ 3,295,240</u>

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2025, amount to \$ 214.1 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, machinery and equipment, intangibles, software subscriptions, and construction in progress.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 33,213	\$ 30,855	\$ -	\$ -	\$ 33,213	\$ 30,855
Intangibles	5,614	5,517	9,200	9,200	14,814	14,717
Construction in progress	4,736	3,194	12,675	7,274	17,411	10,468
Infrastructure	23,383	24,082	65,883	62,047	89,266	86,129
Buildings	20,484	15,156	10,679	10,793	31,163	25,949
Machinery and equipment	6,912	6,689	4,443	4,057	11,355	10,746
Software subscriptions	3,413	2,928	246	313	3,659	3,241
Improvements other than buildings	13,241	11,589	-	-	13,241	11,589
Total	<u>\$ 110,996</u>	<u>\$ 100,010</u>	<u>\$ 103,126</u>	<u>\$ 93,684</u>	<u>\$ 214,122</u>	<u>\$ 193,694</u>

In the governmental funds, major additions included the acquisition of lease vehicles for Police, Public Works, and various other departments; Police taser hardware/software and other equipment Renovations to Southeast Park and Firefighter Park; Renovations/improvements in progress for NW 8th Street Roadway, Dog Park, Calypso Cove Aquatic Center, Senior Center, and Fire Station #98.

CRA additions included the acquisition of land and capitalization of construction completed at Chevy Plaza, Southgate Boulevard and Coral Gate. Construction in progress at Margate Boulevard and Underground Utility at Atlantic Blvd/Coconut Creek; and capitalization of construction completed at Chevy Plaza, Southgate Boulevard and Coral Gate.

City of Margate, Florida
Management’s Discussion and Analysis
September 30, 2025

Business-type additions included major infrastructure and building improvement projects for the water main replacements, lift stations renovations, infiltration and inflow rehabilitation, water treatment plant accelerators, and NW 8th Street reconstruction. In addition, major equipment additions included the acquisition of leased vehicles and the purchase of new equipment (generators, lightning suppressor systems, bucket truck, and garbage truck).

Additional information on the City’s capital assets can be found in Note 6 on pages 45 through 47 of this report.

Debt Administration: At the end of the fiscal year, the City had \$ 23.3 million in general obligation bonds (including \$ 3 million in bond premium), as well as \$ 7.9 million outstanding in leases and SBITAs for a total outstanding debt of \$ 31.2 million.

	Outstanding Debt (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 20,290	\$ 21,440	\$ -	\$ -	\$ 20,290	\$ 21,440
Premium on general obligation bonds	2,972	3,217	-	-	2,972	3,217
Leases	3,736	3,261	763	310	4,499	3,571
SBITAs	3,194	2,786	241	308	3,435	3,094
Total	\$ 30,192	\$ 30,704	\$ 1,004	\$ 618	\$ 31,196	\$ 31,322

More detailed information about the City’s long-term liabilities is presented in Note 7 beginning on page 48 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors affected the development of the Fiscal Year 2025/2026 budget. The local economy continued to show positive signs with the state’s growing population and strong labor market. Property taxes, which are 42.09% of the total General Fund revenue budget, are budgeted for no increase in the operating millage rate which remains at 7.1171, generating \$ 35.9 million, an increase of \$ 2.2 million higher than fiscal year 2025 amended due mainly to increased property values. The debt service millage reflects a decrease in fiscal year 2026 of 6.5% from .4496 to .4205 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 the Homestead exemption or to communications and sales taxes. State Shared Revenues (i.e., Sales Tax and Half Cent Sales Tax) and revenue from Recreation Fees continue to increase with Florida’s growing economy.

The water and wastewater rates increased on October 1, 2024, based on a Comprehensive Water and Sewer Rate Study completed in September 2023 and approved by the Commission on December 6, 2023. The study allows for additional increases for the next few years and then an annual increase by the CPI thereafter until a new rate study is completed.

The proposed rates would enable the utility to perform the necessary capital improvements and operational enhancements to remain compliant with the regulatory requirements of the Florida Department of Environmental Protection, the Florida Department of Health, and the U.S. Environmental Protection Agency. The rates should also be considered equitable, affordable, and competitive without causing "rate shock" to customers. Stormwater rates increased in January 2020 and will continue to have a 5% increase annually on October 1st of each 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, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash, cash equivalents, and investments	\$ 142,448,520	\$ 54,412,738	\$ 196,861,258
Accounts receivable, net	4,623,317	5,112,248	9,735,565
Lease receivables	7,271,497	-	7,271,497
Prepayments and other assets	281,033	40,085	321,118
Inventories	-	1,268,130	1,268,130
Restricted cash, cash equivalents, and investments	-	1,950,664	1,950,664
Capital assets:			
Nondepreciable	43,562,800	21,874,846	65,437,646
Depreciable, net	67,432,764	81,250,791	148,683,555
Total capital assets, net	<u>110,995,564</u>	<u>103,125,637</u>	<u>214,121,201</u>
Total assets	<u>265,619,931</u>	<u>165,909,502</u>	<u>431,529,433</u>
Deferred Outflows of Resources:			
Related to pensions	12,593,244	1,051,344	13,644,588
Related to OPEB	8,663,118	1,675,409	10,338,527
Total deferred outflows of resources	<u>21,256,362</u>	<u>2,726,753</u>	<u>23,983,115</u>
Liabilities:			
Accounts payable and accrued liabilities	6,117,032	4,095,331	10,212,363
Retainage payable	-	277,123	277,123
Deposits	73,706	1,967,579	2,041,285
Accrued interest payable	300,093	14,982	315,075
Unearned revenue	223,130	251,714	474,844
Due within one year:			
Total other post employment benefits (OPEB) liability	1,245,203	264,039	1,509,242
Claims and judgements	1,782,087	-	1,782,087
Bonds payable	1,205,000	-	1,205,000
Compensated absences	1,069,529	133,466	1,202,995
Leases payable	1,184,558	183,568	1,368,126
SBITAs payable	789,454	73,262	862,716
Due in more than a year:			
Total other post employment benefits (OPEB) liability	15,139,527	3,210,261	18,349,788
Claims and judgements	3,271,599	-	3,271,599
Bonds payable	22,056,854	-	22,056,854
Compensated absences	11,146,487	1,700,551	12,847,038
Leases payable	2,551,673	579,020	3,130,693
SBITAs payable	2,404,447	168,207	2,572,654
Net pension liability	54,609,586	4,991,343	59,600,929
Total liabilities	<u>125,169,965</u>	<u>17,910,446</u>	<u>143,080,411</u>
Deferred Inflows of Resources:			
Related to pensions	14,804,561	878,220	15,682,781
Related to OPEB	4,804,090	973,071	5,777,161
Deferred amount on lease receivables	6,578,905	-	6,578,905
Total deferred inflows of resources	<u>26,187,556</u>	<u>1,851,291</u>	<u>28,038,847</u>
Net Position:			
Net investment in capital assets	82,161,335	101,844,457	184,005,792
Restricted for:			
Debt service	113,037	-	113,037
Culture and recreation	3,570,279	-	3,570,279
Physical and economic redevelopment	1,802,426	-	1,802,426
Public safety	7,208,376	-	7,208,376
Highway and streets	8,882,715	-	8,882,715
Community redevelopment projects	45,270,998	-	45,270,998
Unrestricted (deficit)	(13,490,394)	47,030,061	33,539,667
Total net position	<u>\$ 135,518,772</u>	<u>\$ 148,874,518</u>	<u>\$ 284,393,290</u>

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 23,069,000	\$ 3,989,010	\$ 174,626	\$ -	\$ (18,905,364)	\$ -	\$ (18,905,364)
Public safety	44,854,116	19,254,863	262,420	5,059	(25,331,774)	-	(25,331,774)
Economic and physical environment	4,714,982	894,375	463,499	-	(3,357,108)	-	(3,357,108)
Culture and recreation	8,782,326	1,558,439	1,438,664	1,254,320	(4,530,903)	-	(4,530,903)
Public works	7,047,039	197,933	74,303	-	(6,774,803)	-	(6,774,803)
Interest expense	1,048,931	-	-	-	(1,048,931)	-	(1,048,931)
Total governmental activities	<u>89,516,394</u>	<u>25,894,620</u>	<u>2,413,512</u>	<u>1,259,379</u>	<u>(59,948,883)</u>	<u>-</u>	<u>(59,948,883)</u>
Business-type activities:							
Water and wastewater	26,153,829	35,200,567	34,621	1,923,424	-	11,004,783	11,004,783
Stormwater utility	3,773,389	4,230,128	488,169	-	-	944,908	944,908
Total business-type activities	<u>29,927,218</u>	<u>39,430,695</u>	<u>522,790</u>	<u>1,923,424</u>	<u>-</u>	<u>11,949,691</u>	<u>11,949,691</u>
Total primary government	<u>\$ 119,443,612</u>	<u>\$ 65,325,315</u>	<u>\$ 2,936,302</u>	<u>\$ 3,182,803</u>	<u>(59,948,883)</u>	<u>11,949,691</u>	<u>(47,999,192)</u>
General revenues:							
Taxes:							
Property					36,249,492	-	36,249,492
Franchise					5,330,404	-	5,330,404
Utility service					8,311,517	-	8,311,517
Sales					7,107,081	-	7,107,081
Gas					1,518,489	-	1,518,489
Tax incremental revenue					12,533,158	-	12,533,158
Intergovernmental not restricted to specific program					244,467	-	244,467
Investment income					5,928,662	2,171,071	8,099,733
Miscellaneous					6,683,764	16,672	6,700,436
Gain on disposal of capital assets					234,346	12,631	246,977
Transfers					2,444,497	(2,444,497)	-
Total general revenues and transfers					<u>86,585,877</u>	<u>(244,123)</u>	<u>86,341,754</u>
Change in net position					26,636,994	11,705,568	38,342,562
Net position, beginning					108,881,778	137,168,950	246,050,728
Net position, ending					<u>\$ 135,518,772</u>	<u>\$ 148,874,518</u>	<u>\$ 284,393,290</u>

See accompanying notes to financial statements.

City of Margate, Florida
Balance Sheet - Governmental Funds
September 30, 2025

Major Governmental Funds

	General Fund	Margate Community Redevelopment Agency Trust Fund	Recreation Trust Fund
Assets:			
Cash, cash equivalents, and investments	\$ 60,271,876	\$ 1,104,841	\$ 2,799,734
Accounts receivable, net	2,758,541	12,649	3,744
Lease receivables	-	-	7,271,497
Prepayments and other assets	157,145	7,039	-
Total assets	<u>\$ 63,187,562</u>	<u>\$ 1,124,529</u>	<u>\$ 10,074,975</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,316,961	\$ 86,364	\$ -
Tenant deposits	-	73,706	-
Unearned revenue	144,006	79,124	-
Total liabilities	<u>4,460,967</u>	<u>239,194</u>	<u>-</u>
Deferred Inflows of Resources:			
Deferred amount on lease receivables	-	-	6,578,905
Unavailable revenues	319,314	-	-
Total deferred inflows of resources	<u>319,314</u>	<u>-</u>	<u>6,578,905</u>
Fund Balances:			
Nonspendable:			
Prepayments and other assets	157,145	7,039	-
Leases	-	-	692,592
Restricted for:			
Public safety	-	-	-
Transportation	-	-	-
Building	-	-	-
Culture and recreation	-	-	2,803,478
Debt service	-	-	-
Economic development	-	878,296	-
Tree preservation	166,851	-	-
Redevelopment projects	-	-	-
Streetlights	-	-	-
Utilities	-	-	-
Capital projects	-	-	-
Committed for:			
Citizen project initiatives	1,034,969	-	-
Assigned for:			
Subsequent year appropriation	6,493,340	-	-
Health insurance	1,000,000	-	-
Other insurance	1,173,000	-	-
Future employee payouts	1,200,000	-	-
Capital projects - parks and recreation	1,750,000	-	-
Technology	2,150,000	-	-
Capital projects	7,250,000	-	-
Emergency preparedness	5,000,000	-	-
Vehicle replacement	2,125,000	-	-
Communications	500,000	-	-
Unforeseen economic revenue impact	5,000,000	-	-
Enterprise software	1,500,000	-	-
Other	384,090	-	-
Unassigned	21,522,886	-	-
Total fund balances	<u>58,407,281</u>	<u>885,335</u>	<u>3,496,070</u>
Total liabilities and fund balances	<u>\$ 63,187,562</u>	<u>\$ 1,124,529</u>	<u>\$ 10,074,975</u>

<u>Margate Community Redevelopment Agency Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 45,437,215	\$ 25,663,385	\$ 135,277,051
10,475	1,828,678	4,614,087
-	-	7,271,497
-	109,120	273,304
<u>\$ 45,447,690</u>	<u>\$ 27,601,183</u>	<u>\$ 147,435,939</u>
\$ 176,692	\$ 1,382,017	\$ 5,962,034
-	-	73,706
-	-	223,130
<u>176,692</u>	<u>1,382,017</u>	<u>6,258,870</u>
-	-	6,578,905
-	1,537,000	1,856,314
-	1,537,000	8,435,219
-	109,120	273,304
-	-	692,592
-	5,653,914	5,653,914
-	8,551,346	8,551,346
-	1,554,462	1,554,462
-	599,950	3,403,428
-	113,037	113,037
-	458,709	1,337,005
-	-	166,851
45,270,998	-	45,270,998
-	331,369	331,369
-	465,421	465,421
-	1,108,451	1,108,451
-	-	1,034,969
-	-	6,493,340
-	-	1,000,000
-	-	1,173,000
-	-	1,200,000
-	-	1,750,000
-	-	2,150,000
-	5,736,387	12,986,387
-	-	5,000,000
-	-	2,125,000
-	-	500,000
-	-	5,000,000
-	-	1,500,000
-	-	384,090
-	-	21,522,886
<u>45,270,998</u>	<u>24,682,166</u>	<u>132,741,850</u>
<u>\$ 45,447,690</u>	<u>\$ 27,601,183</u>	<u>\$ 147,435,939</u>

See accompanying notes to financial statements.

City of Margate, Florida
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Funds
September 30, 2025

Fund Balances - Total Governmental Funds (Page 19) \$ 132,741,850

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.

Governmental capital assets	\$ 225,229,482	
Less: accumulated depreciation and amortization	<u>(114,233,918)</u>	110,995,564

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.

Governmental bonds payable	\$ (23,261,854)	
Leases payable	(3,736,231)	
SBITAs payable	(3,193,901)	
Compensated absences payable	<u>(12,216,016)</u>	(42,408,002)

Bond interest payable not reported in the governmental funds. (300,093)

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.

Other post employment benefits (OPEB) liability	\$ (16,384,730)	
Deferred outflows relating to OPEB	8,663,118	
Deferred inflows relating to OPEB	<u>(4,804,090)</u>	(12,525,702)

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. 1,856,314

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.

Net pension liability	\$ (54,609,586)	
Deferred outflows relating to pensions	12,593,244	
Deferred inflows relating to pensions	<u>(14,804,561)</u>	(56,820,903)

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. 1,979,744

Net Position of Governmental Activities (Page 16) \$ 135,518,772

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	Major Governmental Funds		
	General	Margate Community Redevelopment Agency Trust Fund	Recreation Trust Fund
	Fund	Trust Fund	Fund
Revenues:			
Property taxes	\$ 34,095,348	\$ -	\$ -
Franchise taxes	5,340,693	-	-
Utility service taxes	8,311,517	-	-
Tax incremental	-	12,533,158	-
Licenses and permits	1,175,666	1,286	-
Intergovernmental	7,810,165	-	-
Investment income	2,621,915	221,149	75,644
Charges for services	17,873,219	-	-
Rental income	-	893,089	-
Fines and forfeitures	672,643	-	-
Impact fees	-	-	-
Miscellaneous	2,208,967	83,189	1,503,373
Total revenues	<u>80,110,133</u>	<u>13,731,871</u>	<u>1,579,017</u>
Expenditures:			
Current:			
General government	23,281,528	-	-
Public safety	45,563,536	-	-
Economic and physical environment	-	3,494,106	-
Culture and recreation	7,278,569	-	11
Public works	3,938,378	-	-
Debt service:			
Principal retirement	1,672,984	-	-
Interest and other charges	305,464	-	-
Total expenditures	<u>82,040,459</u>	<u>3,494,106</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,930,326)</u>	<u>10,237,765</u>	<u>1,579,006</u>
Other Financing Sources (Uses):			
Transfers in	2,444,497	-	-
Issuance of leases	1,372,288	-	-
Issuance of SBITAs	1,305,981	-	-
Proceeds from sale of capital assets	152,800	-	-
Transfers out	(50,000)	(9,352,430)	-
Total other financing sources (uses), net	<u>5,225,566</u>	<u>(9,352,430)</u>	<u>-</u>
Net change in fund balances	3,295,240	885,335	1,579,006
Fund Balances, Beginning	<u>55,112,041</u>	<u>-</u>	<u>1,917,064</u>
Fund Balances, Ending	<u>\$ 58,407,281</u>	<u>\$ 885,335</u>	<u>\$ 3,496,070</u>

Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,154,144	\$ 36,249,492
-	-	5,340,693
-	-	8,311,517
-	-	12,533,158
-	3,658,310	4,835,262
-	3,229,484	11,039,649
1,878,637	1,131,317	5,928,662
-	68,585	17,941,804
-	-	893,089
-	1,994,587	2,667,230
-	591,100	591,100
-	1,590,849	5,386,378
<u>1,878,637</u>	<u>14,418,376</u>	<u>111,718,034</u>
-	55,748	23,337,276
-	5,551,843	51,115,379
6,651,864	3,437,442	13,583,412
-	4,413,673	11,692,253
-	2,710,449	6,648,827
-	1,456,685	3,129,669
-	1,019,459	1,324,923
<u>6,651,864</u>	<u>18,645,299</u>	<u>110,831,739</u>
<u>(4,773,227)</u>	<u>(4,226,923)</u>	<u>886,295</u>
9,352,430	851,686	12,648,613
-	185,359	1,557,647
-	-	1,305,981
-	85,907	238,707
-	(801,686)	(10,204,116)
<u>9,352,430</u>	<u>321,266</u>	<u>5,546,832</u>
4,579,203	(3,905,657)	6,433,127
<u>40,691,795</u>	<u>28,587,823</u>	<u>126,308,723</u>
\$ <u>45,270,998</u>	\$ <u>24,682,166</u>	\$ <u>132,741,850</u>

See accompanying notes to financial 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, 2025

Net Change in Fund Balances - Total Governmental Funds (Page 22) \$ 6,433,127

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	\$ 18,189,080	
Less: net book value of disposed capital assets	(4,361)	
Less: current year provision for depreciation and amortization	<u>(7,199,771)</u>	10,984,948

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	\$ 1,150,000	
Leases	1,081,950	
SBITAs	<u>897,719</u>	3,129,669

Proceeds from debt issuance

Lease financing	\$ (1,557,647)	
SBITAs financing	<u>(1,305,981)</u>	(2,863,628)

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. 1,756,511

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	\$ (207,779)	
Amortization of bond premiums	245,031	
Change in accrued interest payable	30,961	
Change in net pension liability and other related deferral amounts	7,014,116	
Change in OPEB liability and other related deferral amounts	<u>430,400</u>	7,512,729

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. (316,362)

Change in Net Position of Governmental Activities (Page 17) \$ 26,636,994

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Net Position - Proprietary Funds
September 30, 2025

	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	\$ 45,799,278	\$ 8,613,460	\$ 54,412,738	\$ 7,171,469
Accounts receivable, net	4,569,906	542,342	5,112,248	9,230
Prepayments and other assets	40,085	-	40,085	7,729
Inventories	1,268,130	-	1,268,130	-
Restricted assets:				
Cash, cash equivalents, and investments	1,950,664	-	1,950,664	-
Total current assets	53,628,063	9,155,802	62,783,865	7,188,428
Non-current assets:				
Capital assets:				
Nondepreciable	21,874,846	-	21,874,846	-
Depreciable, net	77,567,865	3,682,926	81,250,791	-
Total capital assets, net	99,442,711	3,682,926	103,125,637	-
Total assets	153,070,774	12,838,728	165,909,502	7,188,428
Deferred Outflows of Resources:				
Related to pensions	1,004,193	47,151	1,051,344	-
Related to OPEB	1,563,587	111,822	1,675,409	-
Total deferred outflows of resources	2,567,780	158,973	2,726,753	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	3,716,299	379,032	4,095,331	154,998
Retainage payable	260,087	17,036	277,123	-
Accrued interest	13,448	1,534	14,982	-
Customer deposits	16,915	-	16,915	-
Claims and judgements	-	-	-	1,782,087
Compensated absences payable	114,327	19,139	133,466	-
Unearned revenue	203,735	47,979	251,714	-
Total OPEB liability	242,318	21,721	264,039	-
Leases payable	130,970	52,598	183,568	-
SBITAs payable	73,262	-	73,262	-
Payable from restricted assets:				
Customer deposits	1,950,664	-	1,950,664	-
Total current liabilities	6,722,025	539,039	7,261,064	1,937,085
Non-current liabilities:				
Total OPEB liability	2,946,174	264,087	3,210,261	-
Leases payable	399,537	179,483	579,020	-
SBITAs payable	168,207	-	168,207	-
Claims and judgements	-	-	-	3,271,599
Compensated absences payable	1,456,686	243,865	1,700,551	-
Net pension liability	4,613,185	378,158	4,991,343	-
Total non-current liabilities	9,583,789	1,065,593	10,649,382	3,271,599
Total liabilities	16,305,814	1,604,632	17,910,446	5,208,684

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Net Position - Proprietary Funds
(Continued)
September 30, 2025

	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:				
Related to pensions	835,899	42,321	878,220	-
Related to OPEB	906,486	66,585	973,071	-
Total deferred inflows of resources	<u>1,742,385</u>	<u>108,906</u>	<u>1,851,291</u>	<u>-</u>
Net Position:				
Net investment in capital assets	98,410,648	3,433,809	101,844,457	-
Unrestricted	39,179,707	7,850,354	47,030,061	1,979,744
Total net position	<u>\$ 137,590,355</u>	<u>\$ 11,284,163</u>	<u>\$ 148,874,518</u>	<u>\$ 1,979,744</u>

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2025

	<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	\$ 16,132,252	\$ 1,612,994	\$ 17,745,246	\$ -
Commercial and multi-family	17,972,639	2,617,134	20,589,773	-
Costs billed to other funds	-	-	-	2,485,000
Other services	1,095,676	-	1,095,676	71,825
Total operating revenues	<u>35,200,567</u>	<u>4,230,128</u>	<u>39,430,695</u>	<u>2,556,825</u>
Operating and Administrative Expenses:				
Cost of sales, maintenance, and services	21,101,788	3,626,604	24,728,392	1,536,804
Depreciation and amortization	4,997,415	132,879	5,130,294	-
Administrative services	-	-	-	17,758
Claims	-	-	-	1,644,636
Total operating and administrative expenses	<u>26,099,203</u>	<u>3,759,483</u>	<u>29,858,686</u>	<u>3,199,198</u>
Operating income (loss)	<u>9,101,364</u>	<u>470,645</u>	<u>9,572,009</u>	<u>(642,373)</u>
Non-Operating Revenues (Expenses):				
Investment income	1,805,475	365,596	2,171,071	326,011
Intergovernmental	34,621	488,169	522,790	-
Other income	16,672	-	16,672	-
Gain (loss) on disposal of capital assets	(13,988)	12,631	(1,357)	-
Interest expense	(40,638)	(13,906)	(54,544)	-
Total non-operating revenues, net	<u>1,802,142</u>	<u>852,490</u>	<u>2,654,632</u>	<u>326,011</u>
Income (Loss) Before Capital Contributions and Transfers	<u>10,903,506</u>	<u>1,323,135</u>	<u>12,226,641</u>	<u>(316,362)</u>
Capital Contributions and Transfers:				
Capital contributions - impact fees	1,265,309	-	1,265,309	-
Capital contributions - developer	145,212	-	145,212	-
Capital grants	512,903	-	512,903	-
Transfers out	(2,444,497)	-	(2,444,497)	-
Total capital contributions and transfers, net	<u>(521,073)</u>	<u>-</u>	<u>(521,073)</u>	<u>-</u>
Change in net position	<u>10,382,433</u>	<u>1,323,135</u>	<u>11,705,568</u>	<u>(316,362)</u>
Net Position, Beginning	<u>127,207,922</u>	<u>9,961,028</u>	<u>137,168,950</u>	<u>2,296,106</u>
Net Position, Ending	<u>\$ 137,590,355</u>	<u>\$ 11,284,163</u>	<u>\$ 148,874,518</u>	<u>\$ 1,979,744</u>

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds			Governmental
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Activities Internal Service Fund - General Insurance Fund
Cash Flows From Operating Activities:				
Receipts from customers, users and other	\$ 35,176,458	\$ 4,230,522	\$ 39,406,980	\$ 2,551,295
Payments for interfund services used	(2,285,828)	(779,509)	(3,065,337)	(17,758)
Payments to suppliers for goods and services	(9,720,098)	(1,764,527)	(11,484,625)	(3,378,918)
Payments to employees	(9,459,459)	(825,908)	(10,285,367)	-
Net cash provided by (used by) operating activities	13,711,073	860,578	14,571,651	(845,381)
Cash Flows From Noncapital Financing Activities:				
Intergovernmental	238,356	300,309	538,665	-
Other income	16,672	-	16,672	-
Transfers to other funds	(2,444,497)	-	(2,444,497)	-
Net cash provided by (used by) noncapital financing activities	(2,189,469)	300,309	(1,889,160)	-
Cash Flows From Capital and Related Financing Activities:				
Capital grants and contributions	1,923,424	461,788	2,385,212	-
Proceeds from sale of capital assets	115,838	12,631	128,469	-
Interest paid	(35,856)	(13,058)	(48,914)	-
Principal payments on leases	(101,122)	(43,662)	(144,784)	-
Principal payments on SBITAs	(66,655)	-	(66,655)	-
Acquisition and construction of capital assets	(13,511,485)	(399,360)	(13,910,845)	-
Net cash provided by (used by) capital and related financing activities	(11,675,856)	18,339	(11,657,517)	-
Cash Flows From Investing Activities:				
Investment income	1,901,863	359,800	2,261,663	326,011
Net cash provided by investing activities	1,901,863	359,800	2,261,663	326,011
Net increase (decrease) in cash, cash equivalents, and investments	1,747,611	1,539,026	3,286,637	(519,370)
Cash, Cash Equivalents, and Investments, Beginning	46,002,331	7,074,434	53,076,765	7,690,839
Cash, Cash Equivalents, and Investments, Ending	\$ 47,749,942	\$ 8,613,460	\$ 56,363,402	\$ 7,171,469
Reconciliation to Statement of Net Position:				
Cash, cash equivalents, and investments	\$ 45,799,278	\$ 8,613,460	\$ 54,412,738	\$ 7,171,469
Restricted cash, cash equivalents, and investments	1,950,664	-	1,950,664	-
Cash, cash equivalents, and investments	\$ 47,749,942	\$ 8,613,460	\$ 56,363,402	\$ 7,171,469

See accompanying notes to financial statements.

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
(Continued)
For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds			Governmental
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Activities Internal Service Fund - General Insurance Fund
Reconciliation of Operating Income (Loss) to Net Cash provided by (used by) Operating Activities:				
Operating income (loss)	\$ 9,101,364	\$ 470,645	\$ 9,572,009	\$ (642,373)
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:				
Depreciation and amortization	4,997,415	132,879	5,130,294	-
Decrease (increase) in assets and deferred outflows:				
Accounts receivable	(54,686)	394	(54,292)	(5,530)
Prepayments and other assets	74,252	-	74,252	7,728
Inventories	2,829	-	2,829	-
Deferred outflows relating to pensions and OPEB	(176,687)	(13,893)	(190,580)	-
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	286,921	287,162	574,083	39,334
Compensated absences payable	32,865	31,385	64,250	-
Unearned revenue	-	-	-	-
Net pension liability	(1,204,328)	(98,120)	(1,302,448)	-
Claims and judgements	-	-	-	(244,540)
Customer deposits payable	30,577	-	30,577	-
OPEB obligation	563,048	45,268	608,316	-
Deferred inflows relating to pensions and OPEB	57,503	4,858	62,361	-
Total adjustments	<u>4,609,709</u>	<u>389,933</u>	<u>4,999,642</u>	<u>(203,008)</u>
Net cash provided by (used by) operating activities	\$ <u>13,711,073</u>	\$ <u>860,578</u>	\$ <u>14,571,651</u>	\$ <u>(845,381)</u>
Non-Cash Capital and Related Financing Disclosures:				
Leases issued	\$ <u>416,359</u>	\$ <u>180,837</u>	\$ <u>597,196</u>	\$ <u>-</u>
Purchases of property and equipment	\$ 14,104,497	\$ 597,233	\$ 14,701,730	\$ -
Less: leases issued	(416,359)	(180,837)	(597,196)	-
Less: change in retainage payable	<u>(176,653)</u>	<u>(17,036)</u>	<u>(193,689)</u>	<u>-</u>
Cash paid for purchases of capital assets	\$ <u>13,511,485</u>	\$ <u>399,360</u>	\$ <u>13,910,845</u>	\$ <u>-</u>
Proceeds from sale of capital assets	\$ 115,838	\$ 12,631	\$ 128,469	\$ -
Less: net book value of disposed capital assets	<u>(129,826)</u>	<u>-</u>	<u>(129,826)</u>	<u>-</u>
Gain (loss) on disposal of capital assets	\$ <u>(13,988)</u>	\$ <u>12,631</u>	\$ <u>(258,295)</u>	\$ <u>-</u>

See accompanying notes to financial 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 58,727 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.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its blended component units; entities for which the government is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations, and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City has two blended component units with September 30 fiscal year-ends. The City has no discretely presented 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 for a period not to exceed 30 years after the date the governing body amends the plan. 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.

The CRA includes the following Community Redevelopment Agency funds: Trust Fund, Capital Improvement Fund, and Loan Proceeds Fund. The Margate Community Redevelopment Agency Trust Fund and the Margate Community Redevelopment Agency Capital Improvement Fund meet the criteria for classification as major funds, and are presented as such on the fund level basic financial statements. The governing body of the City is the governing body of the CRA; accordingly a financial benefit relationship exists in that the assets of the CRA revert back to the City at the sunset of the CRA. Financial statements of the CRA can be obtained by contacting the City.

Note 1 - Summary of Significant Accounting Policies (continued)

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. The Center does not prepare stand alone financial statements.

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. Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Effective for fiscal year end September 30, 2025, the City implemented two new GASB statements of financial accounting standards.

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. There was no impact to opening fund balances or net position as a result of implementation. All required disclosures were added.

Note 1 - Summary of Significant Accounting Policies (continued)

Statement No. 102 - Certain Risk Disclosures, was issued in December 2024. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments. All required disclosures were added.

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. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. For the City, this Statement is effective for the fiscal year ending September 30, 2026.

Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. For the City, this Statement is effective for the fiscal year ending September 30, 2026.

Statement No. 105, Subsequent Events. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026. For the City, this Statement is effective for the fiscal year ending September 30, 2027.

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 City does not report any fiduciary funds.

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.

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*.

Note 1 - Summary of Significant Accounting Policies (continued)

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 including leases and SBITAs, as well as expenditures related to compensated absences, claims, and judgment, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements are reported as other financing sources.

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 primary 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 *Recreation Trust Fund*, a special revenue fund, accounts for the revenues generated from cell phone towers. The funds are used for the development and improvement of recreation facilities.

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.

All remaining governmental funds are aggregated and reported as nonmajor funds. 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.

The City reports the following proprietary funds:

The *Water and Wastewater Fund* accounts for the operation of the City's water and wastewater system. The City reports this fund as a major proprietary fund.

The *Stormwater Utility Fund* accounts for the operation of the City's stormwater management utility which includes collection, disposal and treatment of stormwater. The City reports this fund as a nonmajor proprietary fund.

Note 1 - Summary of Significant Accounting Policies (continued)

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 nonoperating revenues and expenses.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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, 2025, 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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).

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, lease assets and subscription-based information technology agreements, 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, interest incurred during the construction phase of capital assets is expensed as incurred.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Right-to-use leased equipment and right-to-use SBITA software are amortized using the straight-line method over the life of their respective agreements.

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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 2024-2025 fiscal year was 7.1171 mills and the debt service millage was 0.4496 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, 2025 were approximately 98.0% 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 2024-2025 occurred on September 18, 2024. 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, 2025 is shown as follows:

Lien date	January 1, 2024
Levy date, tax bills mailed	November 1, 2024
Last date for 4% discount on taxes paid	November 30, 2024
Last date for 3% discount on taxes paid	December 31, 2024
Last date for 2% discount on taxes paid	January 31, 2025
Last date for 1% discount on taxes paid	February 28, 2025
Final due date of payment of taxes	March 31, 2025
First date for auctioning tax certificates on delinquent accounts	June 1, 2025

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 is the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance.

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.

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.

Note 2 - Deposits and Investments

Deposits: At year-end, the City's carrying amount of deposits was \$ 92,192,122 including petty cash funds and cash on hand totaling \$ 10,070 as of September 30, 2025, and the combined bank balances totaled \$ 89,507,346. The City had \$ 89,007,346 of deposits in excess of the federal insured level of \$ 250,000 held in qualified public depositories. Accordingly, 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.

Custodial Credit Risk. Custodial 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 \$ 43,986,481 invested in the Florida PRIME and \$ 38,478,156 invested in the FL PALM as of September 30, 2025. 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.

Note 2 - Deposits and Investments (continued)

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

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, 2025 for the SBA Florida PRIME and FL PALM was 47 days and 44 days, respectively.

Note 2 - Deposits and Investments (continued)

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, 2025:

Investment Type	Fair Value	Remaining Maturity (in years)		
		Less Than 1	1 to 5	Greater Than 5
U.S. Treasury Notes	\$ 8,892,898	\$ 3,973,779	\$ 4,919,119	\$ -
U.S. Agency Notes	6,208,953	2,702,574	3,506,379	-
Money Market Funds	50,290	50,290	-	-
Corporate Notes	2,412,269	2,412,269	-	-
U.S. Sponsored Agencies	5,444,698	16,626	1,836,483	3,591,589
Asset Backed Securities	770,971	6,712	764,259	-
Municipal/Provincial Bonds	375,084	-	375,084	-
	<u>\$ 24,155,163</u>	<u>\$ 9,162,250</u>	<u>\$ 11,401,324</u>	<u>\$ 3,591,589</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, 2025

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.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. government guaranteed	\$ 8,943,188	37.03%
AAA	764,259	3.16%
AA+	11,653,651	48.25%
AA-	375,084	1.55%
A	1,242,078	5.14%
A-	1,170,191	4.84%
NR	6,712	0.03%
Total credit risk debt securities	<u>\$ 15,211,975</u>	<u>62.97%</u>
Total fixed income securities	<u>\$ 24,155,163</u>	<u>100.00%</u>

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, 2025:

<u>Investments</u>	<u>September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Notes	\$ 8,892,898	\$ 8,892,898	\$ -	\$ -
U.S. Agency Notes	6,208,953	6,208,953	-	-
Money Market Funds	50,290	50,290	-	-
Corporate Notes	2,412,269	2,412,269	-	-
U.S. Sponsored Agencies	5,444,698	5,444,698	-	-
Asset Backed Securities	770,971	770,971	-	-
Municipal/Provincial Bonds	<u>375,084</u>	<u>375,084</u>	-	-
Total investments measured at fair value	<u>\$ 24,155,163</u>	<u>\$ 24,155,163</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Florida PRIME	43,986,481			
FL PALM	38,478,156			
Cash and cash equivalents:				
Money market funds and other deposits	92,182,052			
Petty cash	<u>10,070</u>			
Total unrestricted and restricted cash, cash equivalents and investments	<u>\$ 198,811,922</u>			

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, 2025

Note 3 - Receivables

Receivables as of September 30, 2025 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	Recreation Trust Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Water and Wastewater Fund	Nonmajor and other Funds	Total
Intergovernmental	\$ 809,558	\$ -	\$ -	\$ -	\$ 15,533	\$ 2,012,666	\$ 2,837,757
Accounts	225,258	-	-	-	4,474,496	294,136	4,993,890
Taxes	1,402,921	-	-	-	-	359	1,403,280
Others	<u>3,578,052</u>	<u>12,649</u>	<u>3,744</u>	<u>10,475</u>	<u>89,877</u>	<u>73,089</u>	<u>3,767,886</u>
Gross receivables	6,015,789	12,649	3,744	10,475	4,579,906	2,380,250	13,002,813
Less: allowance for uncollectible	<u>(3,257,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(3,267,248)</u>
Net total receivables	<u>\$ 2,758,541</u>	<u>\$ 12,649</u>	<u>\$ 3,744</u>	<u>\$ 10,475</u>	<u>\$ 4,569,906</u>	<u>\$ 2,380,250</u>	<u>\$ 9,735,565</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, 2025, consisted of the following:

Transfers Out:	Transfers in:			Total
	General Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 50,000 b	\$ 50,000
Margate Community Redevelopment Agency Trust Fund	-	9,352,430 a, b	-	9,352,430
Recreation Trust Fund	-	-	-	-
Nonmajor Governmental Funds	-	-	801,686 b	801,686
Water and Wastewater Fund	<u>2,444,497 c</u>	<u>-</u>	<u>-</u>	<u>2,444,497</u>
Total	<u>\$ 2,444,497</u>	<u>\$ 9,352,430</u>	<u>\$ 851,686</u>	<u>\$ 12,648,613</u>

Reasons for these transfers are set forth below:

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

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2025

Note 5 - Deferred Inflows of Resources and Unearned Revenue

As of September 30, 2025, 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	\$ 1,856,314	\$ -
Miscellaneous revenue	-	5,355
Business licenses	-	138,651
Rental income	<u>6,578,905</u>	<u>79,124</u>
	<u>\$ 8,435,219</u>	<u>\$ 223,130</u>

In addition, the proprietary funds have \$ 251,714 in unearned revenue from intergovernmental non-operating revenues.

Note 6 - Capital Assets

Capital assets activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 30,855,674	\$ 2,917,633	\$ (560,310)	\$ 33,212,997
Intangibles	5,517,465	96,150	-	5,613,615
Construction in progress	<u>3,193,492</u>	<u>1,665,283</u>	<u>(122,587)</u>	<u>4,736,188</u>
Total capital assets, not being depreciated/amortized	<u>39,566,631</u>	<u>4,679,066</u>	<u>(682,897)</u>	<u>43,562,800</u>
Capital assets, being depreciated/amortized:				
Infrastructure	94,902,505	1,545,237	63,850	96,511,592
Buildings	24,545,595	5,591,632	560,310	30,697,537
Machinery and equipment	19,909,562	1,072,083	(1,258,865)	19,722,780
Improvements other than buildings	20,241,178	2,437,434	58,737	22,737,349
Right to use - leased equipment	5,237,054	1,557,647	(185,234)	6,609,467
Right to use - SBITA software	<u>4,081,976</u>	<u>1,305,981</u>	<u>-</u>	<u>5,387,957</u>
Total capital assets, being depreciated/amortized	<u>168,917,870</u>	<u>13,510,014</u>	<u>(761,202)</u>	<u>181,666,682</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(70,820,746)	(2,307,452)	(806)	(73,129,004)
Buildings	(9,389,829)	(823,536)	-	(10,213,365)
Machinery and equipment	(16,837,895)	(1,128,422)	1,254,504	(16,711,813)
Improvements other than buildings	(8,651,766)	(845,620)	806	(9,496,580)
Right to use - leased equipment	(1,619,991)	(1,273,669)	185,234	(2,708,426)
Right to use - SBITA software	<u>(1,153,658)</u>	<u>(821,072)</u>	<u>-</u>	<u>(1,974,730)</u>
Total accumulated depreciation/amortization	<u>(108,473,885)</u>	<u>(7,199,771)</u>	<u>1,439,738</u>	<u>(114,233,918)</u>
Total capital assets, being depreciated/amortized, net	<u>60,443,985</u>	<u>6,310,243</u>	<u>678,536</u>	<u>67,432,764</u>
Governmental Activities capital assets, net	<u>\$ 100,010,616</u>	<u>\$ 10,989,309</u>	<u>\$ (4,361)</u>	<u>\$ 110,995,564</u>

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2025

Note 6 - Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated/amortized:				
Intangibles	\$ 9,200,000	\$ -	\$ -	\$ 9,200,000
Construction in progress	<u>7,273,814</u>	<u>12,634,374</u>	<u>(7,233,342)</u>	<u>12,674,846</u>
 Total capital assets, not being depreciated/amortized	 <u>16,473,814</u>	 <u>12,634,374</u>	 <u>(7,233,342)</u>	 <u>21,874,846</u>
 Capital assets, being depreciated/amortized:				
Infrastructure	135,298,343	572,310	5,908,784	141,779,437
Buildings	37,385,952	20,135	1,235,563	38,641,650
Machinery and equipment	8,685,658	877,715	(185,330)	9,378,043
Right to use - leased equipment	1,760,695	597,196	(159,649)	2,198,242
Right to use - SBITA software	<u>397,484</u>	<u>-</u>	<u>-</u>	<u>397,484</u>
 Total capital assets, being depreciated/amortized	 <u>183,528,132</u>	 <u>2,067,356</u>	 <u>6,799,368</u>	 <u>192,394,856</u>
 Less accumulated depreciation/ amortization for:				
Infrastructure	(73,251,530)	(2,649,606)	-	(75,901,136)
Buildings	(26,592,552)	(1,369,849)	-	(27,962,401)
Machinery and equipment	(6,060,449)	(584,116)	144,500	(6,500,065)
Right to use - leased equipment	(328,887)	(460,536)	159,648	(629,775)
Right to use - SBITA software	<u>(84,501)</u>	<u>(66,187)</u>	<u>-</u>	<u>(150,688)</u>
 Total accumulated depreciation/amortization	 <u>(106,317,919)</u>	 <u>(5,130,294)</u>	 <u>304,148</u>	 <u>(111,144,065)</u>
 Total capital assets, being depreciated/amortized, net	 <u>77,210,213</u>	 <u>(3,062,938)</u>	 <u>7,103,516</u>	 <u>81,250,791</u>
 Business-type Activities capital assets, net	 <u>\$ 93,684,027</u>	 <u>\$ 9,571,436</u>	 <u>\$ (129,826)</u>	 <u>\$ 103,125,637</u>

Note 6 - Capital Assets (continued)

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

Governmental activities:	
Public works	\$ 1,914,932
Public safety	2,628,228
Culture and recreation	1,227,104
Economic and physical environment	919,796
General government	<u>509,711</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 7,199,771</u>
Business-type activities:	
Water and Wastewater Fund	\$ 4,997,415
Stormwater Utility Fund	<u>132,879</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 5,130,294</u>

Construction Commitments

The City has the following active construction commitments with contractors at September 30, 2025:

<u>Projects</u>	<u>Incurred-to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
NW 8th Street W&WW Improvement	\$ 491,968	\$ 207,105
Q-Hut Design and Construction	207,339	107,541
Chevy Chase Plaze Improvements	45,754	44,106
Coral Gate Park Improvements	-	726,826
Margate Blvd Improvements	31,463	1,019,503
Southgate/SR 7 Median Improvements	95,624	5,747
SW 6th St Improvements	32,385	64,995
Underground Utility	33,982	208,904
Atlantic Boulevard Improvement (Grant)	-	600,000
Business-type Activities:		
Water Line Replacement	5,340,980	1,237,827
Lift Station Renovation	2,245,026	1,802,966
Infiltrate & Inflow Rehabilitation	513,580	1,260,072
Rehabilitate Generator Systems	299,068	408,799
Lift Station Renovation	-	355,406
WTP Acclerators	671,535	33,577
Supervisory Control and Data Acquisition (SCADA) System Upgrades	284,430	4,666,203
Quonset Hut Replacement	28,007	399,758
DEES Other Capital Projects	407,392	400,282
WTP/WWTP Facilities Remodeling	170,048	428,696
NW 8th Street W&WW Improvement	<u>699,238</u>	<u>294,282</u>
	<u>\$ 11,597,819</u>	<u>\$ 14,272,595</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. \$ 7,200,000

The annual debt service requirements until maturity for the General Obligation Bonds, Series 2019 outstanding at September 30, 2025, are as follows:

Year Ending September 30,	Series 2019		
	Principal	Interest	Total
2026	\$ 385,000	\$ 268,600	\$ 653,600
2027	405,000	249,350	654,350
2028	425,000	229,100	654,100
2029	445,000	207,850	652,850
2030	470,000	185,600	655,600
2031-2035	2,645,000	622,600	3,267,600
2036-2039	2,425,000	184,350	2,609,350
	<u>\$ 7,200,000</u>	<u>\$ 1,947,450</u>	<u>\$ 9,147,450</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.

\$ 13,090,000

The annual debt service requirements until maturity for the General Obligation Refunding Bonds, Series 2016 outstanding at September 30, 2025, are as follows:

Year Ending September 30,	Series 2016		
	Principal	Interest	Total
2026	\$ 820,000	\$ 654,500	\$ 1,474,500
2027	865,000	613,500	1,478,500
2028	905,000	570,250	1,475,250
2029	955,000	525,000	1,480,000
2030	1,000,000	477,250	1,477,250
2031-2035	5,800,000	1,584,500	7,384,500
2036-2037	2,745,000	207,500	2,952,500
	<u>\$ 13,090,000</u>	<u>\$ 4,632,500</u>	<u>\$ 17,722,500</u>

Arbitrage

The City has performed the required arbitrage liability computation in accordance with the Internal Revenue Service (IRS) arbitrage regulations. As of September 30, 2025, 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, 2025.

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2025

Note 7 - Long-Term Debt (continued)

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025	Due Within One Year
Governmental Activities:					
Bonds payable and capital leases:					
General Obligation Bonds, Series 2019	\$ 7,565,000	\$ -	\$ (365,000)	\$ 7,200,000	\$ 385,000
General Obligation Refunding Bonds, Series 2016	<u>13,875,000</u>	-	<u>(785,000)</u>	<u>13,090,000</u>	<u>820,000</u>
Total general obligation bonds	<u>21,440,000</u>	-	<u>(1,150,000)</u>	<u>20,290,000</u>	<u>1,205,000</u>
Deferred amounts:					
Bond issuance premium, Series 2019	660,299	-	(44,514)	615,785	-
Bond issuance premium, Series 2016	<u>2,556,586</u>	-	<u>(200,517)</u>	<u>2,356,069</u>	-
Total deferred amounts	<u>3,216,885</u>	-	<u>(245,031)</u>	<u>2,971,854</u>	-
Total bonds payable	24,656,885	-	(1,395,031)	23,261,854	1,205,000
Leases	3,260,534	1,557,647	(1,081,950)	3,736,231	1,184,558
SBITAs	<u>2,785,639</u>	<u>1,305,981</u>	<u>(897,719)</u>	<u>3,193,901</u>	<u>789,454</u>
Subtotal	<u>30,703,058</u>	<u>2,863,628</u>	<u>(3,374,700)</u>	<u>30,191,986</u>	<u>3,179,012</u>
Other long-term liabilities:					
Compensated absences payable	12,008,237	207,779 *	-	12,216,016	1,069,529
Net pension liability	66,748,296	-	(12,138,710)	54,609,586	-
Claims and judgements	5,298,226	1,400,096	(1,644,636)	5,053,686	1,782,087
Total other post employment benefits liability	<u>12,631,418</u>	<u>3,753,312</u>	-	<u>16,384,730</u>	<u>1,245,203</u>
Subtotal	<u>96,686,177</u>	<u>5,361,187</u>	<u>(13,783,346)</u>	<u>88,264,018</u>	<u>4,096,819</u>
Governmental activity long-term liabilities	\$ <u>127,389,235</u>	\$ <u>8,224,815</u>	\$ <u>(17,158,046)</u>	\$ <u>118,456,004</u>	\$ <u>7,275,831</u>
Business-type Activities:					
Leases	\$ 310,176	\$ 597,196	\$ (144,784)	\$ 762,588	\$ 183,568
SBITAs	<u>308,124</u>	-	<u>(66,655)</u>	<u>241,469</u>	<u>73,262</u>
Subtotal	<u>618,300</u>	<u>597,196</u>	<u>(211,439)</u>	<u>1,004,057</u>	<u>256,830</u>
Other long-term liabilities:					
Compensated absences payable	1,769,767	64,250 *	-	1,834,017	133,466
Net pension liability	6,293,791	-	(1,302,448)	4,991,343	-
Total other post employment benefits liability	<u>2,865,984</u>	<u>608,316</u>	-	<u>3,474,300</u>	<u>264,039</u>
Subtotal	<u>10,929,542</u>	<u>672,566</u>	<u>(1,302,448)</u>	<u>10,299,660</u>	<u>397,505</u>
Business-type activity long-term liabilities	<u>11,547,842</u>	<u>1,269,762</u>	<u>(1,513,887)</u>	<u>11,303,717</u>	<u>654,335</u>
Total Long-term Liabilities	\$ <u>138,937,077</u>	\$ <u>9,494,577</u>	\$ <u>(18,671,933)</u>	\$ <u>129,759,721</u>	\$ <u>7,930,166</u>

* The change in compensated absences payable is presented on a net basis.

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 and Subscription-Based Information Technology Arrangements (SBITAs)

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, 2025, the total costs of these lease assets for the City’s governmental activities is \$ 6,609,467, less accumulated amortization of \$ 2,708,426. At September 30, 2025, the total costs of these leases for the City’s business-type activities is \$ 2,198,242, less accumulated amortization of \$ 629,775.

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

Year Ending September 30,	Governmental Activities Leases		
	Principal	Interest	Total
2026	\$ 1,184,558	\$ 233,882	\$ 1,418,440
2027	953,705	157,988	1,111,693
2028	901,573	89,088	990,661
2029	517,512	30,444	547,956
2030	178,883	4,486	183,369
	<u>\$ 3,736,231</u>	<u>\$ 515,888</u>	<u>\$ 4,252,119</u>

Year Ending September 30,	Business-type Leases		
	Principal	Interest	Total
2026	\$ 183,568	\$ 49,401	\$ 232,969
2027	196,746	35,620	232,366
2028	187,198	21,309	208,507
2029	126,025	9,932	135,957
2030	69,051	1,731	70,782
	<u>\$ 762,588</u>	<u>\$ 117,993</u>	<u>\$ 880,581</u>

Note 8 - Leases and Subscription-Based Information Technology Arrangements (SBITAs) (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 \$ 48,000 to \$ 85,000 annually, including interest from 0.27% to 2.04%, through October 2025, 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, 2025, the City received rental revenue of \$ 477,469 and interest revenue of \$ 129,404, recorded as miscellaneous revenues on the combining statement of revenues, expenditures, and changes in fund balances in the Recreation Trust Fund.

At September 30, 2025, the City has lease receivables in the Recreation Trust Fund of \$ 7,271,497, including interest receivable of \$ 47,099. Future minimum payments under these leases due to the City through maturity are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 391,941	\$ 124,951	\$ 516,892
2027	342,214	119,116	461,330
2028	363,182	113,977	477,159
2029	392,705	108,316	501,021
2030	430,859	102,085	532,944
2031-2035	1,916,574	407,140	2,323,714
2036-2040	1,471,711	269,412	1,741,123
2041-2045	835,027	158,862	993,889
2046-2050	1,080,185	69,286	1,149,471
	<u>\$ 7,224,398</u>	<u>\$ 1,473,145</u>	<u>\$ 8,697,543</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 \$ 2.6 million at September 30, 2025. Depreciation expense for the year was approximately \$ 85,500. Total rental revenues from these properties during the fiscal year amounted to approximately \$ 893,000. The leases have a termination clause of 12 months or less.

SBITAs

During 2023, the City implemented GASB No. 96, *Subscription Based Information Technology Arrangements* (SBITAs). This statement requires recognition of certain cloud-based right-to-use (RTU) software implementation and subscription assets and associated lessee liabilities that previously were classified as operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract. It establishes a single model for IT subscription accounting based upon the foundational principle that software subscriptions are financings of the right to use an underlying asset. SBITAs where the maximum possible lease term is one year or less continue to be reported as operating subscriptions.

Note 8 - Leases and Subscription-Based IT Arrangements (SBITAs) (continued)

The City is committed under various SBITAs. At September 30, 2025, the total costs of these SBITA assets for the City’s governmental activities is \$ 5,387,956, less accumulated amortization of \$ 1,974,730. At September 30, 2025, the total costs of these SBITA assets for the City’s business-type activities is \$ 397,484, less accumulated amortization of \$ 150,688.

The future payments under these SBITA arrangements are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities SBITAs</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 789,454	\$ 84,531	\$ 873,985
2027	754,600	66,949	821,549
2028	658,589	50,878	709,467
2029	313,488	36,392	349,880
2030	335,552	24,825	360,377
2031	342,218	12,546	354,764
	<u>\$ 3,193,901</u>	<u>\$ 276,121</u>	<u>\$ 3,470,022</u>

<u>Year Ending September 30,</u>	<u>Business-type SBITAs</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 73,262	\$ 9,635	\$ 82,897
2027	80,330	6,711	87,041
2028	87,877	3,516	91,393
	<u>\$ 241,469</u>	<u>\$ 19,862</u>	<u>\$ 261,331</u>

Note 9 - 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, City school board, state university, community college, or a participating city or special City 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.

Note 9 - Florida Retirement System (continued)

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 (850) 488-5706 or by visiting the Web site: 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 credited 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 credited 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.

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 is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Note 9 - Florida Retirement System (continued)

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 96 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, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular - 13.63% and 14.03%; Special Risk Administrative Support - 39.82% and 39.48%; Special Risk - 32.79% and 35.19%; Senior Management Service - 34.52% and 33.24%; Elected Officers' - 58.68% and 54.57%; and DROP participants - 21.13% and 22.02%. These employer contribution rates include 2.00% HIS Plan subsidy for the period October 1, 2024 through September 30, 2025. During the year ended September 30, 2025, the City contributed \$ 8,509,065 to the Pension Plan.

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, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 45 and a maximum HIS payment of \$ 225 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. The HIS contribution was 2.00% for the period October 1, 2024 through September 30, 2025. The City contributed 100% of its statutorily required contributions for the current and preceding five 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. During the year ended September 30, 2025, the City contributed \$ 924,326 to the HIS Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the City reported liabilities of \$ 46,595,742 for its proportionate share of the Pension Plan's net pension liability and \$ 13,005,187 for the HIS Plan's net pension liability for a total pension liability of \$ 59,600,929. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. At June 30, 2025, the City's proportionate share was .150138697 percent for the Pension Plan and .101464746 percent for the HIS Plan, which were an increase of .000467415 percent and an increase of .000523348 percent respectively, from the proportionate share measured as of June 30, 2024.

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2025

Note 9 - Florida Retirement System (continued)

For the year ended September 30, 2025, the City recognized pension expense of \$ 2,547,417 for the Pension Plan and pension income of \$ 113,086 for the HIS Plan for a total net pension expense of \$ 2,434,331. At September 30, 2025, 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	\$ 4,976,916	\$ 77,632	\$ 5,054,548
Changes of assumptions	5,410,976	115,110	5,526,086
Changes in proportion and differences between City contributions and proportionate share of contributions	124,101	97,420	221,521
City contributions subsequent to the measurement date	2,593,745	248,688	2,842,433
	<u>\$ 13,105,738</u>	<u>\$ 538,850</u>	<u>\$ 13,644,588</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 20,630	\$ 20,630
Changes of assumptions	-	3,145,621	3,145,621
Net differences between projected and actual investment earnings	7,779,629	10,824	7,790,453
Changes in proportion and differences between City contributions and proportionate share of contributions	3,429,217	1,296,860	4,726,077
	<u>\$ 11,208,846</u>	<u>\$ 4,473,935</u>	<u>\$ 15,682,781</u>

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, 2026. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note 9 - Florida Retirement System (continued)

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2026	\$ 5,417,000	\$ (1,021,795)	\$ 4,395,205
2027	(2,394,162)	(1,162,509)	(3,556,671)
2028	(2,149,162)	(960,466)	(3,109,628)
2029	(1,570,529)	(674,042)	(2,244,571)
2030	-	(364,961)	(364,961)
Total	\$ <u>(696,853)</u>	\$ <u>(4,183,773)</u>	\$ <u>(4,880,626)</u>

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023. 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, 2025 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	3.50%, average, including inflation	3.50%, 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-2021	PUB-2010 with Projection Scale MP-2021

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%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100.0%			
Assumed inflation - Mean			2.4%	1.5%

(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 5.20% 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 5.20% 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, 2025:

	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	\$ 91,443,424	\$ 46,595,742	\$ 8,996,093
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability for HIS Plan	\$ 14,665,442	\$ 13,005,187	\$ 11,612,761

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 Annual Comprehensive 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 2024-2025 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	16.34%
Senior Management	12.67%
Special Risk	19.00%
Regular Employees	11.30%

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, 2025, 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 \$ 1,793,416 for the fiscal year ended September 30, 2025.

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, 2023 to September 30, 2025:

	General Insurance Fund
	<u> </u>
Liability balance, October 1, 2023	\$ 5,985,321
Claims and changes in estimates	620,516
Claims payments	<u>(1,307,611)</u>
Liability balance, September 30, 2024	5,298,226
Claims and changes in estimates	1,400,096
Claims payments	<u>(1,644,636)</u>
Liability balance, September 30, 2025	<u>\$ 5,053,686</u>
Claims and payments due within one year	<u>\$ 1,782,087</u>
Assets available to pay claims at September 30, 2025	<u>\$ 1,979,744</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

Litigation: 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.

Grant revenues: 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. The City has been given permission from HUD to begin the close our process for NSP grants and possibly transferring the program income, currently being held by the City, to the CDBG program.

Audits may be forthcoming for other grant programs.

CRA TIF funds: 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, 2025, 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.

Ad valorem taxes: During the 2026 Florida Legislative Session, the Florida House of Representatives passed a proposed constitutional amendment that would potentially eliminate all non-school property taxes on homesteaded properties. The constitutional amendment is subject to further legislative action and statewide voter approval. The Florida Senate has not advanced a companion measure, and the outcome of these proposals remains uncertain. If enacted, such changes could affect future property tax revenues for certain local governments. Management is monitoring these developments, but no impact to the City's financial statements is presently determinable.

Note 12 - Other Post-Employment Benefits

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.

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, 2024 (latest valuation date):

Inactive Plan members or beneficiaries currently receiving benefits	79
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	495
Total Plan members	574

Currently, the City’s OPEB benefits are unfunded. This plan is not accounted for in a trust fund, as there are no assets accumulated in a trust that falls under the definition of GASB 75. 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.

Note 12 - Other Post-Employment Benefits (continued)

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, 2025 was based on an actuarial valuation dated September 30, 2024 with a measurement date of September 30, 2024, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	3.81%
Salary Increases	Salary increase rates used in the July 1, 2024 actuarial valuation of the Florida Retirement System; 3.65% - 9.30%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2024 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2018 through 2023.
Mortality	Mortality rates are the same as used in the July 1, 2024 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-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.
Healthcare Cost Trend Rates	Based on the Getzen Model, with a trend of 3% for 2025 (to reflect actual premiums), 6.25% for 2026, and gradually decreasing to an ultimate trend rate of 4.00%.
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.

Note 12 - Other Post-Employment Benefits (continued)

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2024:

- The discount rate was changed from 4.63% to 3.81%.
- Per capita costs and premiums were updated based on information provided
- The healthcare cost trend assumption was updated.
- Rates of mortality, withdrawal, disability, salary increase, retirement and DROP entry for all membership classes were updated to align with changes adopted by the Florida Retirement System in its July 1, 2024 Actuarial Valuation.
- IAFF retirees hired after June 21, 2023 who have a minimum of 15 years of service will receive a 2% accumulation up to 60% paid by the City (for non-Medicare premiums). This benefit change had an immaterial impact on the Total OPEB Liability.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2024 was 3.81%. 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 4.63% as of the previous measurement date.

Total OPEB Liability of the City: The components of the City’s net OPEB liability at September 30, 2025, are as follows:

Total OPEB liability	\$	19,859,030
OPEB Plan fiduciary net position		-
City's net OPEB liability	\$	19,859,030
OPEB Plan fiduciary net position as a percentage of total OPEB liability		0.00%

Changes in Total OPEB Liability

Fiscal year ended September 30, 2025		
Total OPEB liability:		
Service cost	\$	346,568
Interest on total OPEB liability		699,489
Difference between expected and actual experience of the Total OPEB Liability		678,657
Change in assumptions and other inputs		4,109,345
Benefit payments		(1,472,431)
Net change in total OPEB liability		4,361,628
Total OPEB liability, beginning		15,497,402
Total OPEB liability, ending	\$	19,859,030

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 3.81%, 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 (2.81%)</u>	<u>Current Discount Rate (3.81%)</u>	<u>1% Increase (4.81%)</u>
Total OPEB liability	\$ <u>20,611,605</u>	\$ <u>19,859,030</u>	\$ <u>19,049,144</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>18,515,160</u>	\$ <u>19,859,030</u>	\$ <u>21,282,653</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2025, the City recognized OPEB expense of \$ 1,103,679. At September 30, 2025, 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	\$ 4,520,807	\$ -
Changes in assumptions and other inputs	4,213,884	5,777,161
Benefits paid subsequent to measurement date	<u>1,603,836</u>	<u>-</u>
Total	\$ <u>10,338,527</u>	\$ <u>5,777,161</u>

Note 12 - Other Post-Employment Benefits (continued)

\$ 1,603,836 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, 2025 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:

<u>Fiscal Year Ending September 30,</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 57,622
2027	57,622
2028	313,728
2029	273,602
2030	136,954
Thereafter	<u>2,118,002</u>
	<u>\$ 2,957,530</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	\$ 2,477,473
Margate Community Redevelopment Agency Trust Fund	885,334
Margate Community Redevelopment Agency Capital Improvement Fund	2,141,301
Nonmajor Funds	622,577
Proprietary Funds:	
Water and Wastewater Fund	13,330,402
Nonmajor Funds	<u>240,595</u>
Total	<u>\$ 19,697,682</u>

Note 15 - Governmental Grants

The grant and contract revenue amounts received are subject to audit and adjustments. If any expenditure is disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies becomes a liability of the City. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreement and applicable federal, state, and local laws and regulations.

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. During 2023, the City expensed \$ 9.2 million for its cost share on the C-51 Reservoir based on the initial capacity of two million gallons per day. Phase 1 of the project was completed in September 2023. This project was 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. For Fiscal Year 2025 the City paid \$77,590 based on 2 MGD to C-51 NFP towards the annual operations cost.

Note 17 - Date of Management Review

The City's management has evaluated subsequent events through March 30, 2026, the date which the financial statements were available for issue.

Note 18 - Subsequent Events

Bond issuance: In December 2025, the City issued \$ 60,000,000 in Water and Wastewater Improvement Revenue Bonds, Series 2025 for the purpose of providing repairs and improvements to the City's water and wastewater management system. These bonds bear interest at rates ranging from 2.59% to 4.56%. Principal payments are due annually in October and interest payments are due semi-annually in April and October through October 2055.

Note 18 - Subsequent Events (continued)

CRA renewal: The Margate Community Redevelopment Agency (MCRA), originally established in 1996 with a 30-year term set to sunset in August 2026, has secured a 20-year extension through September 30, 2047. In early FY2024, the MCRA initiated discussions with Broward County regarding continuation of the district, resulting in an agreement to extend the CRA on a non-TIF basis for all taxing authorities other than the City of Margate. This extension, formalized through an Interlocal Agreement (ILA) recorded in June 2025 and an amendment to the 2017 Margate Community Redevelopment Plan, enables the MCRA to maintain operations and focus on advancing the City Center project. Although future CRA funding will be limited to the City's tax increment financing (TIF) revenues, operations will be strategically realigned to prioritize redevelopment within the City Center, allowing the Agency to concentrate resources where they will have the greatest impact while reducing overall operating expenses.

REQUIRED
SUPPLEMENTARY INFORMATION

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 33,720,000	\$ 33,720,000	\$ 34,095,348	\$ 375,348
Franchise taxes	5,581,053	5,581,053	5,340,693	(240,360)
Utility service taxes	7,472,000	7,472,000	8,311,517	839,517
Licenses and permits	527,150	527,150	1,175,666	648,516
Intergovernmental	7,527,500	7,527,500	7,810,165	282,665
Investment income	1,700,000	1,700,000	2,621,915	921,915
Charges for services	16,281,854	16,281,854	17,873,219	1,591,365
Fines and forfeitures	280,000	280,000	672,643	392,643
Miscellaneous	1,848,309	1,848,309	2,208,967	360,658
Total revenues	74,937,866	74,937,866	80,110,133	5,172,267
Expenditures:				
Current:				
General government:				
City commission	820,471	999,460	1,006,671	(7,211)
City manager	2,369,956	2,724,162	2,275,945	448,217
Finance	1,612,315	1,879,434	1,833,606	45,828
Purchasing	661,523	661,523	650,842	10,681
Non-departmental	12,466,330	12,588,867	12,042,228	546,639
Human resources	1,320,546	1,325,036	1,211,603	113,433
Development services	1,536,462	1,566,622	959,363	607,259
City clerk	1,152,085	1,152,085	1,093,262	58,823
City attorney	616,800	802,800	732,371	70,429
Information technology	1,434,246	1,512,422	1,616,773	(104,351)
Total general government	23,990,734	25,212,411	23,422,664	1,789,747
Public safety:				
Police	27,389,786	28,402,492	28,834,439	(431,947)
Fire	17,031,341	20,067,265	18,439,509	1,627,756
Total public safety	44,421,127	48,469,757	47,273,948	1,195,809
Culture and recreation:				
Administration	687,711	720,905	717,896	3,009
Special activities	1,097,011	1,142,112	1,092,543	49,569
Parks and grounds	3,654,962	4,240,468	4,061,073	179,395
Aquatics	979,399	1,526,368	1,498,827	27,541
Total culture and recreation	6,419,083	7,629,853	7,370,339	259,514
Public works:				
Administration	728,210	686,210	511,255	174,955
Buildings	2,155,514	2,371,324	2,013,550	357,774
City garage	1,654,319	1,768,319	1,448,703	319,616
Total public works	4,538,043	4,825,853	3,973,508	852,345
Total expenditures	79,368,987	86,137,874	82,040,459	4,097,415
Excess (deficiency) of revenues over (under) expenditures	(4,431,121)	(11,200,008)	(1,930,326)	9,269,682

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
(Continued)
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	2,444,497	2,444,497	2,444,497	-
Issuance of leases	-	1,339,000	1,372,288	33,288
Issuance of SBITAs	-	-	1,305,981	1,305,981
Proceeds from sale of capital assets	100,000	100,000	152,800	52,800
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources, net	2,494,497	3,833,497	5,225,566	1,392,069
Net change in fund balances	(1,936,624)	(7,366,511)	3,295,240	10,661,751
Fund Balance, Beginning	55,112,041	55,112,041	55,112,041	-
Fund Balance, Ending	\$ <u>53,175,417</u>	\$ <u>47,745,530</u>	\$ <u>58,407,281</u>	\$ <u>10,661,751</u>

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Tax incremental	\$ 12,517,131	\$ 12,517,131	\$ 12,533,158	\$ 16,027
Licenses and permits	1,000	1,000	1,286	286
Investment income	250,000	250,000	221,149	(28,851)
Rental income	895,100	895,100	893,089	(2,011)
Miscellaneous	-	-	83,189	83,189
Total revenues	13,663,231	13,663,231	13,731,871	68,640
Expenditures:				
Economic and physical environment	6,940,758	6,940,759	3,494,106	3,446,653
Total expenditures	6,940,758	6,940,759	3,494,106	3,446,653
Excess of revenues over expenditures	6,722,473	6,722,472	10,237,765	3,515,293
Other Financing Uses:				
Transfers out	(6,722,473)	(9,352,430)	(9,352,430)	-
Net change in fund balance	-	(2,629,958)	885,335	3,515,293
Fund Balance, Beginning	-	-	-	-
Fund Balance (Deficit), Ending	\$ -	\$ (2,629,958)	\$ 885,335	\$ 3,515,293

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Recreation Trust Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 75,644	\$ 75,144
Miscellaneous	575,000	575,000	1,503,373	928,373
Total revenues	575,500	575,500	1,579,017	1,003,517
Expenditures:				
Culture and recreation	500	500	11	489
Excess of revenues over expenditures	575,000	575,000	1,579,006	1,004,006
Other Financing Uses:				
Transfers out	(575,000)	(575,000)	-	575,000
Net change in fund balance	-	-	1,579,006	1,579,006
Fund Balance, Beginning	1,917,064	1,917,064	1,917,064	-
Fund Balance, Ending	\$ 1,917,064	\$ 1,917,064	\$ 3,496,070	\$ 1,579,006

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. The Opioid Settlement Fund does not have a legally adopted budget, as the City is still exploring possible projects for using these funds.
4. 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.
5. Debt service expenditures are included within their respective department expenditure balances.

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

Fiscal Year:	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Measurement Date:	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Total OPEB liability:								
Service cost	\$ 346,568	\$ 293,670	\$ 446,988	\$ 425,567	\$ 747,936	\$ 644,212	\$ 738,687	\$ 2,407,457
Interest on total OPEB liability	699,489	669,299	355,402	395,881	534,897	689,624	549,636	1,428,239
Difference between expected and actual experience	678,657	-	1,502,247	-	2,277,231	-	4,751,845	-
Change of benefit terms	-	426,983	-	-	-	-	-	(29,563,238)
Change of assumptions	4,109,345	(97,938)	(1,862,672)	98,414	(5,265,968)	894,807	(2,934,302)	(2,874,119)
Benefits payments	<u>(1,472,431)</u>	<u>(1,424,574)</u>	<u>(1,186,843)</u>	<u>(1,092,137)</u>	<u>(899,723)</u>	<u>(875,081)</u>	<u>(543,786)</u>	<u>(856,527)</u>
Net change in total OPEB liability	4,361,628	(132,560)	(744,878)	(172,275)	(2,605,627)	1,353,562	2,562,080	(29,458,188)
Total OPEB liability, beginning	<u>15,497,402</u>	<u>15,629,962</u>	<u>16,374,840</u>	<u>16,547,115</u>	<u>19,152,742</u>	<u>\$ 17,799,180</u>	<u>15,237,100</u>	<u>44,695,288</u>
Total OPEB liability, ending	<u>\$ 19,859,030</u>	<u>\$ 15,497,402</u>	<u>\$ 15,629,962</u>	<u>\$ 16,374,840</u>	<u>\$ 16,547,115</u>	<u>\$ 19,152,742</u>	<u>\$ 17,799,180</u>	<u>\$ 15,237,100</u>
Covered-employee payroll	\$ 40,789,529	\$ 36,714,693	\$ 36,669,145	\$ 39,095,092	\$ 37,591,435	\$ 36,857,279	\$ 35,953,301	\$ 32,992,116
Total OPEB liability as a percentage of covered-employee payroll	48.69%	42.21%	42.62%	41.88%	44.02%	51.96%	49.51%	46.18%

Notes to Schedule:

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

Changes in assumptions include the change in the discount rate from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024, and updates to per capita costs and premiums, the healthcare cost trend assumption, and rates of mortality, withdrawal, disability, salary increase, retirement and DROP entry for all membership classes.

IAFF retirees hired after June 21, 2023 who have a minimum of 15 years of service will receive a 2% accumulation up to 60% paid by the City (for non-Medicare premiums). This benefit change had an immaterial impact on the Total OPEB Liability.

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
Last Ten Years (Unaudited)

Fiscal Year:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Measurement Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
City of Margate, Florida's proportion of the net pension liability	.150138697%	.149671282%	.149640088%	.160532597%	.180676507%	.195760042%	.192673565%	.194997438%	.198856274%	.191181409%
City of Margate, Florida's proportionate share of the net pension liability	\$ 46,595,742	\$ 57,899,891	\$ 59,626,839	\$ 59,731,027	\$ 13,648,057	\$ 84,845,287	\$ 66,354,094	\$ 58,734,239	\$ 58,840,541	\$ 48,273,456
City of Margate, Florida's covered payroll	\$ 34,727,751	\$ 33,353,664	\$ 33,087,973	\$ 33,197,849	\$ 35,267,257	\$ 34,414,402	\$ 33,233,991	\$ 32,999,820	\$ 31,911,431	\$ 29,407,952
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	134.17%	173.59%	180.21%	179.92%	38.70%	246.54%	199.66%	177.98%	184.39%	164.15%
Plan fiduciary net position as a percentage of total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

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

Fiscal Year:	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
Measurement Date:	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
City of Margate, Florida's proportion of the net pension liability	.101464746%	.100941398%	.105289367%	.113110444%	.120997314%	.120179308%	.119813516%	.120507804%	.119432380%	.114484765%
City of Margate, Florida's proportionate share of the net pension liability	\$ 13,005,187	\$ 15,142,196	\$ 16,721,356	\$ 11,980,203	\$ 14,842,140	\$ 14,673,698	\$ 13,405,933	\$ 12,754,681	\$ 12,770,261	\$ 13,342,725
City of Margate, Florida's covered payroll	\$ 45,326,011	\$ 42,700,571	\$ 41,753,747	\$ 41,213,753	\$ 42,837,105	\$ 41,707,825	\$ 40,069,209	\$ 39,276,280	\$ 38,131,582	\$ 35,274,258
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	28.69%	35.46%	40.05%	29.07%	34.65%	35.18%	33.46%	32.47%	33.49%	37.83%
Plan fiduciary net position as a percentage of total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 8,509,065	\$ 7,785,070	\$ 6,935,670	\$ 6,198,581	\$ 6,341,923	\$ 6,002,040	\$ 5,611,835	\$ 5,217,664	\$ 4,771,913	\$ 4,363,156
Contributions in relation to the contractually required contribution	<u>8,509,065</u>	<u>7,785,070</u>	<u>6,935,670</u>	<u>6,198,581</u>	<u>6,341,923</u>	<u>6,002,040</u>	<u>5,611,835</u>	<u>5,217,664</u>	<u>4,771,913</u>	<u>4,363,156</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Margate, Florida's covered payroll	\$ 35,389,506	\$ 33,396,025	\$ 33,316,793	\$ 33,442,843	\$ 35,600,251	\$ 34,591,457	\$ 33,539,981	\$ 33,028,081	\$ 31,528,008	\$ 29,636,151
Contributions as a percentage of covered payroll	24.04%	23.31%	20.82%	18.53%	17.81%	17.35%	16.73%	15.80%	15.14%	14.72%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 924,326	\$ 862,141	\$ 738,138	\$ 693,635	\$ 718,341	\$ 696,557	\$ 672,117	\$ 654,354	\$ 622,594	\$ 590,935
Contributions in relation to the contractually required contribution	<u>924,326</u>	<u>862,141</u>	<u>738,138</u>	<u>693,635</u>	<u>718,341</u>	<u>696,557</u>	<u>672,117</u>	<u>654,354</u>	<u>622,594</u>	<u>590,935</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Margate, Florida's covered payroll	\$ 46,216,280	\$ 43,106,971	\$ 42,178,822	\$ 41,785,344	\$ 43,273,554	\$ 41,961,062	\$ 40,489,038	\$ 39,418,922	\$ 37,505,614	\$ 35,583,830
Contributions as a percentage of covered payroll	2.00%	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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.

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.

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.

Opioid Settlement Fund - To account for the receipt and disbursement of funds derived from the Florida Opioid Settlement Trust Fund.

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 had no activity since inception through the fiscal year ending September 30, 2025, 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.

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

**City of Margate, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Assets:				
Cash, cash equivalents, and investments	\$ 18,523,289	\$ 112,353	\$ 7,027,743	\$ 25,663,385
Accounts receivable, net	623,576	684	1,204,418	1,828,678
Prepayments and other assets	<u>109,120</u>	<u>-</u>	<u>-</u>	<u>109,120</u>
Total assets	<u>\$ 19,255,985</u>	<u>\$ 113,037</u>	<u>\$ 8,232,161</u>	<u>\$ 27,601,183</u>
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 1,111,514</u>	<u>\$ -</u>	<u>\$ 270,503</u>	<u>\$ 1,382,017</u>
Deferred Inflows of Resources:				
Unavailable revenues	<u>420,180</u>	<u>-</u>	<u>1,116,820</u>	<u>1,537,000</u>
Fund Balances:				
Nonspendable:				
Prepayments and other assets	109,120	-	-	109,120
Restricted for:				
Public safety	5,653,914	-	-	5,653,914
Transportation	8,551,346	-	-	8,551,346
Building	1,554,462	-	-	1,554,462
Culture and recreation	599,950	-	-	599,950
Debt service	-	113,037	-	113,037
Economic development	458,709	-	-	458,709
Streetlights	331,369	-	-	331,369
Utilities	465,421	-	-	465,421
Capital projects	-	-	1,108,451	1,108,451
Assigned for:				
Capital projects	<u>-</u>	<u>-</u>	<u>5,736,387</u>	<u>5,736,387</u>
Total fund balances	<u>17,724,291</u>	<u>113,037</u>	<u>6,844,838</u>	<u>24,682,166</u>
Total liabilities and fund balances	<u>\$ 19,255,985</u>	<u>\$ 113,037</u>	<u>\$ 8,232,161</u>	<u>\$ 27,601,183</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ -	\$ 2,154,144	\$ -	\$ 2,154,144
Licenses and permits	3,658,310	-	-	3,658,310
Intergovernmental	3,091,984	-	137,500	3,229,484
Investment income	679,071	26,061	426,185	1,131,317
Charges for services	68,585	-	-	68,585
Fines and forfeitures	1,994,587	-	-	1,994,587
Impact fees	591,100	-	-	591,100
Miscellaneous	1,590,849	-	-	1,590,849
	<u>11,674,486</u>	<u>2,180,205</u>	<u>563,685</u>	<u>14,418,376</u>
Expenditures:				
Current:				
General government	-	-	55,748	55,748
Public safety	5,315,769	-	236,074	5,551,843
Economic and physical environment	419,984	-	3,017,458	3,437,442
Culture and recreation	1,081,750	-	3,331,923	4,413,673
Public works	2,701,905	-	8,544	2,710,449
Debt service:				
Principal retirement	306,685	1,150,000	-	1,456,685
Interest and other charges	38,859	980,600	-	1,019,459
	<u>9,864,952</u>	<u>2,130,600</u>	<u>6,649,747</u>	<u>18,645,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,809,534</u>	<u>49,605</u>	<u>(6,086,062)</u>	<u>(4,226,923)</u>
Other Financing Sources:				
Transfers in	801,686	-	50,000	851,686
Transfers out	-	-	(801,686)	(801,686)
Issuance of leases	185,359	-	-	185,359
Proceeds from sale of capital assets	62,460	-	23,447	85,907
	<u>1,049,505</u>	<u>-</u>	<u>(728,239)</u>	<u>321,266</u>
Net change in fund balances	2,859,039	49,605	(6,814,301)	(3,905,657)
Fund Balances, Beginning	<u>14,865,252</u>	<u>63,432</u>	<u>13,659,139</u>	<u>28,587,823</u>
Fund Balances, Ending	<u>\$ 17,724,291</u>	<u>\$ 113,037</u>	<u>\$ 6,844,838</u>	<u>\$ 24,682,166</u>

**City of Margate, Florida
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2025**

	<u>Road Fund</u>	<u>Impact Fees Fund</u>	<u>Police Officers Training Fund</u>	<u>Confiscated Properties Fund</u>	<u>Building Fund</u>	<u>Housing and Urban Development (HUD) Grant Fund</u>	<u>Underground Utility Trust Fund</u>	<u>Opioid Settlement Fund</u>	<u>Northwest Focal Point Senior Center Fund</u>	<u>Total</u>
Assets:										
Cash, cash equivalents, and investments	\$ 9,322,072	\$ 1,084,169	\$ 23,996	\$ 4,381,230	\$ 1,711,089	\$ 836,287	\$ 464,073	\$ 145,038	\$ 555,335	\$ 18,523,289
Accounts receivable, net	84,506	1,546	70	30,867	2,106	382,388	1,348	307	120,438	623,576
Prepayments and other assets	-	-	-	-	34,136	-	-	-	74,984	109,120
Total assets	<u>\$ 9,406,578</u>	<u>\$ 1,085,715</u>	<u>\$ 24,066</u>	<u>\$ 4,412,097</u>	<u>\$ 1,747,331</u>	<u>\$ 1,218,675</u>	<u>\$ 465,421</u>	<u>\$ 145,345</u>	<u>\$ 750,757</u>	<u>\$ 19,255,985</u>
Liabilities:										
Accounts payable and accrued liabilities	\$ 523,863	\$ 11,737	\$ -	\$ 1,572	\$ 158,733	\$ 379,983	\$ -	\$ -	\$ 35,626	\$ 1,111,514
Deferred Inflows of Resources:										
Unavailable revenues	-	-	-	-	-	379,983	-	-	40,197	420,180
Fund Balances:										
Nonspendable:										
Prepayments and other assets	-	-	-	-	34,136	-	-	-	74,984	109,120
Restricted for:										
Public safety	-	1,073,978	24,066	4,410,525	-	-	-	145,345	-	5,653,914
Transportation	8,551,346	-	-	-	-	-	-	-	-	8,551,346
Building	-	-	-	-	1,554,462	-	-	-	-	1,554,462
Culture and recreation	-	-	-	-	-	-	-	-	599,950	599,950
Economic development	-	-	-	-	-	458,709	-	-	-	458,709
Streetlights	331,369	-	-	-	-	-	-	-	-	331,369
Utilities	-	-	-	-	-	-	465,421	-	-	465,421
Total fund balances	<u>8,882,715</u>	<u>1,073,978</u>	<u>24,066</u>	<u>4,410,525</u>	<u>1,588,598</u>	<u>458,709</u>	<u>465,421</u>	<u>145,345</u>	<u>674,934</u>	<u>17,724,291</u>
Total liabilities and fund balances	<u>\$ 9,406,578</u>	<u>\$ 1,085,715</u>	<u>\$ 24,066</u>	<u>\$ 4,412,097</u>	<u>\$ 1,747,331</u>	<u>\$ 1,218,675</u>	<u>\$ 465,421</u>	<u>\$ 145,345</u>	<u>\$ 750,757</u>	<u>\$ 19,255,985</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2025

	<u>Road Fund</u>	<u>Impact Fees Fund</u>	<u>Police Officers Training Fund</u>	<u>Confiscated Properties Fund</u>	<u>Building Fund</u>	<u>Housing and Urban Development (HUD) Grant Fund</u>	<u>Underground Utility Trust Fund</u>	<u>Opioid Settlement Fund</u>	<u>Northwest Focal Point Senior Center Fund</u>	<u>Total</u>
Revenues:										
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 3,658,310	\$ -	\$ -	\$ -	\$ -	\$ 3,658,310
Intergovernmental	2,093,026	-	-	-	-	152,729	-	-	846,229	3,091,984
Investment income	409,390	33,328	729	128,002	58,205	22,848	7,024	3,685	15,860	679,071
Charges for services	-	-	-	-	-	-	-	-	68,585	68,585
Fines and forfeitures	-	-	7,079	1,987,508	-	-	-	-	-	1,994,587
Impact fees	-	591,100	-	-	-	-	-	-	-	591,100
Miscellaneous	1,401	-	-	7,150	976,994	-	395,251	42,344	167,709	1,590,849
Total revenues	<u>2,503,817</u>	<u>624,428</u>	<u>7,808</u>	<u>2,122,660</u>	<u>4,693,509</u>	<u>175,577</u>	<u>402,275</u>	<u>46,029</u>	<u>1,098,383</u>	<u>11,674,486</u>
Expenditures:										
Current:										
Public safety	-	199,470	-	228,602	4,887,697	-	-	-	-	5,315,769
Economic and physical environment	-	-	-	-	-	419,984	-	-	-	419,984
Culture and recreation	-	-	-	-	-	-	-	-	1,081,750	1,081,750
Public works	2,701,905	-	-	-	-	-	-	-	-	2,701,905
Debt service:										
Principal retirement	7,369	-	-	79,109	220,207	-	-	-	-	306,685
Interest and other charges	2,092	-	-	9,132	27,635	-	-	-	-	38,859
Total expenditures	<u>2,711,366</u>	<u>199,470</u>	<u>-</u>	<u>316,843</u>	<u>5,135,539</u>	<u>419,984</u>	<u>-</u>	<u>-</u>	<u>1,081,750</u>	<u>9,864,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(207,549)</u>	<u>424,958</u>	<u>7,808</u>	<u>1,805,817</u>	<u>(442,030)</u>	<u>(244,407)</u>	<u>402,275</u>	<u>46,029</u>	<u>16,633</u>	<u>1,809,534</u>
Other Financing Sources:										
Transfers in	-	-	-	-	801,686	-	-	-	-	801,686
Issuance of leases	45,656	-	-	-	139,703	-	-	-	-	185,359
Proceeds from sale of capital assets	-	6,431	-	54,873	1,156	-	-	-	-	62,460
Total other financing sources	<u>45,656</u>	<u>6,431</u>	<u>-</u>	<u>54,873</u>	<u>942,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,049,505</u>
Net change in fund balances	<u>(161,893)</u>	<u>431,389</u>	<u>7,808</u>	<u>1,860,690</u>	<u>500,515</u>	<u>(244,407)</u>	<u>402,275</u>	<u>46,029</u>	<u>16,633</u>	<u>2,859,039</u>
Fund Balances, Beginning	<u>9,044,608</u>	<u>642,589</u>	<u>16,258</u>	<u>2,549,835</u>	<u>1,088,083</u>	<u>703,116</u>	<u>63,146</u>	<u>99,316</u>	<u>658,301</u>	<u>14,865,252</u>
Fund Balances, Ending	<u>\$ 8,882,715</u>	<u>\$ 1,073,978</u>	<u>\$ 24,066</u>	<u>\$ 4,410,525</u>	<u>\$ 1,588,598</u>	<u>\$ 458,709</u>	<u>\$ 465,421</u>	<u>\$ 145,345</u>	<u>\$ 674,934</u>	<u>\$ 17,724,291</u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2025

	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	\$ 67,410	\$ 44,943	\$ 112,353
Accounts receivable, net	445	239	684
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>67,855</u>	\$ <u>45,182</u>	\$ <u>113,037</u>
Fund Balances:			
Restricted for:			
Debt service	\$ <u>67,855</u>	\$ <u>45,182</u>	\$ <u>113,037</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	67,855	45,182	113,037
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>67,855</u>	\$ <u>45,182</u>	\$ <u>113,037</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, 2025

	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	\$ 1,495,361	\$ 658,783	\$ 2,154,144
Investment income	17,689	8,372	26,061
	<u>1,513,050</u>	<u>667,155</u>	<u>2,180,205</u>
Total revenues			
Expenditures:			
Debt service:			
Principal retirement	785,000	365,000	1,150,000
Interest and other charges	693,750	286,850	980,600
	<u>1,478,750</u>	<u>651,850</u>	<u>2,130,600</u>
Total expenditures			
Net change in fund balance	34,300	15,305	49,605
Fund Balances, Beginning	<u>33,555</u>	<u>29,877</u>	<u>63,432</u>
Fund Balances, Ending	<u>\$ 67,855</u>	<u>\$ 45,182</u>	<u>\$ 113,037</u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2025

	<u>General Capital Projects Fund</u>	<u>General Obligation Bonds Proceeds 2019 Fund</u>	<u>Margate Community Redevelopment Agency Loan Proceeds Fund</u>	<u>Total</u>
Assets:				
Cash, cash equivalents, and investments	\$ 5,669,985	\$ 1,357,758	\$ -	\$ 7,027,743
Accounts receivable, net	<u>204,418</u>	<u>1,000,000</u>	<u>-</u>	<u>1,204,418</u>
Total assets	<u>\$ 5,874,403</u>	<u>\$ 2,357,758</u>	<u>\$ -</u>	<u>\$ 8,232,161</u>
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 21,196</u>	<u>\$ 249,307</u>	<u>\$ -</u>	<u>\$ 270,503</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>116,820</u>	<u>1,000,000</u>	<u>-</u>	<u>1,116,820</u>
Fund Balances:				
Restricted for:				
Capital projects	-	1,108,451	-	1,108,451
Assigned for:				
Capital projects	<u>5,736,387</u>	<u>-</u>	<u>-</u>	<u>5,736,387</u>
Total fund balances	<u>5,736,387</u>	<u>1,108,451</u>	<u>-</u>	<u>6,844,838</u>
Total liabilities and fund balances	<u>\$ 5,874,403</u>	<u>\$ 2,357,758</u>	<u>\$ -</u>	<u>\$ 8,232,161</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, 2025

	<u>General Capital Projects Fund</u>	<u>General Obligation Bonds Proceeds 2019 Fund</u>	<u>Margate Community Redevelopment Agency Loan Proceeds Fund</u>	<u>Total</u>
Revenues:				
Investment income	\$ 289,231	\$ 114,244	\$ 22,710	\$ 426,185
Intergovernmental	137,500	-	-	137,500
Total revenue	<u>426,731</u>	<u>114,244</u>	<u>22,710</u>	<u>563,685</u>
Expenditures:				
Current:				
General government	55,748	-	-	55,748
Public safety	236,074	-	-	236,074
Economic and physical environment	-	-	3,017,458	3,017,458
Culture and recreation	753,576	2,578,347	-	3,331,923
Public works	8,544	-	-	8,544
Total expenditures	<u>1,053,942</u>	<u>2,578,347</u>	<u>3,017,458</u>	<u>6,649,747</u>
Deficiency of revenues under expenditures	<u>(627,211)</u>	<u>(2,464,103)</u>	<u>(2,994,748)</u>	<u>(6,086,062)</u>
Other Financing Sources:				
Transfers in	50,000	-	-	50,000
Transfers out	(801,686)	-	-	(801,686)
Proceeds from sale of capital assets	23,447	-	-	23,447
Total other financing sources	<u>(728,239)</u>	<u>-</u>	<u>-</u>	<u>(728,239)</u>
Net change in fund balances	(1,355,450)	(2,464,103)	(2,994,748)	(6,814,301)
Fund Balances, Beginning	<u>7,091,837</u>	<u>3,572,554</u>	<u>2,994,748</u>	<u>13,659,139</u>
Fund Balances, Ending	<u>\$ 5,736,387</u>	<u>\$ 1,108,451</u>	<u>\$ -</u>	<u>\$ 6,844,838</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,795,000	\$ 1,795,000	\$ 2,093,026	\$ 298,026
Investment income	25,000	25,000	409,390	384,390
Miscellaneous	-	-	1,401	1,401
Total revenues	1,820,000	1,820,000	2,503,817	683,817
Expenditures:				
Public works	2,422,421	3,155,856	2,701,905	453,951
Debt service:				
Principal retirement	-	-	7,369	(7,369)
Interest and other charges	-	-	2,092	(2,092)
Total expenditures	2,422,421	3,155,856	2,711,366	444,490
Excess (deficiency) of revenues over (under) expenditures	(602,421)	(1,335,856)	(207,549)	1,128,307
Other Financing Sources:				
Issuance of leases	-	-	45,656	45,656
Net change in fund balance	(602,421)	(1,335,856)	(161,893)	1,173,963
Fund Balance, Beginning	9,044,608	9,044,608	9,044,608	-
Fund Balance, Ending	\$ 8,442,187	\$ 7,708,752	\$ 8,882,715	\$ 1,173,963

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 33,328	\$ 32,828
Impact fees	<u>20,000</u>	<u>20,000</u>	<u>591,100</u>	<u>571,100</u>
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>624,428</u>	<u>603,928</u>
Expenditures:				
Public safety	<u>60,500</u>	<u>352,981</u>	<u>199,470</u>	<u>153,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(332,481)</u>	<u>424,958</u>	<u>757,439</u>
Other Financing Sources:				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>6,431</u>	<u>6,431</u>
Net change in fund balance	(40,000)	(332,481)	431,389	763,870
Fund Balance, Beginning	<u>642,589</u>	<u>642,589</u>	<u>642,589</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 602,589</u>	<u>\$ 310,108</u>	<u>\$ 1,073,978</u>	<u>\$ 763,870</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 100	\$ 100	\$ 729	\$ 629
Fines and forfeitures	-	-	7,079	7,079
Total revenues	<u>100</u>	<u>100</u>	<u>7,808</u>	<u>7,708</u>
Expenditures:				
Public safety	<u>100</u>	<u>100</u>	-	100
Net change in fund balance	-	-	7,808	7,808
Fund Balance, Beginning	<u>16,258</u>	<u>16,258</u>	<u>16,258</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 16,258</u>	<u>\$ 16,258</u>	<u>\$ 24,066</u>	<u>\$ 7,808</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 128,002	\$ 126,002
Fines and forfeitures	35,000	35,000	1,987,508	1,952,508
Miscellaneous	-	-	7,150	7,150
Total revenues	37,000	37,000	2,122,660	2,085,660
Expenditures:				
Public safety	790,117	967,897	228,602	739,295
Debt service:				
Principal retirement	-	-	79,109	(79,109)
Interest and other charges	-	-	9,132	(9,132)
Total expenditures	790,117	967,897	316,843	651,054
Excess (deficiency) of revenues over (under) expenditures	(753,117)	(930,897)	1,805,817	2,736,714
Other Financing Sources:				
Proceeds from sale of capital assets	-	-	54,873	54,873
Net change in fund balance	(753,117)	(930,897)	1,860,690	2,791,587
Fund Balance, Beginning	2,549,835	2,549,835	2,549,835	-
Fund Balance, Ending	\$ 1,796,718	\$ 1,618,938	\$ 4,410,525	\$ 2,791,587

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 2,622,900	\$ 2,622,900	\$ 3,658,310	\$ 1,035,410
Investment income	5,000	5,000	58,205	53,205
Miscellaneous	928,913	928,913	976,994	48,081
Total revenues	3,556,813	3,556,813	4,693,509	1,136,696
Expenditures:				
Public safety	5,358,499	5,421,884	4,887,697	534,187
Debt service:				
Principal retirement	-	-	220,207	(220,207)
Interest and other charges	-	-	27,635	(27,635)
Total expenditures	5,358,499	5,421,884	5,135,539	286,345
Excess (deficiency) of revenues over (under) expenditures	(1,801,686)	(1,865,071)	(442,030)	1,423,041
Other Financing Sources:				
Transfers in	801,686	801,686	801,686	-
Issuance of leases	-	-	139,703	139,703
Proceeds from sale of capital assets	-	-	1,156	1,156
Total other financing sources	801,686	801,686	942,545	139,703
Net change in fund balance	(1,000,000)	(1,063,385)	500,515	1,563,900
Fund Balance, Beginning	1,088,083	1,088,083	1,088,083	-
Fund Balance, Ending	\$ 88,083	\$ 24,698	\$ 1,588,598	\$ 1,563,900

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 958,992	\$ 958,992	\$ 152,729	\$ (806,263)
Investment income	-	-	22,848	22,848
	<u>958,992</u>	<u>958,992</u>	<u>175,577</u>	<u>(783,415)</u>
Total revenues				
Expenditures:				
Economic and physical environment	<u>1,448,692</u>	<u>1,448,692</u>	<u>419,984</u>	<u>1,028,708</u>
	(489,700)	(489,700)	(244,407)	245,293
Net change in fund balance				
Fund Balance, Beginning	<u>703,116</u>	<u>703,116</u>	<u>703,116</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 213,416</u>	<u>\$ 213,416</u>	<u>\$ 458,709</u>	<u>\$ 245,293</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 300	\$ 300	\$ 7,024	\$ 6,724
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>395,251</u>	<u>345,251</u>
Total revenues	<u>50,300</u>	<u>50,300</u>	<u>402,275</u>	<u>351,975</u>
Expenditures:				
Economic and physical environment	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Excess of revenues over expenditures	<u>50,000</u>	<u>50,000</u>	<u>402,275</u>	<u>352,275</u>
Other Financing Uses:				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	-	-	402,275	402,275
Fund Balance, Beginning	<u>63,146</u>	<u>63,146</u>	<u>63,146</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 63,146</u></u>	<u><u>\$ 63,146</u></u>	<u><u>\$ 465,421</u></u>	<u><u>\$ 402,275</u></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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 826,463	\$ 826,463	\$ 846,229	\$ 19,766
Investment income	2,000	2,000	15,860	13,860
Charges for services	27,500	27,500	68,585	41,085
Miscellaneous	157,000	157,000	167,709	10,709
	<u>1,012,963</u>	<u>1,012,963</u>	<u>1,098,383</u>	<u>85,420</u>
Total revenues				
	<u>1,012,963</u>	<u>1,012,963</u>	<u>1,098,383</u>	<u>85,420</u>
Expenditures:				
Culture and recreation	1,268,151	1,268,151	1,081,750	186,401
	<u>1,268,151</u>	<u>1,268,151</u>	<u>1,081,750</u>	<u>186,401</u>
Net change in fund balance	(255,188)	(255,188)	16,633	271,821
Fund Balance, Beginning	<u>658,301</u>	<u>658,301</u>	<u>658,301</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 403,113</u>	<u>\$ 403,113</u>	<u>\$ 674,934</u>	<u>\$ 271,821</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,665,000	\$ 1,665,000	\$ -	\$ (1,665,000)
Investment income	100	100	-	(100)
Total revenues	<u>1,665,100</u>	<u>1,665,100</u>	<u>-</u>	<u>(1,665,100)</u>
Expenditures:				
Economic and physical environment	<u>1,665,100</u>	<u>1,665,100</u>	<u>-</u>	<u>1,665,100</u>
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,478,750	\$ 1,478,750	\$ 1,495,361	\$ 16,611
Investment income	<u>1,400</u>	<u>1,400</u>	<u>17,689</u>	<u>16,289</u>
Total revenues	<u>1,480,150</u>	<u>1,480,150</u>	<u>1,513,050</u>	<u>32,900</u>
Expenditures:				
Debt service:				
Principal retirement	785,000	785,000	785,000	-
Interest and other charges	<u>695,150</u>	<u>695,150</u>	<u>693,750</u>	<u>1,400</u>
Total expenditures	<u>1,480,150</u>	<u>1,480,150</u>	<u>1,478,750</u>	<u>1,400</u>
Net change in fund balance	-	-	34,300	34,300
Fund Balance, Beginning	<u>33,555</u>	<u>33,555</u>	<u>33,555</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 33,555</u></u>	<u><u>\$ 33,555</u></u>	<u><u>\$ 67,855</u></u>	<u><u>\$ 34,300</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 651,850	\$ 651,850	\$ 658,783	\$ 6,933
Investment income	<u>600</u>	<u>600</u>	<u>8,372</u>	<u>7,772</u>
Total revenues	<u>652,450</u>	<u>652,450</u>	<u>667,155</u>	<u>14,705</u>
Expenditures:				
Debt service:				
Principal retirement	365,000	365,000	365,000	-
Interest and other charges	<u>287,450</u>	<u>287,450</u>	<u>286,850</u>	<u>600</u>
Total expenditures	<u>652,450</u>	<u>652,450</u>	<u>651,850</u>	<u>600</u>
Net change in fund balance	-	-	15,305	15,305
Fund Balance, Beginning	<u>29,877</u>	<u>29,877</u>	<u>29,877</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 29,877</u></u>	<u><u>\$ 29,877</u></u>	<u><u>\$ 45,182</u></u>	<u><u>\$ 15,305</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 5,000	\$ 5,000	\$ 289,231	\$ 284,231
Intergovernmental	-	-	137,500	137,500
Total revenues	5,000	5,000	426,731	421,731
Expenditures:				
General government	530,755	530,755	55,748	475,007
Public safety	3,530,000	3,871,795	236,074	3,635,721
Economic and physical environment	25,000	25,000	-	25,000
Culture and recreation	210,000	965,518	753,576	211,942
Public works	-	116,085	8,544	107,541
Total expenditures	4,295,755	5,509,153	1,053,942	4,455,211
Excess (deficiency) of revenues over (under) expenditures	(4,290,755)	(5,504,153)	(627,211)	4,876,942
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	50,000	-
Transfers out	(801,686)	(801,686)	(801,686)	-
Proceeds from sale of capital assets	-	-	23,447	23,447
Total other financing sources (uses), net	(751,686)	(751,686)	(728,239)	23,447
Net change in fund balance	(5,042,441)	(6,255,839)	(1,355,450)	4,900,389
Fund Balance, Beginning	7,091,837	7,091,837	7,091,837	-
Fund Balance, Ending	\$ 2,049,396	\$ 835,998	\$ 5,736,387	\$ 4,900,389

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 10,000	\$ 10,000	\$ 114,244	\$ 104,244
Expenditures:				
Culture and recreation	<u>2,389,565</u>	<u>4,914,415</u>	<u>2,578,347</u>	<u>2,336,068</u>
Net change in fund balance	(2,379,565)	(4,904,415)	(2,464,103)	2,440,312
Fund Balance, Beginning	<u>3,572,554</u>	<u>3,572,554</u>	<u>3,572,554</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ 1,192,989</u>	<u>\$ (1,331,861)</u>	<u>\$ 1,108,451</u>	<u>\$ 2,440,312</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 1,700,000	\$ 1,700,000	\$ 1,878,637	\$ 178,637
Expenditures:				
Economic and physical environment	<u>18,887,000</u>	<u>25,274,097</u>	<u>6,651,864</u>	<u>18,622,233</u>
Excess (deficiency) of revenues over (under) expenditures	(17,187,000)	(23,574,097)	(4,773,227)	18,800,870
Other Financing Sources:				
Transfers in	<u>6,722,473</u>	<u>9,352,430</u>	<u>9,352,430</u>	<u>-</u>
Net change in fund balance	(10,464,527)	(14,221,667)	4,579,203	18,800,870
Fund Balance, Beginning	<u>40,691,795</u>	<u>40,691,795</u>	<u>40,691,795</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 30,227,268</u>	<u>\$ 26,470,128</u>	<u>\$ 45,270,998</u>	<u>\$ 18,800,870</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,000	\$ 1,000	\$ 22,710	\$ 21,710
Expenditures:				
Economic and physical environment	<u>4,701,000</u>	<u>4,701,000</u>	<u>3,017,458</u>	<u>1,683,542</u>
Net change in fund balance	(4,700,000)	(4,700,000)	(2,994,748)	1,705,252
Fund Balance, Beginning	<u>2,994,748</u>	<u>2,994,748</u>	<u>2,994,748</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>(1,705,252)</u>	<u>\$ (1,705,252)</u>	<u>\$ -</u>	<u>\$ 1,705,252</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			
	2016	2017 ¹	2018	2019
Governmental Activities:				
Net investment in capital assets	\$ 60,133,494	\$ 60,215,424	\$ 62,969,641	\$ 65,787,214
Restricted	26,152,283	23,718,734	26,704,283	26,488,946
Unrestricted (deficit)	<u>(32,416,624)</u>	<u>(53,488,962)</u>	<u>(31,336,561)</u>	<u>(34,912,594)</u>
Total governmental activities net position	<u>\$ 53,869,153</u>	<u>\$ 30,445,196</u>	<u>\$ 58,337,363</u>	<u>\$ 57,363,566</u>
Business-type Activities:				
Net investment in capital assets	\$ 46,413,559	\$ 48,831,575	\$ 51,915,054	\$ 53,195,346
Restricted	500,000	500,000	500,000	500,000
Unrestricted	<u>40,415,771</u>	<u>37,633,944</u>	<u>44,735,364</u>	<u>50,535,278</u>
Total business-type activities net position	<u>\$ 87,329,330</u>	<u>\$ 86,965,519</u>	<u>\$ 97,150,418</u>	<u>\$ 104,230,624</u>
Primary Government:				
Net investment in capital assets	\$ 106,547,053	\$ 109,046,999	\$ 114,884,695	\$ 118,982,560
Restricted	26,652,283	24,218,734	27,204,283	26,988,946
Unrestricted (deficit)	<u>7,999,147</u>	<u>(15,855,018)</u>	<u>13,398,803</u>	<u>15,622,684</u>
Total government net position	<u>\$ 141,198,483</u>	<u>\$ 117,410,715</u>	<u>\$ 155,487,781</u>	<u>\$ 161,594,190</u>

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

2 Fiscal year 2022 net investment in capital assets have been restated due to the implementation of GASB 96.

Table 1

						Fiscal Year					
<u>2020</u>		<u>2021</u>		<u>2022²</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>	
\$	71,662,265	\$	75,507,061	\$	71,754,583	\$	75,020,706	\$	72,880,762	\$	82,161,335
	30,818,826		33,240,371		45,514,761		48,922,323		59,952,039		66,847,831
	<u>(46,410,934)</u>		<u>(38,433,081)</u>		<u>(38,362,239)</u>		<u>(31,536,061)</u>		<u>(23,951,023)</u>		<u>(13,490,394)</u>
\$	<u>56,070,157</u>	\$	<u>70,314,351</u>	\$	<u>78,907,105</u>	\$	<u>92,406,968</u>	\$	<u>108,881,778</u>	\$	<u>135,518,772</u>
\$	56,090,223	\$	57,740,290	\$	58,472,473	\$	80,287,233	\$	92,982,293	\$	101,844,457
	500,000		500,000		500,000		500,000		500,000		-
	<u>55,023,954</u>		<u>61,885,510</u>		<u>64,206,779</u>		<u>47,478,005</u>		<u>43,686,657</u>		<u>47,030,061</u>
\$	<u>111,614,177</u>	\$	<u>120,125,800</u>	\$	<u>123,179,252</u>	\$	<u>128,265,238</u>	\$	<u>137,168,950</u>	\$	<u>148,874,518</u>
\$	127,752,488	\$	133,247,351	\$	130,227,056	\$	155,307,939	\$	165,863,055	\$	184,005,792
	31,318,826		33,740,371		46,014,761		49,422,323		60,452,039		66,847,831
	<u>8,613,020</u>		<u>23,452,429</u>		<u>25,844,540</u>		<u>15,941,944</u>		<u>19,735,634</u>		<u>33,539,667</u>
\$	<u>167,684,334</u>	\$	<u>190,440,151</u>	\$	<u>202,086,357</u>	\$	<u>220,672,206</u>	\$	<u>246,050,728</u>	\$	<u>284,393,290</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 12,111,517	\$ 15,566,363	\$ 16,029,823	\$ 17,375,785
Public safety	40,320,179	44,439,211	23,748,248	50,009,874
Economic and physical environment	2,186,059	1,656,356	2,149,791	2,727,004
Culture and recreation	5,643,172	6,171,871	4,392,717	5,771,761
Public works	5,691,156	6,402,118	5,529,471	7,445,183
Interest expense	1,729,592	986,383	959,049	1,026,789
Total governmental activities	<u>67,681,675</u>	<u>75,222,302</u>	<u>52,809,099</u>	<u>84,356,396</u>
Business-type activities:				
Water and wastewater	17,268,787	18,353,056	13,355,780	19,199,737
Stormwater utility	1,239,865	1,805,252	1,613,594	2,070,907
Total business-type activities	<u>18,508,652</u>	<u>20,158,308</u>	<u>14,969,374</u>	<u>21,270,644</u>
Total expenses	<u>\$ 86,190,327</u>	<u>\$ 95,380,610</u>	<u>\$ 67,778,473</u>	<u>\$ 105,627,040</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 102,527	\$ 1,247,307	\$ 1,265,458	\$ 1,864,890
Public safety	18,905,230	20,764,031	25,109,960	23,755,654
Economic and physical environment	644,712	614,604	577,234	583,439
Culture and recreation	590,480	626,102	609,489	588,010
Public works	182,365	153,528	164,019	143,718
Operating grants and contributions	1,234,999	1,672,897	3,331,804	2,783,414
Capital grants and contributions	315,776	-	204,500	200,000
Total governmental activities	<u>21,976,089</u>	<u>25,078,469</u>	<u>31,262,464</u>	<u>29,919,125</u>
Business-type activities:				
Charges for services:				
Water and wastewater	23,041,571	23,679,881	23,814,914	25,479,357
Stormwater utility	1,674,706	1,890,702	1,920,205	1,977,995
Operating grants and contributions	-	161,670	-	-
Capital grants and contributions	1,429,870	753,965	712,549	752,643
Total business-type activities	<u>26,146,147</u>	<u>26,486,218</u>	<u>26,447,668</u>	<u>28,209,995</u>
Total program revenues	<u>\$ 48,122,236</u>	<u>\$ 51,564,687</u>	<u>\$ 57,710,132</u>	<u>\$ 58,129,120</u>
Net (Expense)/Revenue:				
Governmental activities	\$ (45,705,586)	\$ (50,143,833)	\$ (21,546,635)	\$ (54,437,271)
Business-type activities	<u>7,637,495</u>	<u>6,327,910</u>	<u>11,478,294</u>	<u>6,939,351</u>
Total net expense	<u>\$ (38,068,091)</u>	<u>\$ (43,815,923)</u>	<u>\$ (10,068,341)</u>	<u>\$ (47,497,920)</u>

Table 2

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	18,651,598	\$	17,628,396	\$	21,797,531	\$	20,663,294	\$	23,833,381	\$	23,069,000
	54,520,281		42,003,377		38,588,704		55,250,504		45,531,949		44,854,116
	1,997,008		2,201,710		2,427,507		2,457,223		2,639,588		4,714,982
	6,089,205		6,483,972		6,874,049		7,464,434		7,240,670		8,782,326
	5,594,085		7,454,869		7,293,006		6,823,613		7,796,746		7,047,039
	1,088,437		995,383		930,811		999,334		1,057,487		1,048,931
	<u>87,940,614</u>		<u>76,767,707</u>		<u>77,911,608</u>		<u>93,658,402</u>		<u>88,099,821</u>		<u>89,516,394</u>
	19,292,589		17,609,210		19,995,301		22,693,071		24,947,201		26,153,829
	2,080,996		2,213,950		3,065,228		3,336,965		2,932,653		3,773,389
	<u>21,373,585</u>		<u>19,823,160</u>		<u>23,060,529</u>		<u>26,030,036</u>		<u>27,879,854</u>		<u>29,927,218</u>
\$	<u>109,314,199</u>	\$	<u>96,590,867</u>	\$	<u>100,972,137</u>	\$	<u>119,688,438</u>	\$	<u>115,979,675</u>	\$	<u>119,443,612</u>
\$	2,101,684	\$	2,111,702	\$	2,233,761	\$	2,776,240	\$	3,038,514	\$	3,989,010
	24,416,207		26,009,064		16,146,820		15,568,628		16,431,202		19,254,863
	469,784		658,430		707,788		783,587		862,823		894,375
	115,464		349,315		1,331,184		1,488,536		1,215,916		1,558,439
	153,479		196,231		708,899		547,417		242,558		197,933
	2,139,714		3,126,078		2,103,143		12,584,034		2,156,779		2,413,512
	1,000,000		-		173,588		-		150,000		1,259,379
	<u>30,396,332</u>		<u>32,450,820</u>		<u>23,405,183</u>		<u>33,748,442</u>		<u>24,097,792</u>		<u>29,567,511</u>
	25,049,915		25,257,239		25,768,232		25,794,595		31,099,449		35,200,567
	3,010,498		3,469,136		3,652,934		3,838,480		4,032,536		4,230,128
	176,522		40,579		-		-		-		522,790
	608,478		1,336,200		309,442		902,087		596,689		1,923,424
	<u>28,845,413</u>		<u>30,103,154</u>		<u>29,730,608</u>		<u>30,535,162</u>		<u>35,728,674</u>		<u>41,876,909</u>
\$	<u>59,241,745</u>	\$	<u>62,553,974</u>	\$	<u>53,135,791</u>	\$	<u>64,283,604</u>	\$	<u>59,826,466</u>	\$	<u>71,444,420</u>
\$	(57,544,282)	\$	(44,316,887)	\$	(54,506,425)	\$	(59,909,960)	\$	(64,002,029)	\$	(59,948,883)
	<u>7,471,828</u>		<u>10,279,994</u>		<u>6,670,079</u>		<u>4,505,126</u>		<u>7,848,820</u>		<u>11,949,691</u>
\$	<u>(50,072,454)</u>	\$	<u>(34,036,893)</u>	\$	<u>(47,836,346)</u>	\$	<u>(55,404,834)</u>	\$	<u>(56,153,209)</u>	\$	<u>(47,999,192)</u>

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

	Fiscal Year			
	2016	2017	2018	2019
General Revenues:				
Governmental activities:				
Taxes:				
Property	\$ 16,775,348	\$ 17,564,660	\$ 19,434,073	\$ 21,038,583
Franchise	4,227,712	4,187,221	4,219,667	4,328,426
Utility service	6,549,625	6,721,183	6,798,280	6,620,866
Sales	5,255,180	5,406,711	5,706,697	5,840,184
Gas	1,518,724	1,590,299	1,602,988	1,615,509
Tax incremental revenue	4,419,493	4,977,575	5,867,757	6,362,579
Intergovernmental not restricted to specific program	185,753	192,551	201,399	226,152
Investment income (loss)	392,078	594,024	601,435	2,508,447
Miscellaneous	3,287,990	2,584,095	3,141,176	3,029,873
Gain (loss) on disposal of capital assets	26,444	3,728	49,980	41,198
Transfers	1,754,438	1,781,501	1,815,350	1,851,657
Total governmental activities	<u>44,392,785</u>	<u>45,603,548</u>	<u>49,438,802</u>	<u>53,463,474</u>
Business-type activities:				
Investment income (loss)	330,676	344,894	434,255	1,976,199
Miscellaneous	-	-	-	-
Gain on disposal of capital assets	63,697	9,138	87,700	16,313
Transfers	<u>(1,754,438)</u>	<u>(1,781,501)</u>	<u>(1,815,350)</u>	<u>(1,851,657)</u>
Total business-type activities	<u>(1,360,065)</u>	<u>(1,427,469)</u>	<u>(1,293,395)</u>	<u>140,855</u>
Total primary government	<u>\$ 43,032,720</u>	<u>\$ 44,176,079</u>	<u>\$ 48,145,407</u>	<u>\$ 53,604,329</u>
Change in Net Position:				
Governmental activities	\$ (1,312,801)	\$ (4,540,285)	\$ 27,892,167	\$ (973,797)
Business-type activities	<u>6,277,430</u>	<u>4,900,441</u>	<u>10,184,899</u>	<u>7,080,206</u>
Total change in net position	<u>\$ 4,964,629</u>	<u>\$ 360,156</u>	<u>\$ 38,077,066</u>	<u>\$ 6,106,409</u>

Table 2

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	24,590,658	\$	26,368,626	\$	27,725,606	\$	30,404,956	\$	33,340,844	\$	36,249,492
	4,238,113		4,341,404		4,822,811		5,730,554		5,251,274		5,330,404
	6,543,809		6,704,297		6,905,854		7,834,875		8,118,932		8,311,517
	5,285,263		6,258,880		7,488,997		7,625,638		7,307,839		7,107,081
	1,432,069		1,484,478		1,595,035		1,583,174		1,536,627		1,518,489
	7,187,259		8,061,418		8,937,619		10,011,585		11,317,690		12,533,158
	209,345		594,641		80,783		154,243		82,665		244,467
	1,880,591		172,117		(615,693)		4,335,048		6,943,209		5,928,662
	3,016,000		2,579,486		3,389,616		3,515,263		3,923,779		6,683,764
	(37,589)		52,272		631,344		191,814		341,306		234,346
	1,905,355		1,943,462		1,964,840		2,022,673		2,312,674		2,444,497
	<u>56,250,873</u>		<u>58,561,081</u>		<u>62,926,812</u>		<u>73,409,823</u>		<u>80,476,839</u>		<u>86,585,877</u>
	1,745,754		120,276		(1,753,430)		2,460,181		3,245,107		2,171,071
	-		-		-		86,350		32,908		16,672
	71,326		54,815		101,643		57,002		89,551		12,631
	<u>(1,905,355)</u>		<u>(1,943,462)</u>		<u>(1,964,840)</u>		<u>(2,022,673)</u>		<u>(2,312,674)</u>		<u>(2,444,497)</u>
	<u>(88,275)</u>		<u>(1,768,371)</u>		<u>(3,616,627)</u>		<u>580,860</u>		<u>1,054,892</u>		<u>(244,123)</u>
\$	<u>56,162,598</u>	\$	<u>56,792,710</u>	\$	<u>59,310,185</u>	\$	<u>73,990,683</u>	\$	<u>81,531,731</u>	\$	<u>86,341,754</u>
\$	(1,293,409)	\$	14,244,194	\$	8,420,387	\$	13,499,863	\$	16,474,810	\$	26,636,994
	<u>7,383,553</u>		<u>8,511,623</u>		<u>3,053,452</u>		<u>5,085,986</u>		<u>8,903,712</u>		<u>11,705,568</u>
\$	<u>6,090,144</u>	\$	<u>22,755,817</u>	\$	<u>11,473,839</u>	\$	<u>18,585,849</u>	\$	<u>25,378,522</u>	\$	<u>38,342,562</u>

Governmental Activities Tax Revenues By Source

Last Ten Fiscal Years (accrual basis of accounting) (in thousands of dollars)

<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility Service</u>	<u>Sales</u>	<u>Gas</u>	<u>Incremental</u>	<u>Total</u>
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
2023	30,405	5,731	7,835	7,626	1,583	10,012	63,192
2024	33,341	5,251	8,119	7,308	1,537	11,318	66,874
2025	36,249	5,330	8,312	7,107	1,518	12,533	71,049

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund:				
Nonspendable	\$ -	\$ 45,717	\$ 263,640	\$ 252,016
Restricted	1,737,109	3,402,307	3,794,975	968,156
Committed	1,060,302	1,088,002	1,098,866	1,029,045
Assigned	23,935,029	21,944,916	14,858,097	17,577,550
Unassigned	8,522,225	9,424,764	12,069,685	12,580,936
Total general fund	<u>\$ 35,254,665</u>	<u>\$ 35,905,706</u>	<u>\$ 32,085,263</u>	<u>\$ 32,407,703</u>
All Other Governmental Funds:				
Nonspendable, reported in:				
Special revenue funds	\$ 46,348	\$ 53,312	\$ 52,026	\$ 59,291
Capital projects funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	8,674,926	9,939,278	11,103,937	11,638,472
Debt service funds	1,044,678	1,592,104	1,110,957	1,145,063
Capital projects funds	14,695,570	14,398,058	15,632,982	27,581,864
Assigned, reported in:				
Capital projects funds	2,463,140	3,498,201	6,672,756	8,962,518
Unassigned, reported in:				
Special revenue funds	(2,441)	-	-	-
Total all other governmental funds	<u>\$ 26,922,221</u>	<u>\$ 29,480,953</u>	<u>\$ 34,572,658</u>	<u>\$ 49,387,208</u>

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

Table 4

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 227,482	\$ 48,416	\$ 83,260	\$ 90,695	\$ 97,726	\$ 157,145	
32,908	28,606	43,977	34,748	62,272	166,851	
857,675	860,323	890,188	934,499	988,227	1,034,969	
19,165,039	25,038,714	20,937,804	31,278,193	35,147,064	35,525,430	
12,323,967	11,368,144	16,139,594	18,081,548	18,816,752	21,522,886	
<u>\$ 32,607,071</u>	<u>\$ 37,344,203</u>	<u>\$ 38,094,823</u>	<u>\$ 50,419,683</u>	<u>\$ 55,112,041</u>	<u>\$ 58,407,281</u>	
\$ 68,245	\$ 68,050	\$ 271,869	\$ 470,867	\$ 642,524	\$ 808,751	
-	15,000	-	-	-	-	
15,159,066	16,232,877	17,352,590	15,833,815	16,139,792	21,296,945	
1,079,040	67,746	68,211	63,339	63,432	113,037	
27,467,823	29,052,108	33,135,320	38,068,107	47,259,097	46,379,449	
8,793,904	8,626,949	6,719,115	6,938,061	7,091,837	5,736,387	
-	-	-	-	-	-	
<u>\$ 52,568,078</u>	<u>\$ 54,062,730</u>	<u>\$ 57,547,105</u>	<u>\$ 61,374,189</u>	<u>\$ 71,196,682</u>	<u>\$ 74,334,569</u>	

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues:				
Property taxes	\$ 16,775,348	\$ 17,564,660	\$ 19,434,073	\$ 21,038,583
Franchise taxes	4,095,079	4,319,854	4,219,667	4,328,426
Utility service taxes	6,549,625	6,721,183	6,798,280	6,620,866
Tax incremental	4,419,493	4,977,575	5,867,757	6,362,579
Licenses and permits	2,213,850	2,805,386	4,595,434	2,524,880
Intergovernmental	8,467,575	8,450,327	9,644,517	11,804,119
Investment income (loss)	392,078	594,024	601,435	2,527,945
Charges for services	18,272,314	19,099,261	21,692,497	23,401,491
Rental income	644,712	614,604	577,234	583,439
Fines and forfeitures	750,256	889,820	1,179,347	704,115
Impact fees	19,979	351,226	402,892	31,511
Miscellaneous	1,507,090	2,287,818	2,556,069	2,726,094
Total revenues	<u>64,107,399</u>	<u>68,675,738</u>	<u>77,569,202</u>	<u>82,654,048</u>
Expenditures:				
General government	11,327,985	14,382,715	18,583,917	17,114,239
Public safety	35,541,311	37,678,550	40,963,436	43,678,856
Economic and physical environment	2,190,024	2,033,200	2,806,698	3,038,198
Culture and recreation	5,049,683	5,926,915	6,466,214	6,242,521
Public works	4,802,219	4,603,535	4,953,068	5,328,455
Debt Service:				
Principal retirement	2,851,608	2,348,141	3,155,111	2,693,816
Interest and other charges	1,464,264	1,243,652	1,184,846	1,097,064
Issuance costs and other fiscal charges	133,148	-	-	170,854
Total expenditures	<u>63,360,242</u>	<u>68,216,708</u>	<u>78,113,290</u>	<u>79,364,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>747,157</u>	<u>459,030</u>	<u>(544,088)</u>	<u>3,290,045</u>
Other Financing Sources (Uses):				
Issuance of refunding bond	18,950,000	-	-	-
Premium on refunding bond	4,210,851	-	-	-
Issuance of bond	-	-	-	9,105,000
Premium of bond	-	-	-	890,288
Payment to refunded bonds escrow agent	(23,025,000)	-	-	-
Issuance of leases	317,103	969,242	-	-
Issuance of SBITAs	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	5,572,149	7,033,116	10,976,434	10,040,819
Transfers out	(3,817,711)	(5,251,615)	(9,161,084)	(8,189,162)
Total other financing sources (uses)	<u>2,207,392</u>	<u>2,750,743</u>	<u>1,815,350</u>	<u>11,846,945</u>
Net change in fund balances	<u>\$ 2,954,549</u>	<u>\$ 3,209,773</u>	<u>\$ 1,271,262</u>	<u>\$ 15,136,990</u>
Debt service as a percentage of noncapital expenditures	7.3%	5.5%	5.9%	5.1%

Table 5

		Fiscal Year					
		2020	2021	2022	2023	2024	2025
\$	24,590,658	\$ 26,368,626	\$ 27,725,606	\$ 30,404,956	\$ 33,340,844	\$ 36,249,492	
	4,238,113	4,341,404	4,822,811	5,718,901	5,252,638	5,340,693	
	6,543,809	6,704,297	6,905,854	7,834,875	8,118,932	8,311,517	
	7,187,259	8,061,418	8,937,619	10,011,585	11,317,690	12,533,158	
	2,840,947	3,805,477	3,696,594	3,524,885	4,176,437	4,835,262	
	10,303,130	11,667,156	11,452,118	21,797,212	11,240,165	11,039,649	
	1,881,165	172,117	(615,693)	4,335,048	6,943,209	5,928,662	
	23,630,396	24,367,258	15,211,921	15,932,126	15,550,669	17,941,804	
	469,784	658,430	707,038	782,239	860,989	893,089	
	791,151	592,487	945,881	839,312	918,537	2,667,230	
	94,951	255,987	277,773	36,192	28,360	591,100	
	2,404,042	2,850,289	3,601,284	3,806,697	4,259,390	5,386,378	
	<u>84,975,405</u>	<u>89,844,946</u>	<u>83,668,806</u>	<u>105,024,028</u>	<u>102,007,860</u>	<u>111,718,034</u>	
	17,338,260	17,857,747	19,497,663	22,456,302	23,939,125	23,337,276	
	45,901,655	47,179,562	44,915,568	48,594,409	47,659,469	51,115,379	
	3,011,044	4,583,289	2,598,850	5,930,660	2,186,371	13,583,412	
	8,739,939	7,292,942	7,579,548	7,011,468	8,783,112	11,692,253	
	4,756,989	5,202,953	5,806,945	5,577,056	6,188,449	6,648,827	
	2,844,271	3,198,416	1,816,789	2,005,910	2,431,263	3,129,669	
	1,426,924	1,264,901	1,190,993	1,160,922	1,323,851	1,324,923	
	-	-	-	-	-	-	
	<u>84,019,082</u>	<u>86,579,810</u>	<u>83,406,356</u>	<u>92,736,727</u>	<u>92,511,640</u>	<u>110,831,739</u>	
	956,323	3,265,136	262,450	12,287,301	9,496,220	886,295	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	867,861	1,181,595	768,088	2,134,862	1,557,647	
	-	-	-	723,815	187,223	1,305,981	
	518,560	155,325	826,110	350,067	383,872	238,707	
	10,569,583	10,795,571	10,105,122	11,973,521	11,851,137	12,648,613	
	(8,664,228)	(8,852,109)	(8,140,282)	(9,950,848)	(9,538,463)	(10,204,116)	
	<u>2,423,915</u>	<u>2,966,648</u>	<u>3,972,545</u>	<u>3,864,643</u>	<u>5,018,631</u>	<u>5,546,832</u>	
\$	<u>3,380,238</u>	<u>6,231,784</u>	<u>4,234,995</u>	<u>16,151,944</u>	<u>14,514,851</u>	<u>6,433,127</u>	
	5.8%	5.8%	4.0%	3.8%	4.3%	4.8%	

City of Margate, Florida

Table 6

**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)					
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%
2023	2022	3,695,903	688,729	206,732	351,015	963,774	3,978,605	7.6508	6,810,115	58.42%
2024	2023	4,062,659	719,306	253,019	366,962	1,006,994	4,394,952	7.6004	7,850,411	55.98%
2025	2024	4,433,404	760,043	285,435	382,803	1,046,133	4,815,552	7.5667	8,485,755	56.75%

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

Table 7

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	
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
2023	7.1171	0.5337	7.6508	6.1383	5.6690	0.2301	0.4500	1.6029	0.0320	21.7731
2024	7.1171	0.4833	7.6004	6.6156	5.6690	0.2301	0.4500	1.4307	0.0288	22.0246
2025	7.1171	0.4496	7.5667	6.4655	5.6690	0.2301	0.4500	1.3261	0.0288	21.7362

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

	2025			2016		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Pinebrook Point Apts Holdings LLC	\$ 87,875,653	1	1.82%	\$ -	-	-
Northwest Medical Center Inc.	83,403,040	2	1.73%	-	-	-
Florida Power & Light Company	81,389,064	3	1.69%	37,201,252	3	1.64%
Celebration Pointe North LLC	70,033,680	4	1.45%	-	-	-
Avalon Toscana LLC	64,460,066	5	1.34%	-	-	-
Lakes at Margate Apt Owner LLC	55,378,646	6	1.15%	-	-	-
Isle Multifamily Partners LLC	54,993,150	7	1.14%	-	-	-
Peppertree Plaza LLC	43,218,560	8	0.90%	-	-	-
WE Fairways of Carolina Owner LLC	42,942,476	9	0.89%	-	-	-
MHC Coral Cay Plantation LLC	36,508,390	10	0.76%	27,690,000	6	1.22%
IMT Capital II Pinebrook Pointe	-	-	-	48,034,677	1	2.12%
Northwest Regional Hospital Inc.	-	-	-	47,114,460	2	2.08%
Morguard Blue Isle LLC	-	-	-	33,326,440	4	1.47%
LSREF3 Peppertree LLC	-	-	-	29,488,940	5	1.30%
Behringer Harvard Margate LLC	-	-	-	25,536,160	7	1.13%
Fairfield Fairways Carolina LLC	-	-	-	22,804,947	8	1.01%
JM Auto Inc.	-	-	-	22,111,910	9	0.98%
Mullinax Ford South Inc.	-	-	-	17,857,010	10	0.79%
Total	\$ 620,202,725		12.87%	\$ 311,165,796		13.74%

Source: Broward County Revenue Collector.

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

Table 9

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
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%	9	20,992	95.7%
2020	2019	25,753	24,554	95.3%	99	24,653	95.7%
2021	2020	27,429	26,243	95.7%	2	26,245	95.7%
2022	2021	28,975	27,721	95.7%	11	27,732	95.7%
2023	2022	31,609	30,332	96.0%	7	30,339	96.0%
2024	2023	34,640	33,249	96.0%	858	34,107	98.5%
2025	2024	37,761	36,160	95.8%	854	37,014	98.0%

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)

Table 10

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	SBITAs	Water and Sewer Refunding Revenue Bonds	Leases	SBITAs			
2016	\$ 23,144	\$ 9,574	634	-	\$ 4,205	-	\$ -	\$ 36,923	2.82%	\$ 645
2017	22,365 (2)	7,955	1,419	-	3,215	-	-	33,535	2.46%	579
2018	21,610 (2)	5,769	1,004	-	2,185	-	-	29,564	2.03%	507
2019	30,812 (2)	4,045	620	-	1,115	-	-	35,972	2.31%	608
2020	29,727 (2)	2,264	396	-	-	-	-	31,991	1.99%	539
2021	28,532 (2)	426	854	-	-	-	-	28,958	1.82%	493
2022	27,287 (2)	-	1,645	-	-	153	-	27,287	1.53%	464
2023	25,997 (2)	-	1,924	3,136	-	270	369	29,772	1.55%	507
2024	24,657 (2)	-	3,261	2,786	-	310	308	31,322	1.55%	535
2025	23,262 (2)	-	3,736	3,194	-	763	241	31,196	1.32%	531

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)

Table 11

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		
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%	484.96
2022	2021	3,607,185	27,287	68	27,219	0.75%	463.22
2023	2022	3,978,605	25,997	63	25,934	0.65%	441.62
2024	2023	4,394,952	24,657	63	24,594	0.56%	420.09
2025	2024	4,815,552	23,262	113	23,149	0.48%	394.18

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, 2025 (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	\$ 1,933,733	1.52%	\$ 29,393
Broward County	-	1.68%	-
Subtotal, overlapping debt			29,393
City of Margate direct debt			30,219
Total direct and overlapping debt			\$ 59,612

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
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	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-

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.

The bonds matured on October 1, 2020 and were paid off.

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

Table 14

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Broward County Unemployment Rate (4)</u>
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	58,714	1,592,206	27,118	7,283	4.40%
2022	58,760	1,786,245	30,399	7,243	2.60%
2023	58,725	1,920,719	32,707	7,140	3.00%
2024	58,544	2,017,543	34,462	7,214	3.40%
2025	58,727	2,358,829	40,166	7,083	4.00%

Sources:

(1) University of Florida Bureau of Economic and Business Research.

(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

	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northwest Medical Center *	1,000	1	3.20%	1,067	2	3.51%
City of Margate, Florida	595	2	1.90%	551	3	1.81%
Broward County Schools	348	3	1.11%	428	4	1.41%
Walmart	284	4	0.91%	303	6	1.00%
JM Lexus	255	5	0.82%	422	5	1.39%
Publix	178	6	0.57%	200	8	0.66%
Broward Meat and Fish	128	7	0.41%	-	-	-
Centers Plan for Healthy Living	100	8	0.32%	-	-	-
Arrigo Dodge/Jeep	100	9	0.32%	-	-	-
Global Response Corporation **	-	-	-	1,210	1	3.98%
Nationwide Relocation Services ***	-	-	-	267	7	0.88%
Penn Dutch	-	-	-	170	9	0.56%
AutoNation Ford Margate	-	-	-	148	10	0.49%
Total	2,988		9.56%	4,766		15.69%

Sources: U.S. Bureau of Labor Statistics, Finance Department survey, and the Development Services Department.

* Northwest Medical Center responsible party was non-responsive to survey, estimated by unassociated employee.

** Global Response Corporation moved out of Margate. A tenth employer could not be obtained in a timely manner for this report.

*** Formerly Nationwide Relocation Services

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

Table 16

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
City commission	5	5	5	5	5	5	5	5	5	5
City manager	4	4	8	9	9	9	8	9	8	8
Development services **	9	10	8	8	9	8	8	9	9	10
Finance	8	9	9	9	9	9	9	9	9	9
Purchasing *	4	4	4	5	5	5	5	5	5	5
Human resources	6	7	7	7	7	7	8	8	8	8
City clerk	7	7	7	7	7	7	7	7	7	7
City attorney	1	1	1	1	3	2	2	-	-	-
Building	11	13	16	16	17	19	29	28	31	31
Information technology	6	6	6	6	6	6	6	7	7	7
Police:										
Officers	112	111	117	117	117	117	117	117	117	117
Non-certified personnel	35	35	36	37	36	42	37	38	38	39
Fire:										
Firefighters/Paramedics ***	116	116	123	123	123	123	76	76	82	88
Firefighters/EMTs	2	2	2	-	-	-	-	-	-	-
Fire Safety Inspectors	-	-	-	2	2	2	1	2	2	2
Non-certified personnel	2	2	2	3	3	3	3	2	2	2
Public Works:										
Administration	4	4	5	5	6	5	5	5	5	4
Building	7	8	8	9	9	9	9	9	10	10
Garage	9	9	9	9	9	9	9	9	9	9
Roads	3	3	3	3	4	4	4	4	4	4
Stormwater utility	10	11	11	11	11	11	11	11	11	11
Parks and Recreation										
	50	54	50	49	41	52	54	58	67	67
Environment & Engineering Services:										
Treatment	36	36	38	37	36	36	36	37	38	48
Transmission, distribution & collection	32	32	32	32	32	32	32	32	32	29
Utility billing *	6	6	6	6	6	6	6	6	6	6
Administration & engineering	16	17	18	20	20	21	21	21	20	20
Total	501	512	531	536	532	549	508	514	532	546

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Building permits issued	4,722	5,080	6,608	5,660	5,217	6,017	6,462	6,671	6,060	5,274
Lien inquiries	2,147	2,079	1,873	2,109	1,854	2,342	2,525	1,648	1,749	1,370
Police:										
Physical arrests	1,025	1,093	1,341	1,161	867	820	792	837	893	1,006
Parking citations	81	126	132	365	213	220	355	1,021	1,683	741
Traffic citations	5,253	6,563	8,185	5,760	3,214	3,071	4,428	3,731	5,445	8,037
Fire:										
Emergency responses	16,390	17,627	18,324	17,436	17,119	17,510	9,099	9,566	10,061	8,993
Inspections	3,360	3,512	3,369	2,579	1,400	2,589	3,066	3,233	3,742	3,090
Public works:										
Total route miles - Margate mini buses	67	55	55	56	55	55	55	55	55	55
Transit passengers - Margate mini buses	71,323	93,473	91,914	95,952	73,336	59,814	71,064	70,809	74,438	77,355
Culture and Recreation:										
Pool admissions *	39,477	45,274	38,461	34,915	-	25,337	38,279	33,739	-	35,109
Summer camp participants	209	251	268	262	-	62	97	116	121	121
Library circulation	100,171	85,974	71,185	85,756	43,718	41,728	47,200	48,192	47,400	44,069
Environmental and Engineering Services:										
Water and wastewater system:										
Number of billed accounts monthly	16,811	16,873	16,877	16,992	17,031	17,027	17,005	17,003	16,978	16,985
Average number of gallons of water consumed daily (thousands of gallons)	6,462	6,093	5,088	5,523	6,028	5,628	5,674	5,540	5,490	5,790
Average number of gallons of wastewater treated daily (thousands of gallons)	6,484	6,716	6,947	6,532	6,532	6,489	6,689	6,703	6,745	7,500

Sources: Various City Departments

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

* Pool closed during Summer for renovations.

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

Table 18

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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)	89	100	105	101	96	94	96	96	92	102
Administrative buildings - Fire	1	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	5	3	3	3	3	3
Number of fire engines	5	5	5	5	5	3	3	6	6	3
Number of rescue transport vehicles	5	5	5	5	5	3	3	6	6	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	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	2	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	212.00	212.67	212.75	213.43	213.43	213.43	213.08	213.23	213.29	213.42
Miles of wastewater mains	179.00	179.09	179.09	180.53	180.53	180.53	178.98	178.99	178.71	179.08
Water treatment capacity per day (thousands of gallons)	20,000	20,000	13,500	13,500	13,500	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, 2025, 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 30, 2026.

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 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.

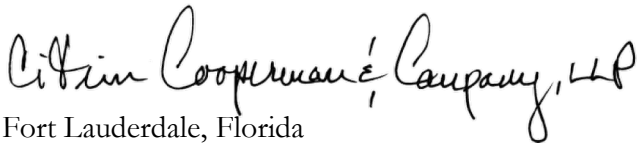
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



Fort Lauderdale, Florida
March 30, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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, 2025. 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, 2025.

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 each 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 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 each 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

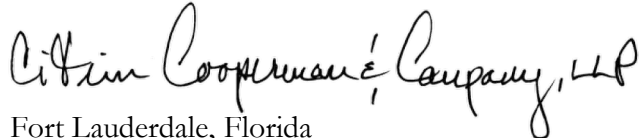
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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.

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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.



Fort Lauderdale, Florida
March 30, 2026

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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 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 fiscal year ended September 30, 2025, and have issued our report thereon dated March 30, 2026.

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 Florida 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 Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 30, 2026, 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.

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Financial Condition

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 conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program, authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, a list of all program administrators and third-party administrators that administered the program.

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the full names and contact information of each such program administrator and third-party administrator.

The City did operate a PACE program. See Exhibit 1 for listing of program administrators and third-party administrators.

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 2 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.

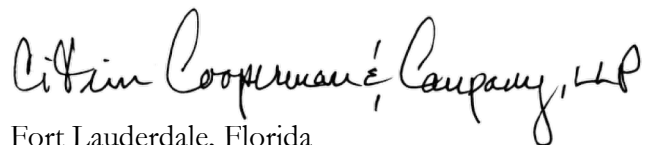
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is 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.

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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.



Fort Lauderdale, Florida
March 30, 2026

City of Margate, Florida
Exhibit 1
PACE Program Administrators and Third-Party Administrators
(Unaudited)

Clean Energy Green Corridor

Ygrene, <https://ygrene.com>, 866-634-1358 (Residential and Commercial)

Florida Green Finance Authority

Renew Financial, <https://renewfinancial.com/>, 844-736-3934 (Residential and Commercial)

Florida Pace Funding District

CounterpointeSRE, <https://counterpointesre.com/>, 855-431-4400 (Commercial only)

FortiFi, <https://www.fortifi.com/>, 858-345-2000 (Residential only)

PACE Funding Group LLC, <https://www.homerunfinancing.com/>, 800-231-6991 (Residential only)

Florida Resiliency Energy District (FRED)

CleanFund, 833-2CF-PACE (Commercial only)

Dividend Finance, www.dividendfinance.com, 844-805-7100 (Commercial only)

Enhanced Capital, www.enhancedcapital.com, 303-390-1655 (Commercial only)

Greenworks Lending, www.greenworkslending.com, 917-968-0948 (Commercial only)

PACE Equity, www.pace-equity.com, 855-378-0858 (Commercial only)

PACE Loan Group, www.paceloangroup.com, 612-355-2606 (Commercial only)

Poppy Banks, www.poppy.bank/cpace, 888-636-9994 (Commercial only)

Rockwood Group, <https://www.rockwoodam.com/>, 314-380-5999 (Commercial only)

Stonehill PACE, <https://www.peachtreegroup.com/credit>, 470-298-3715 (Commercial only)

Twain Financial, www.twainfinancial.com/what-we-do/investing/pace-financing, 314-300-4135 (Commercial only)

White Oak, www.whiteoakpace.com, 415-644-4142 (Commercial only)

City of Margate, Florida

Exhibit 2

**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 9/30/2025	-	19
Number of independent contractors compensated at September 2025	-	-
Employee compensation for FYE 9/30/2025 (paid/accrued)	\$ -	\$ 670,266
Independent contractor compensation for FYE 9/30/2025 (paid/accrued)	\$ -	\$ -
Each construction project to begin on or after October 1, 2024; (>\$65K):		
Chevy Chase Plaze Improvements	\$ 45,754	\$ -
Margate Blvd Improv	\$ 31,463	\$ -
Southgate/SR 7 Median Improvement	\$ 95,624	\$ -
SW 6th St Improvements	\$ 32,385	\$ -
Underground Utility	\$ 33,982	\$ -
Budget variance report	Pages 71, 100 and 101	Page 94

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* (the "specified requirements"), during the year ended September 30, 2025. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

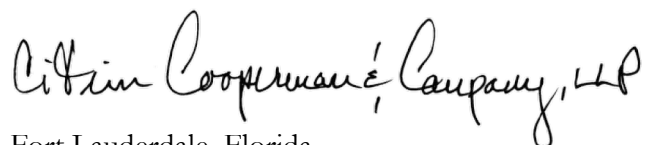
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with 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 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.

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 the examination engagement.

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 specified requirements for the year ended September 30, 2025.

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.



Fort Lauderdale, Florida
March 30, 2026

City of Margate, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2025

<u>Federal Grantor/Pass-Through Grantor, Program or Cluster Title</u>	<u>Assistance Listing No.</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Provided to Sub-recipients</u>
Federal Agency Name:				
U.S. Department of Housing and Urban Development - Community Development Block Grant Cluster Community Development Block Grants/Entitlement Grants	14.218		\$ <u>419,983</u>	\$ <u>419,983</u>
U.S. Department of Interior Passed through Florida Department of Environmental Protection Outdoor Recreation, Acquisition, Development and Planning	15.916	LW761	<u>1,000,000</u>	<u>-</u>
U.S. Department of Justice - Bulletproof Vest Partnership Program	16.607		6,387	-
Equitable Sharing Program	16.922		201,811	-
Passed through Florida Department of Legal Affairs Crime Victim Assistance	16.575	VOCA-C-2024-City of Margate 00257	<u>51,530</u>	<u>-</u>
Total U.S. Department of Justice			<u>259,728</u>	<u>-</u>
U.S. Department of Transportation - Passed through University of North Florida Training and Services Institute Highway Planning and Construction	20.205	G2X22	<u>23,690</u>	<u>-</u>
U.S. Department of Treasury - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		598,224	-
Passed through Florida Department of Environmental Protection COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP0125	<u>153,047</u>	<u>-</u>
Total U.S. Department of Treasury and Assistance Listing Number 21.027			<u>751,271</u>	<u>-</u>
U.S. Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128		<u>116,820</u>	<u>-</u>

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, 2025

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	Assistance Listing No.	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Sub-recipients
Federal Agency Name:				
U.S. Department of Health and Human Services				
Passed through 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	JA124-08-2024	\$ 62,303	\$ -
	93.044	JA125-08-2025	170,286	-
Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers - Program Income	93.044	Unknown	4,116	-
	93.044	Unknown	12,064	-
Total Aging Cluster and Assistance Listing Number 93.044			<u>248,769</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	JA124-08-2024	1,177	-
	93.052	JA125-08-2025	3,054	-
Total Assistance Listing Number 93.052			<u>4,231</u>	<u>-</u>
U.S. Department of Health and Human Services (continued)				
Passed through Areawide Council on Aging of Broward County				
Low-Income Home Energy Assistance	93.568	JP024-08-2025	18,426	-
	93.568	JP025-08-2026	1,843	-
Total Assistance Listing Number 93.568			<u>20,269</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>273,269</u>	<u>-</u>
Executive Office of the President				
Passed through Monroe County Sheriff's Office				
High Intensity Drug Trafficking Areas Program	95.001	G23MI0001A	12,386	-
	95.001	G24MI0001A	5,614	-
Total Executive Office of the President			<u>18,000</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,862,761</u>	<u>\$ 419,983</u>

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 award 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 de minimis indirect cost rate as allowed under the Uniform Guidance.

