

City of Lighthouse Point

Florida



**Annual Comprehensive Financial Report
For the Year Ended September 30, 2022**

The City of Lighthouse Point, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2022

Prepared By:
Finance Department

Cori Olympio, CPA
Finance Director

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City of Lighthouse Point, Florida

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INTRODUCTORY SECTION



March 23, 2023

Honorable Mayor and Commissioners

**Re: City's Annual Comprehensive Financial Report -
For the Year Ended September 30, 2022**

Dear Mayor and Commissioners:

We are pleased to submit the Annual Comprehensive Financial Report for the City of Lighthouse Point, Florida (the "City"), for the fiscal year ended September 30, 2022. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clear perspective of the City's operations and financial activity.

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

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

Profile of the Government

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

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

Economic Condition and Outlook

Lighthouse Point is a developed community that is bordered by Federal Highway on the west and the Intracoastal Waterway on the east. The City is comprised of 2.5 square miles in the northeast section of the County, and surrounded by the municipalities of Pompano Beach, Deerfield Beach, and Hillsboro Beach. The City’s tax base is primarily residential, and although it was heavily impacted by the economic downturn of 2008-09, taxable values have recovered. Continued sustainable growth is anticipated for the foreseeable future; COVID-19 created a high demand due to lower interest rates and a low supply of available houses in South Florida. This has kept property values on an upward trend. For the fiscal year ended September 30, 2022, which is the focus of this financial report, the final taxable real and personal property values increased by 5.84 percent to \$2.75 billion, marking the tenth consecutive year of assessed value increases for the City of Lighthouse Point. The City is fully built-out, however values continue to increase at a sustainable pace, and the average market and assessed values of single family homes in the City are among the highest in the County. This is attributed to the City’s large amount of waterfront property and strong residential market that continues to see redevelopment as more affluent families make the City their home. The City’s building permit revenue has been strong over the past several years, due to a large number of single family home rebuilds and remodels, contributing to the sustained increases in assessed values over the past several years. The City is well positioned with a sound General Fund spendable balance as shown in the financial statements in this report. Continued stabilization of the City’s tax base has allowed the City to maintain the same operating ad valorem millage rate for FY 2021/2022 and each year since FY 2011/2012. In April 2019, the City issued \$ 16.5 million in General Obligation Bonds to provide for the acquisition of land and construction of a new Fire Station/Emergency Operations Center, a new Recreation Community Center, a new Public Works Administration Building and renovation of the existing building, and an addition to the Library. Due to the economic conditions of the City and its strong financial management practices, the City received a credit rating of AA+ from Standard and Poor’s (S&P). The commercial sector continues to attract new business and retail establishments.

Long-Term Financial Planning

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

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

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

- Continued construction on the new Fire Station/EOC.
- Continued construction on the new Community Center.
- Began construction on new basketball and pickleball courts at Dan Witt Park.
- Began installing new sports field lights at Dan Witt Park.
- Began milling and paving Lake Placid neighborhood.
- Procured engineering services for the Alamanda Bridge Survey, Hydrographic Survey, and Seawall Survey.
- Performed condition assessments for seven City bridges.
- Procured engineering services to update the Stormwater Master Plan.

Financial Information and Relevant Policies

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

Budgetary Control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances in excess of \$20,000 are reported as commitments of fund balance on September 30, 2022.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for FY 2021/2022. These include:

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

Employee Retirement System:

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

Major Initiatives

The City's major initiatives for FY 2022 included the following:

- Completed the closeout process with FEMA and the State of Florida for Hurricane Irma reimbursements.
- Submitted and received funding from FEMA for the COVID-19 Vaccination Pod.
- Implemented new budgeting software to enhance the City's budget process.
- Obtained several grants to enhance Police Department operations. Grants were received from Broward County for Enhanced Marine Law Enforcement initiatives, from the Department of Justice to replace body armor for sworn police officers, and from the Florida Department of Law Enforcement for the transition to the new Florida Incident Based Crime Reporting System.
- Implemented a revised building fee schedule that aligns with neighboring cities and provides funding for future improvements within the Building Department.
- Amended the interlocal agreement with Broward County to obtain increased revenue to operate the Community Bus.
- Installed a new ADA compliant paver pathway with new sitting bench and picnic table at DeGroff Park.
- Worked with the State of Florida to extend the Florida Department of Environmental Protection grant for improvements at Dan Witt Park.
- Contracted FM Tennis to oversee management and maintenance of the Tennis Center.
- Started the NE 38th Street Drainage project and awarded the contract for the NE 27th Avenue Drainage project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its report for the fiscal year ended September 30, 2021. This was the twenty-eighth consecutive year that the City has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report.

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

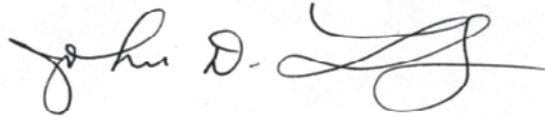
A Certificate of Achievement is valid for a period of one year only. We believe that the current annual comprehensive financial report continues to meet the requirements of this peer review program and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Cori Olympio
Finance Director



John D. Lavisky
City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lighthouse Point
Florida**

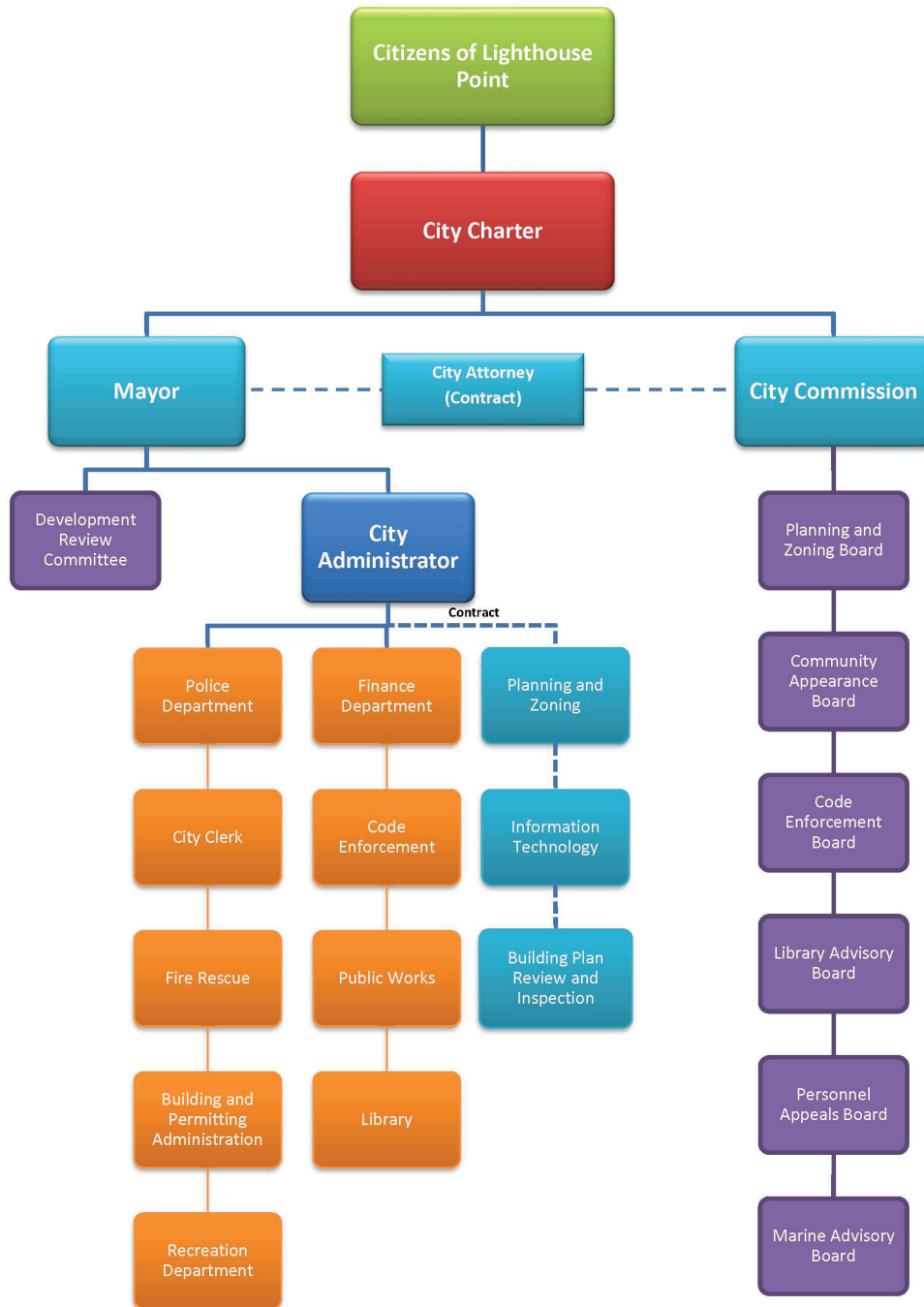
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

**City of Lighthouse Point
City Governmental Structure
September 30, 2022**



City of Lighthouse Point, Florida
List of Principal Officials
September 30, 2022

Mayor	Kyle Van Buskirk
Commission President	Jason D. Joffe
Commission Vice President	Sandy Johnson
Commissioner	Michael S. Long
Commissioner	Everett Marshall III
Commissioner	Patty Petrone
City Administrator	John D. Lavisky
City Attorney	Michael D. Cirullo, Jr.
City Clerk	Kathryn Sims
Finance Director	Cori Olympio
Fire Chief	Robert Weech
Library Director	Christy Keyes
Police Chief	Ross Licata
Public Works Director	Charles Schramm
Recreation Director	Becky Word

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Garbage and Trash Fund, 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.

CPA's + Trusted Advisors

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information and the other financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 the other supplementary information and the other financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 23, 2023

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MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

As management of the City of Lighthouse Point, Florida (the City), we offer readers this overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. This section of the financial report is designed to assist the reader in focusing on significant financial issues, changes in the City's financial position and material deviations from the approved budget; further, to identify issues and concerns within each individual fund. Readers are encouraged to review the information presented here in conjunction with the information presented throughout this report, including the letter of transmittal, financial statements, and notes to the financial statements that follow. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

Financial Highlights

The following are highlights of financial activity for the fiscal year ending September 30, 2022:

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$ 33,229,166 (net position). The entire amount was derived from governmental fund activities. Of this amount, \$ 4,761,370 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 22,983,258, including \$ 6,609,092 for program related services. Expenditures for all governmental activities were \$ 25,060,759.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 15,063,526, a decrease of \$ 6,477,166. The General Fund increased by \$ 362,358.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 7,599,445 including \$ 112,287 Nonspendable; \$ 701,913 Restricted; \$ 1,904,294 Committed; \$ 3,750,000 Assigned; and \$ 1,130,951 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2022 was \$ 21,440,101. The City's balances of cash were up \$ 3,715,937 and invested funds were down \$ 5,116,065.

Overview of Financial Statements

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

City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2022

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

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

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

Notes to the financial statements

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

Other information

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

Other supplementary information includes budgetary comparison schedules for the City’s General Fund, which demonstrate compliance with the City’s annual adopted budget.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented as other financial information, as well as budgetary comparison schedules for the City’s Tennis Center Fund, Stormwater Fund, 2002 Debt Service Fund, and 2019 Debt Service Fund, immediately following the other supplementary information section.

Government-Wide Financial Analysis

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial health or position. For the City of Lighthouse Point, assets exceeded liabilities by \$ 33,229,166 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2022 compared to September 30, 2021.

	Net Position September 30	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 24,644,783	\$ 31,010,662
Capital assets, net	<u>38,660,946</u>	<u>32,558,221</u>
Total assets	<u>63,305,729</u>	<u>63,568,883</u>
Total deferred outflows of resources	<u>10,906,299</u>	<u>10,033,545</u>
Current liabilities	8,160,117	3,011,143
Long-term liabilities outstanding	<u>31,336,218</u>	<u>23,860,972</u>
Total liabilities	<u>39,496,335</u>	<u>26,872,115</u>
Total deferred inflows of resources	<u>1,486,527</u>	<u>11,423,646</u>
Net position:		
Net investment in capital assets	25,120,303	25,515,308
Restricted	3,347,493	3,157,370
Unrestricted	<u>4,761,370</u>	<u>6,633,989</u>
Total net position	<u>\$ 33,229,166</u>	<u>\$ 35,306,667</u>

The overall financial position of the City decreased in total by \$ 2,077,501 during FY 2022. Factors that contributed to the decrease included a decrease in the defined pension asset and net investment in capital assets.

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

The majority of the City’s total net position (\$ 25,120,303 or 76%) are in capital assets, such as land, construction in progress, buildings, land improvements, equipment and fixtures, infrastructure, and vehicles, less any related debt that was used to acquire those assets (approximately \$ 17.2 million) that is still outstanding. The City’s portion of net assets invested in capital, net of related debt decreased by approximately \$ 395,000 due to the net effect of the acquisition of capital items and scheduled repayment of debt service. The City of Lighthouse Point uses its capital assets to provide services to its residents; consequently, these assets are not available for future spending or liquidation. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position (\$ 3,347,493 or 10%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2022 balance in restricted net position increased by approximately \$ 190,000.

The remaining balance of \$ 4,761,370 reflects unrestricted net position (14%) decreased by approximately \$ 1.8 million and may be used to meet the government’s ongoing obligations to citizens and creditors.

Summary of Changes in Net Position

Governmental activities:

The following schedule is a summary of the FY 2022 Statement of Activities with comparative information for FY 2021:

	Change in Net Position	
	For the Year	
	Ended September 30,	
	2022	2021
	<hr/>	<hr/>
Revenues:		
Program revenues:		
Charges for services	\$ 5,948,012	\$ 5,499,997
Operating grants and contributions	255,167	675,145
Capital grants and contributions	405,913	4,335,453
General revenues:		
Ad valorem taxes	10,856,297	10,411,394
Other taxes	3,560,810	3,269,346
Intergovernmental revenues	1,583,198	1,319,241
Miscellaneous and investment income	373,861	1,010,697
	<hr/>	<hr/>
Total revenues	22,983,258	26,521,273
	<hr/>	<hr/>

**City of Lighthouse Point, Florida
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	For the Year Ended September 30,	
	2022	2021
	<u> </u>	<u> </u>
Expenses:		
General government	2,434,142	2,042,697
Public safety	14,818,434	12,634,594
Physical environment	5,648,083	4,357,024
Transportation	53,125	55,664
Culture and recreation	1,480,933	1,430,436
Debt service	626,042	647,800
	<u> </u>	<u> </u>
Total expenses	<u>25,060,759</u>	<u>21,168,215</u>
Change in net position	(2,077,501)	5,353,058
Net Position, Beginning of Year	<u>35,306,667</u>	<u>29,953,609</u>
Net Position, End of Year	<u>\$ 33,229,166</u>	<u>\$ 35,306,667</u>

Revenues decreased from prior year total by approximately \$ 3,538,000 (13.3%), and expenses came in higher than the prior year total by approximately \$ 3,893,000 (18.3%). Net position for the current fiscal year decreased by \$ 2,077,501. Revenues decreased when compared to FY 2021 because the City received one time grants and contributions during the fiscal year that were not received in the FY 2022. One of the City’s bridges was replaced by the Florida Department of Transportation last fiscal year along with CARES Act funding from Broward County. Ad Valorem Tax collection increased due to an increase in assessed property values. Other taxes, which includes Franchise Fees and Utility Service Taxes, increased slightly. Miscellaneous and investment income decreased due to a one-time settlement payment received in FY 2021.

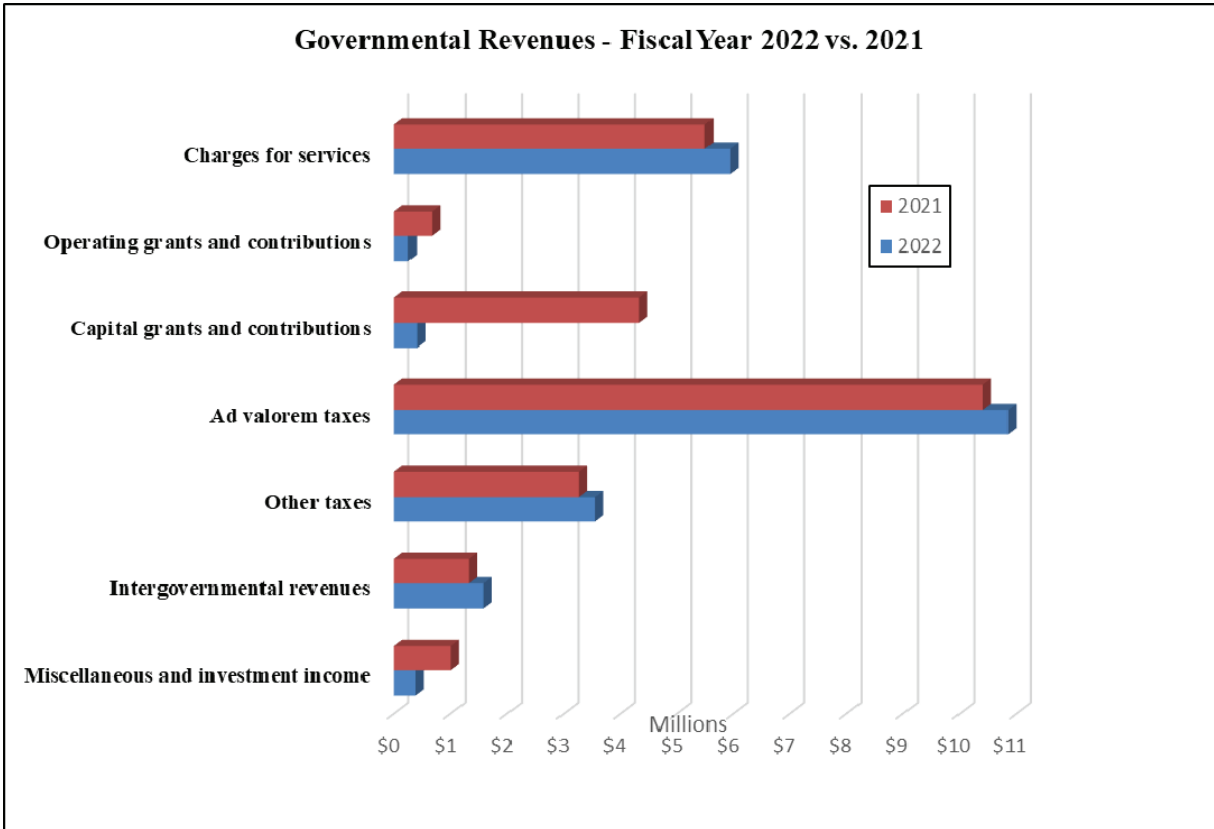
Total expenses for the year increased by 18.3%. Most of the City expenses increased due to increased payroll costs along with capital outlay for the new bond projects. Debt service decreased due to leases being paid off during FY 2022.

Net investment in capital assets decreased by approximately \$ 395,000 due to the net effect of the acquisition of capital items and scheduled repayment of debt service, including construction in progress for the Fire Station, Community Center, and Public Works buildings.

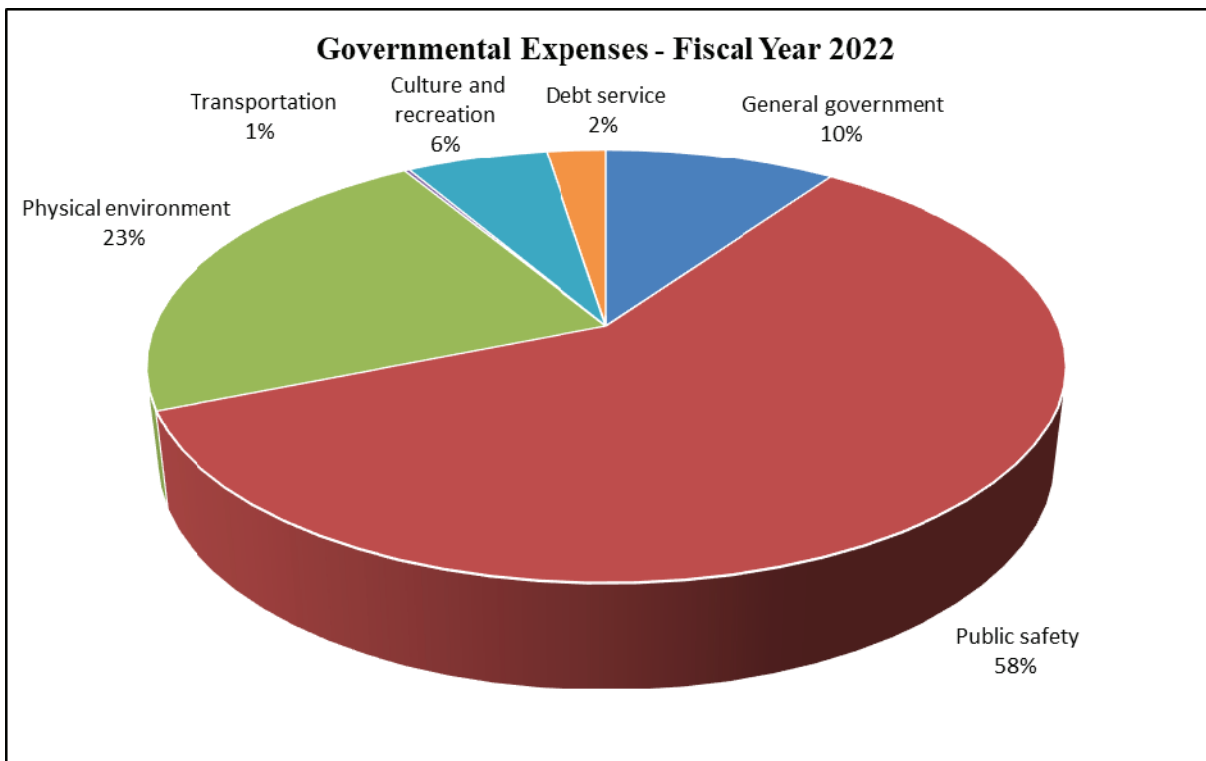
The City reported a Net Pension Asset for Fiscal Year 2022 in the amount of \$ 2,222,835. This represents a decrease of approximately \$ 5 million from the Fiscal Year 2021 reported asset for the City’s defined benefit plan, and was due to changes in demographic experience and investment losses.

The City also reported a Net Pension Liability for Fiscal Year 2022 in the amount of \$ 12,121,624. This represents the City’s share of the Florida Retirement System’s Pension and Health Insurance Subsidy (HIS) plan liability.

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



The following pie chart shows program expenses for governmental activities for fiscal year 2022:



Analysis of the Government's Funds

As noted earlier, the City of Lighthouse Point utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to communicate near-term inflows, outflows, and balances of spendable resources. The information presented, particularly the unreserved fund balance, may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. At the end of the FY 2022, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 15,063,526.

Approximately 4% of the fund balance constitutes nonspendable fund balance, or \$ 612,287 that is not available for spending at the City's discretion, and represents prepaid insurance premiums for the next fiscal year, as well as the principal balance of the Walt and Mary Barker Library Trust Fund. The remainder is spendable but falls into four different categories:

- Restricted by external requirements (\$ 6,513,454 or 43%), comprised of General Fund building department earnings and unspent lease proceeds, Garbage and Trash Fund special assessments, Bond Construction Fund amounts for future capital improvement projects, Public Safety Fund Federal and State fines and forfeitures, Stormwater Fund special assessments, Walt and Mary Barker Library Fund library resources, and unspent debt proceeds of the 2002 Debt Service Fund and 2019 Debt Service Fund;
- Committed by the City Commission (\$ 3,074,439 or 20%) for minimum contingency balance, and use for purposes other than those restricted or nonspendable, including the balance of the special purpose funds;
- Assigned by the Mayor (\$ 3,750,000 or 25%) for emergency recovery purposes;
- Unassigned (\$ 1,113,346 or 8%) is available for spending with no restrictions.

The following is a summary of changes and the breakdown of fund balances as of September 30, 2022:

	<u>General Fund</u>	<u>Infrastructure Fund</u>	<u>Garbage and Trash Fund</u>	<u>Bond Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances, September 30, 2021	\$ 7,237,087	\$ 1,625,827	\$ 86,476	\$ 9,687,292	\$ 2,904,010	\$ 21,540,692
Revenues	18,178,589	559,420	2,391,232	24,541	1,857,093	23,010,875
Expenditures	(17,837,912)	(1,161,475)	(2,264,950)	(6,280,354)	(1,984,894)	(29,529,585)
Other financing sources (uses)	21,681	-	(70,000)	-	89,863	41,544
Fund balances, September 30, 2022	<u>\$ 7,599,445</u>	<u>\$ 1,023,772</u>	<u>\$ 142,758</u>	<u>\$ 3,431,479</u>	<u>\$ 2,866,072</u>	<u>\$ 15,063,526</u>
Fund balances are represented as follows:						
Nonspendable	\$ 112,287	\$ -	\$ -	\$ -	\$ 500,000	\$ 612,287
Restricted	701,913	-	142,758	3,431,479	2,237,304	6,513,454
Committed	1,904,294	1,023,772	-	-	146,373	3,074,439
Assigned	3,750,000	-	-	-	-	3,750,000
Unassigned (deficit)	1,130,951	-	-	-	(17,605)	1,113,346
Fund balances, September 30, 2022	<u>\$ 7,599,445</u>	<u>\$ 1,023,772</u>	<u>\$ 142,758</u>	<u>\$ 3,431,479</u>	<u>\$ 2,866,072</u>	<u>\$ 15,063,526</u>

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General Fund:

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of FY 2022, total nonspendable and spendable fund balance of the General Fund was \$ 7,599,445. As a measure of the General Fund’s liquidity, it may be useful to compare both spendable fund balance and total fund expenditures. Assigned and unassigned fund balance represents 27% of the total general fund expenditures.

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Ad Valorem taxes	\$ 9,479,898	\$ 9,017,990	\$ 461,908	5.1%
Franchise taxes	1,043,636	914,502	129,134	14.1%
Utility service taxes	2,488,901	2,398,806	90,095	3.8%
Licenses and permits	1,165,064	1,130,182	34,882	3.1%
Intergovernmental revenues	1,888,105	1,941,435	(53,330)	-2.7%
Charges for services	709,679	551,103	158,576	28.8%
Non-ad valorem assessments	927,406	928,182	(776)	-0.1%
Fines and forfeitures	349,729	311,749	37,980	12.2%
Investment income	31,067	16,896	14,171	83.9%
Miscellaneous	95,104	298,031	(202,927)	-68.1%
Transfers in and other sources	179,643	469,707	(290,064)	-61.8%
Total revenues	\$ 18,358,232	\$ 17,978,583	\$ 379,649	2.1%

General Fund operating revenue totaled \$ 18,358,232, reflecting a net increase of \$ 379,649 when compared with 2021.

The City’s property tax base increased by over 5.84% in FY 2022 and the City Commission approved the same millage rate as the prior year, resulting in an increase in Ad Valorem revenue. Franchise taxes, licenses and permits, and charges for services continued to increase as the country recovered from the COVID-19 pandemic with increased activity within the City. Intergovernmental revenue decreased when compared to the prior year due to one-time funding that was received in FY 2021 from the CARES Act and FEMA reimbursements for Hurricane Dorian. Fines and forfeitures increased slightly due to the receipt of code fines. Miscellaneous decreased due to a one-time settlement payment that was received in FY 2021. Transfers in and other sources decreased due to the lease proceeds that were received in FY 2021. The remainder of the categories saw minimal changes from the prior year.

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Expenditures:				
General government	\$ 2,335,963	\$ 1,938,105	\$ 397,858	20.5%
Public safety	12,234,063	12,192,920	41,143	0.3%
Physical environment	1,722,159	1,702,988	19,171	1.1%
Transportation	52,242	54,500	(2,258)	-4.1%
Culture/recreation	1,263,642	1,029,766	233,876	22.7%
Debt service	229,843	173,644	56,199	32.4%
Transfers out	157,962	733,774	(575,812)	-78.5%
Total expenditures	\$ 17,995,874	\$ 17,825,697	\$ 170,177	1.0%

General Fund expenditures were up \$ 170,177 from FY 2021, or about 1.0%. General government increased primarily due to increased operating costs for the fiscal year. Additional attorney fees were needed for union negotiations and the code rewrite. Additional building inspector services were needed due to increased building permit activity. Public safety and physical environment increased slightly due to an increase in salary and benefit costs. FY 2021 public safety included a workers’ compensation settlement and police department patrol vehicle purchases that did not take place again in FY 2022 offsetting the increase in salary and benefit costs. Culture/recreation increased due to the improvement projects that began at Dan Witt park including new basketball and pickleball courts. Debt service increased due to the addition of a new lease at the end of FY 2021 with payments starting in the first quarter of FY 2022. Transfers out decreased to normal levels since FY 2021 included a one time transfer of \$ 600,000 to the Infrastructure Fund.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
Revenues:				
Ad Valorem taxes	\$ 9,426,000	\$ 9,479,334	\$ 53,334	0.6%
Franchise taxes	900,000	900,000	-	0.0%
Utility service taxes	2,350,000	2,350,000	-	0.0%
Licenses and permits	1,006,000	1,077,811	71,811	6.7%
Intergovernmental revenues	1,688,787	1,688,787	-	0.0%
Charges for services	555,600	641,757	86,157	13.4%
Non-ad valorem assessments	925,000	925,000	-	0.0%
Fines and forfeitures	135,900	135,900	-	0.0%
Investment income	27,000	27,000	-	0.0%
Miscellaneous	90,000	121,544	31,544	26.0%
Allocation of fund balance	554,816	554,816	-	0.0%
Transfers in	135,000	135,000	-	0.0%
Total revenues	\$ 17,794,103	\$ 18,036,949	\$ 242,846	1.3%

Ad valorem revenue increased due to greater than anticipated tax collections. Licenses and permits were higher due to increased building activity throughout the City. Charges for services were higher due to increased zoning fees stemming from increased development activity. Miscellaneous was increased to reflect the sale of City surplus vehicles.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
Expenditures:				
General government	\$ 2,106,679	\$ 2,345,408	\$ 238,729	11.3%
Public safety	11,924,729	12,241,382	316,653	2.7%
Physical environment	1,762,935	1,724,197	(38,738)	-2.2%
Transportation	52,809	53,830	1,021	1.9%
Culture/recreation	1,601,077	1,284,322	(316,755)	-19.8%
Debt service	229,848	229,848	-	0.0%
Transfers out	116,026	157,962	41,936	36.1%
Total expenditures	\$ 17,794,103	\$ 18,036,949	\$ 242,846	1.4%

General government appropriations were higher due to increased attorney fees for union negotiations and City code rewrite, increased IT contractual services costs, consulting services for American Rescue Plan funding, and an additional position for Administration services. Public safety was higher due to increased fuel costs, multiple repairs to rescue units, higher overtime to cover position vacancies and employees out on FMLA or worker’s compensation, and increased contractual and overtime costs due to increased building activity. Physical environment decreased mainly due to position vacancies throughout the year. Transportation increased due to higher fuel costs. Culture/recreation decreased due to position vacancies and ongoing improvements at Dan Witt Park being rolled into the FY22/23 budget. Transfers out increased due to an additional transfer to the Tennis Center fund to cover costs.

Infrastructure Fund:

The Infrastructure Fund was established by the City Commission to carry out general capital improvement projects, and has been primarily funded with transfers from other City funds. The infrastructure fund balance as of September 30, 2022 is \$ 1,023,772, committed to future capital improvement projects.

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Intergovernmental revenues	\$ 380,493	\$ -	\$ 380,493	100.0%
Miscellaneous	175,000	4,762,453	(4,587,453)	-96.3%
Investment income	3,927	1,805	2,122	117.6%
Transfers in	-	600,000	(600,000)	100.0%
Total revenues	\$ 559,420	\$ 5,364,258	\$ (4,804,838)	-89.6%
Expenditures:				
Physical environment	\$ 1,149,030	\$ 34,542	\$ 1,114,488	3226.5%
Capital outlay	12,445	4,292,572	(4,280,127)	-99.7%
Total expenditures	\$ 1,161,475	\$ 4,327,114	\$ (3,165,639)	-73.2%

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Appropriations are approved typically on a project by project basis. There was a one time transfer from the General Fund in FY 2021 to fund future projects. The Florida Department of Transportation funded and constructed the Ibis Bridge which resulted in a significant increase to miscellaneous revenue and expenditures in FY 2021. The intergovernmental revenue was received under the American Rescue Plan Act and was used for various projects in the City including bridge studies, bridge repairs, and milling and paving.

Garbage and Trash Fund:

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

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Non-ad valorem assessments	\$ 2,363,008	\$ 2,120,109	242,899	11.5%
Investment income	2,322	1,324	998	75.4%
Miscellaneous	25,902	29,211	(3,309)	-11.3%
	<u>2,391,232</u>	<u>2,150,644</u>	<u>240,588</u>	
Total revenues	\$ <u>2,391,232</u>	\$ <u>2,150,644</u>	\$ <u>240,588</u>	11.2%
Expenditures:				
Physical environment	\$ 2,264,950	\$ 2,208,134	\$ 56,816	2.6%
Transfers out	70,000	70,000	-	0.0%
	<u>2,334,950</u>	<u>2,278,134</u>	<u>56,816</u>	
Total expenditures	\$ <u>2,334,950</u>	\$ <u>2,278,134</u>	\$ <u>56,816</u>	2.5%

Non-ad valorem assessment revenue and physical environment expenditures were higher than FY 2021 due to an increase in fees from Waste Management. Miscellaneous revenue decreased due to the timing of a quarterly household hazardous waste payment. The quarterly reimbursement payments also increased when compared to FY 2021 due to the increased cost of the services. As of September 30, 2022, the Garbage and Trash Fund had a balance of \$ 142,758 and is shown as committed fund balance in the financial statements.

Bond Construction Fund:

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

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Investment income	\$ 24,541	\$ 4,276	\$ 20,265	473.9%
Total revenues	<u>\$ 24,541</u>	<u>\$ 4,276</u>	<u>\$ 20,265</u>	473.9%
Expenditures:				
Capital outlay	\$ 6,280,354	\$ 5,267,562	\$ 1,012,792	19.2%
Total expenditures	<u>\$ 6,280,354</u>	<u>\$ 5,267,562</u>	<u>\$ 1,012,792</u>	19.2%

Total revenues increased because interest rates began to rise during FY 2022. Total expenditures increased in FY 2022 with construction continuing on the new Fire Station/EOC and Community Center. Construction also began on the new Public Works Administration building. As of September 30, 2022, the Bond Construction Fund had a balance of \$ 3,431,479 and is shown as restricted fund balance in the financial statements.

Tennis Center Fund:

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

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Intergovernmental revenue	\$ -	\$ 50,000	\$ (50,000)	-100.0%
Charges for services	90,516	118,433	(27,917)	-23.6%
Miscellaneous	4,000	1,000	3,000	300.0%
Transfers in	132,962	117,774	15,188	12.9%
Total revenues	<u>\$ 227,478</u>	<u>\$ 287,207</u>	<u>\$ (59,729)</u>	-20.8%
Expenditures:				
Culture/recreation	\$ 242,962	\$ 188,992	\$ 53,970	28.6%
Capital outlay	-	69,904	(69,904)	-100.0%
Total expenditures	<u>\$ 242,962</u>	<u>\$ 258,896</u>	<u>\$ (15,934)</u>	-6.2%

The Tennis Center received a \$ 50,000 grant from the State of Florida Department of Environmental Protection to replace the tennis court lighting with LED lighting resulting in an increase to intergovernmental revenue and capital outlay expenditures in 2021. During FY 2022 the Tennis Center switched from City employees running the Center to fully contracted employees under FM Tennis, LLC. This resulted in accrual termination payouts that increased expenditures. Court maintenance was also transferred to FM Tennis along with a new revenue sharing agreement. As of September 30, 2022, the Tennis Center Fund had a balance of (\$ 17,605) and is shown as unassigned fund balance (deficit) in the financial statements.

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Public Safety Fund:

The Public Safety Fund records the inflow and outflow of Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City’s other operating funds. There are external restrictions on the use of these monies, and accordingly, balances are shown in the financial statements as restricted. The funds may be utilized to supplement operational needs, including capital purchases, training and certain overtime expenditures. In FY 2021, revenues increased due to an insurance reimbursement received for one of the patrol vehicles that was originally purchased with forfeiture funds. The decrease in revenue for FY 2022 was offset by increased investment income and a small increase in fines. Patrol vehicles and emergency vehicle equipment were purchased in FY 2021. In FY 2022 there were no capital outlay purchases, which resulted in lower expenditures.

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Fines and forfeitures	\$ 2,763	\$ 776	\$ 1,987	256.1%
Investment income	3,793	2,484	1,309	52.7%
Miscellaneous	7,500	12,201	(4,701)	-38.5%
Total revenues	<u>\$ 14,056</u>	<u>\$ 15,461</u>	<u>\$ (1,405)</u>	-9.1%
Expenditures:				
Public safety	\$ 46,927	\$ 54,926	\$ (7,999)	-14.6%
Capital outlay	-	103,511	(103,511)	-100.0%
Transfers out	71	-	71	100.0%
Total expenditures	<u>\$ 46,998</u>	<u>\$ 158,437</u>	<u>\$ (111,439)</u>	-70.3%

All expenditures in the Public Safety Fund were approved by the City Commission. The Public Safety Fund balance as of September 30, 2022 is \$ 1,227,298, restricted for future public safety costs and initiatives.

Stormwater Fund:

The Stormwater Fund was established in FY 2010. The purpose of the fund is to provide resources for capital improvements and significant maintenance of the City’s stormwater management infrastructure. Although much of this had been funded by grants in the past, these grant dollars have diminished over time and are now insufficient to meet the City’s needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill. A consultant’s study was used to determine the benefit for individual properties of the City’s stormwater management program. The stormwater management and collection system is aging, and the City continues to assess property owners each year as a way to build a fund balance for probable major stormwater improvements in the future. The Stormwater Fund Balance as of September 30, 2022 is \$ 881,877, restricted to future maintenance and capital improvement projects in the stormwater system.

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

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Non-ad valorem assessments	\$ 339,847	\$ 339,399	\$ 448	0.1%
Intergovernmental revenue	25,420	-	25,420	100.0%
Investment income	<u>2,274</u>	<u>1,334</u>	<u>940</u>	70.5%
Total revenues	<u>\$ 367,541</u>	<u>\$ 340,733</u>	<u>\$ 26,808</u>	7.9%
Expenditures:				
General government	\$ 4,827	\$ 3,274	\$ 1,553	47.4%
Physical environment	194,342	85,881	108,461	126.3%
Capital outlay	-	475	(475)	100.0%
Transfers out	<u>65,000</u>	<u>65,000</u>	<u>-</u>	0.0%
Total expenditures	<u>\$ 264,169</u>	<u>\$ 154,630</u>	<u>\$ 109,539</u>	70.8%

The assessment remained the same for each equivalent stormwater unit. The City received intergovernmental revenue under the American Rescue Plan Act, which was used to fund the Stormwater Master Plan Update project. Expenditures in the current year consisted primarily of repairs to existing storm drain lines, cleaning and maintenance of storm drains, and billing fees for collection of the assessment.

2002 Debt Service Fund:

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

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

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Ad valorem taxes	\$ 395,952	\$ 410,554	\$ (14,602)	-3.6%
Interest income	<u>361</u>	<u>249</u>	<u>112</u>	45.0%
Total revenues	<u>\$ 396,313</u>	<u>\$ 410,803</u>	<u>\$ (14,490)</u>	-3.5%
Expenditures:				
Principal	\$ 400,995	\$ 394,012	\$ 6,983	1.8%
Interest and other	<u>6,724</u>	<u>13,707</u>	<u>(6,983)</u>	-50.9%
Total expenditures	<u>\$ 407,719</u>	<u>\$ 407,719</u>	<u>\$ -</u>	0.0%

The 2002 Debt Service Fund Balance as of September 30, 2022 is \$ 5,470, restricted for repayment of debt service obligations.

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

2019 Debt Service Fund:

During FY 2020, the City created the 2019 Debt Service Fund to account for the repayment of the General Obligation Bonds, Series 2019 long term debt issued by the City.

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

	Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Revenues:				
Ad valorem taxes	\$ 980,447	\$ 982,850	\$ (2,403)	-0.2%
Investment income	1,406	689	717	104.1%
Total revenues	<u>\$ 981,853</u>	<u>\$ 983,539</u>	<u>\$ (1,686)</u>	-0.2%
Expenditures:				
Principal	\$ 320,000	\$ 305,000	\$ 15,000	4.9%
Interest and other	655,850	671,100	(15,250)	-2.3%
Total expenditures	<u>\$ 975,850</u>	<u>\$ 976,100</u>	<u>\$ (250)</u>	0.0%

The 2019 Debt Service Fund Balance as of September 30, 2022 is \$ 28,458, restricted for repayment of debt service obligations.

Capital Assets and Debt Administration

Capital Assets:

The City of Lighthouse Point’s investment in capital assets for its governmental activities as of September 30, 2022 amounts to \$ 38,660,946 (net of accumulated depreciation and amortization). This investment includes land, construction in progress, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset acquisitions or improvements during the fiscal year include the following:

- City Hall – replaced air conditioning unit for server room. Purchased a new desk and Surface Pro tablet for Finance office.
- Fire Department – purchased thermal imaging camera for use on fire engine. Installed a fire station alerting system in the new Fire Station.
- Library – purchased a dual drop cart with float tray.
- Police Department – replaced two outboard motors and one air conditioning unit.
- Public Works – purchased a new irrigation truck. Purchased a vehicle lift, motorized wheel balancer and tire changer swing arm for the Public Works garage.
- Recreation – installed a playground spinner at Dan Witt Park and purchased an exercise machine for the Community Center.
- Support Services – purchased one new air conditioning unit for Dixon Ahl Hall.
- Construction in Progress – continued construction of the Fire Station/EOC, Public Works building, Community Center, and Dan Witt Park improvements.

City of Lighthouse Point, Florida
Management’s Discussion and Analysis
September 30, 2022

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

	<u>2022</u>	<u>2021</u>
Land	\$ 8,865,588	\$ 8,865,588
Construction in progress	13,082,783	6,232,334
Infrastructure	10,155,356	10,400,632
Buildings and land improvements	5,185,077	5,482,860
Vehicles	714,124	937,763
Equipment and fixtures	658,018	639,044
	<u> </u>	<u> </u>
Total capital assets	\$ <u>38,660,946</u>	\$ <u>32,558,221</u>

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

Long-Term Debt and Other Long-Term Liabilities:

At the end of the fiscal year, the City had total debt and other long-term liabilities outstanding of \$ 31,950,023. A General Fund pledge to appropriate supports the capital leases, while ad valorem taxes provide the revenue stream for the repayment of the notes payable and the general obligation bond. Compensated absences are paid out upon termination based upon City policy and labor agreements. See Note J for more information on the net pension liability and Note L for more information on the other postemployment benefit liability.

The following table summarizes the City’s long-term debt and other long-term liability balances and activity for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
General obligation bonds	\$ 16,085,000	\$ -	\$ 320,000	\$ 15,765,000
Premium on general obligation bonds	1,135,519	-	42,057	1,093,462
Notes payable	400,995	-	400,995	-
Leases	604,906	-	220,322	384,584
Compensated absences	1,738,269	35,866	59,732	1,714,403
Net pension liability	3,887,991	8,233,633	-	12,121,624
Other postemployment benefit liability	1,061,603	-	190,653	870,950
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ <u>24,914,283</u>	\$ <u>8,269,499</u>	\$ <u>1,233,759</u>	\$ <u>31,950,023</u>

Economic Factors and Next Year's Budgets and Rates

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

The General Fund budget for FY 2023 was approved at \$ 19,547,685 which represents an increase of \$ 1,510,736 above the amended FY 2022 budget. The operating millage was adopted at 3.7539, which was an increase of 0.1646 over last year's rate. The increased millage rate and taxable value increase resulted in an increase in the ad valorem levy for FY 2023.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Lighthouse Point, Florida
Statement of Net Position
September 30, 2022

	Governmental Activities
Assets:	
Cash, cash equivalents, restricted cash and investments	\$ 21,440,101
Accounts receivable	519,981
Due from other governments	349,579
Prepays and other assets	112,287
Net pension asset	2,222,835
Capital assets:	
Not depreciated or amortized	21,948,371
Depreciable and amortizable, net	<u>16,712,575</u>
Total assets	<u>63,305,729</u>
Deferred Outflows of Resources:	
Deferred outflows, related to pensions	10,398,852
Deferred outflows, related to OPEB	<u>507,447</u>
Total deferred outflows of resources	<u>10,906,299</u>
Liabilities:	
Accounts payable	1,475,292
Retainage payable	453,262
Accrued payroll and related taxes	192,388
Accrued interest payable	104,767
Deposits	44,133
Licenses collected in advance	49,973
Unearned revenues	5,226,497
Due within one year:	
Compensated absences payable	143,034
Bonds and leases payable	470,771
Due in more than one year:	
Compensated absences payable	1,571,369
Bonds and leases payable	16,772,275
Net pension liability	12,121,624
Other postemployment benefit (OPEB) liability	<u>870,950</u>
Total liabilities	<u>39,496,335</u>
Deferred Inflows of Resources:	
Deferred inflows, related to pensions	1,183,603
Deferred inflows, related to OPEB	<u>302,924</u>
Total deferred inflows of resources	<u>1,486,527</u>
Net Position:	
Net investment in capital assets	25,120,303
Restricted for:	
Debt service	33,928
Garbage and trash special assessments	142,758
Law enforcement trust	1,227,298
Stormwater improvements	881,877
Building department	467,431
Walt and Mary Barker library fund:	
Nonexpendable	500,000
Expendable	94,201
Unrestricted	<u>4,761,370</u>
Total net position	<u>\$ 33,229,166</u>

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

City of Lighthouse Point, Florida
Statement of Activities
For the Year Ended September 30, 2022

	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Change in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Functions/Programs:					
Governmental activities:					
General government	\$ 2,434,142	\$ 172,285	\$ 24,456	\$ -	\$ (2,237,401)
Public safety	14,818,434	2,889,635	40,617	-	(11,888,182)
Physical environment	5,648,083	2,702,855	138,154	405,913	(2,401,161)
Transportation	53,125	-	37,409	-	(15,716)
Culture/recreation	1,480,933	183,237	14,531	-	(1,283,165)
Interest expense	626,042	-	-	-	(626,042)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>25,060,759</u>	\$ <u>5,948,012</u>	\$ <u>255,167</u>	\$ <u>405,913</u>	<u>(18,451,667)</u>
General revenues:					
Taxes:					
Ad-valorem taxes					10,856,297
Franchise taxes					1,055,165
Utility service taxes					2,505,645
Intergovernmental revenues (unrestricted)					1,583,198
Investment income (loss)					(27,041)
Miscellaneous					400,902
					<u> </u>
Total general revenues					<u>16,374,166</u>
Change in net position					(2,077,501)
Net position, beginning of year					<u>35,306,667</u>
Net position, end of year					\$ <u><u>33,229,166</u></u>

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

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

	Major Governmental	
	General Fund	Infrastructure Fund
Assets:		
Cash, cash equivalents, restricted cash, and investments	\$ 8,143,112	\$ 6,215,577
Due from other funds	-	189,081
Accounts receivable	513,542	-
Due from other governments	349,275	-
Prepays and other assets	112,287	-
	<u>9,118,216</u>	<u>6,404,658</u>
Total assets	\$ <u>9,118,216</u>	\$ <u>6,404,658</u>
Liabilities:		
Accounts payable	\$ 355,481	\$ 292,719
Accrued expenses	187,951	-
Due to other funds	498,849	-
Deposits	44,133	-
Licenses collected in advance	49,973	-
Unearned revenue	12,245	5,088,167
	<u>1,148,632</u>	<u>5,380,886</u>
Total liabilities	<u>1,148,632</u>	<u>5,380,886</u>
Deferred Inflows of Resources:		
Unavailable revenue - utility service taxes	174,081	-
Unavailable revenue - franchise and other revenues	113,191	-
Unavailable revenue - intergovernmental	82,867	-
	<u>370,139</u>	<u>-</u>
Total deferred inflows of resources	<u>370,139</u>	<u>-</u>
Fund Balances (Deficit):		
Nonspendable	112,287	-
Restricted	701,913	-
Committed	1,904,294	1,023,772
Assigned	3,750,000	-
Unassigned	1,130,951	-
	<u>7,599,445</u>	<u>1,023,772</u>
Total fund balances (deficit)	<u>7,599,445</u>	<u>1,023,772</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>9,118,216</u>	\$ <u>6,404,658</u>

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

Funds			
Garbage and Trash Fund	Bond Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 3,921,183	\$ 3,160,229	\$ 21,440,101
322,369	-	13,374	524,824
6,439	-	-	519,981
120	-	184	349,579
-	-	-	112,287
<u>328,928</u>	<u>3,921,183</u>	<u>3,173,787</u>	<u>22,946,772</u>
\$ 186,170	\$ 463,729	\$ 177,193	\$ 1,475,292
-	-	4,437	192,388
-	25,975	-	524,824
-	-	-	44,133
-	-	-	49,973
-	-	126,085	5,226,497
<u>186,170</u>	<u>489,704</u>	<u>307,715</u>	<u>7,513,107</u>
-	-	-	174,081
-	-	-	113,191
-	-	-	82,867
<u>-</u>	<u>-</u>	<u>-</u>	<u>370,139</u>
-	-	500,000	612,287
142,758	3,431,479	2,237,304	6,513,454
-	-	146,373	3,074,439
-	-	-	3,750,000
-	-	(17,605)	1,113,346
<u>142,758</u>	<u>3,431,479</u>	<u>2,866,072</u>	<u>15,063,526</u>
\$ <u>328,928</u>	\$ <u>3,921,183</u>	\$ <u>3,173,787</u>	\$ <u>22,946,772</u>

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

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

Fund Balances - Total Governmental Funds		\$ 15,063,526
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
The cost of capital assets is	\$ 50,768,453	
Accumulated depreciation and amortization is	<u>(12,107,507)</u>	38,660,946
<p>Certain revenues are considered deferred inflows of resources in the fund statements due to availability of funds; under full accrual accounting they are considered revenues.</p>		
		370,139
<p>Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.</p>		
Net pension asset	\$ 2,222,835	
Net pension liability	(12,121,624)	
Deferred outflows, related to pensions	10,398,852	
Deferred inflows, related to pensions	<u>(1,183,603)</u>	(683,540)
<p>OPEB obligation and deferred amounts attributable to retiree benefits are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.</p>		
Other postemployment benefit (OPEB) liability	\$ (870,950)	
Deferred outflows, related to OPEB	507,447	
Deferred inflows, related to OPEB	<u>(302,924)</u>	(666,427)
<p>Long-term liabilities, including bonds and leases payable, and other amounts, are not due and payable in the current period and therefore are not reported in the funds:</p>		
Bonds and leases payable	\$ (17,243,046)	
Compensated absences payable	(1,714,403)	
Retainage payable	(453,262)	
Accrued interest payable	<u>(104,767)</u>	<u>(19,515,478)</u>
Net Position of Governmental Activities		\$ <u>33,229,166</u>

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

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

	Major Governmental	
	General Fund	Infrastructure Fund
Revenues:		
Ad valorem taxes	\$ 9,479,898	\$ -
Franchise taxes	1,043,636	-
Utility service taxes	2,488,901	-
Licenses and permits	1,165,064	-
Intergovernmental revenues	1,888,105	380,493
Charges for services	709,679	-
Non-ad valorem assessments	927,406	-
Fines and forfeitures	349,729	-
Investment income (loss)	31,067	3,927
Miscellaneous	95,104	175,000
Total revenues	<u>18,178,589</u>	<u>559,420</u>
Expenditures:		
Current:		
General government	2,316,723	-
Public safety	12,176,145	-
Physical environment	1,687,049	1,149,030
Transportation	52,242	-
Culture/recreation	1,006,069	-
Capital outlay	369,841	12,445
Debt service:		
Principal	220,322	-
Interest and other	9,521	-
Total expenditures	<u>17,837,912</u>	<u>1,161,475</u>
Excess (deficiency) of revenues over expenditures	<u>340,677</u>	<u>(602,055)</u>
Other Financing Sources (Uses):		
Proceeds from sale of capital assets	41,544	-
Transfers in	138,099	-
Transfers out	(157,962)	-
Total other financing sources (uses)	<u>21,681</u>	<u>-</u>
Net change in fund balances	362,358	(602,055)
Fund Balances, Beginning of Year	<u>7,237,087</u>	<u>1,625,827</u>
Fund Balances, End of Year	<u>\$ 7,599,445</u>	<u>\$ 1,023,772</u>

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

Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
Garbage and Trash Fund	Bond Construction Fund		
\$ -	\$ -	\$ 1,376,399	\$ 10,856,297
-	-	-	1,043,636
-	-	-	2,488,901
-	-	-	1,165,064
-	-	25,420	2,294,018
-	-	90,516	800,195
2,363,008	-	339,847	3,630,261
-	-	2,763	352,492
2,322	24,541	(88,898)	(27,041)
25,902	-	111,046	407,052
<u>2,391,232</u>	<u>24,541</u>	<u>1,857,093</u>	<u>23,010,875</u>
-	-	4,827	2,321,550
-	-	-	12,176,145
2,264,950	-	247,383	5,348,412
-	-	-	52,242
-	-	343,567	1,349,636
-	6,280,354	5,548	6,668,188
-	-	720,995	941,317
-	-	662,574	672,095
<u>2,264,950</u>	<u>6,280,354</u>	<u>1,984,894</u>	<u>29,529,585</u>
<u>126,282</u>	<u>(6,255,813)</u>	<u>(127,801)</u>	<u>(6,518,710)</u>
-	-	-	41,544
-	-	157,962	296,061
(70,000)	-	(68,099)	(296,061)
<u>(70,000)</u>	<u>-</u>	<u>89,863</u>	<u>41,544</u>
56,282	(6,255,813)	(37,938)	(6,477,166)
86,476	9,687,292	2,904,010	21,540,692
<u>\$ 142,758</u>	<u>\$ 3,431,479</u>	<u>\$ 2,866,072</u>	<u>\$ 15,063,526</u>

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

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

Net Change in Fund Balances - Total Governmental Funds \$ (6,477,166)

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

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

Expenditures for capital assets	\$ 6,639,629	
Less: net book value of disposed capital assets	(73,888)	
Less: current year provision for depreciation	<u>(916,278)</u>	5,649,463

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (27,617)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 941,317

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

Change in net pension asset	\$ (5,000,310)	
Change in accrued interest payable	3,996	
Amortization of bond premium	42,057	
Change in compensated absences payable	23,866	
Change net pension liability	(8,233,633)	
Change in other postemployment benefit (OPEB) liability	<u>190,653</u>	(12,973,371)

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

Change in deferred outflows, related to pensions	\$ 978,427	
Change in deferred outflows, related to OPEB	(105,673)	
Change in deferred inflows, related to pensions	10,123,622	
Change in deferred inflows, related to OPEB	<u>(186,503)</u>	<u>10,809,873</u>

Change in Net Position of Governmental Activities \$ (2,077,501)

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

City of Lighthouse Point, Florida
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 9,426,000	\$ 9,479,334	\$ 9,479,898	\$ 564
Franchise fees	900,000	900,000	1,043,636	143,636
Utility service taxes	2,350,000	2,350,000	2,488,901	138,901
Licenses and permits	1,006,000	1,077,811	1,165,064	87,253
Intergovernmental revenues	1,688,787	1,688,787	1,888,105	199,318
Charges for services	555,600	641,757	709,679	67,922
Non-ad valorem assessments	925,000	925,000	927,406	2,406
Fines and forfeitures	135,900	135,900	349,729	213,829
Investment income	27,000	27,000	31,067	4,067
Miscellaneous	90,000	121,544	95,104	(26,440)
Allocation of fund balance	554,816	554,816	-	(554,816)
Total revenues	17,659,103	17,901,949	18,178,589	276,640
Expenditures:				
Current:				
General government	2,104,679	2,326,165	2,316,723	9,442
Public safety	11,870,155	12,182,322	12,176,145	6,177
Physical environment	1,761,435	1,687,587	1,687,049	538
Transportation	52,809	53,830	52,242	1,588
Culture/recreation	1,102,477	1,014,262	1,006,069	8,193
Capital outlay	556,674	384,973	369,841	15,132
Debt service:				
Principal	220,323	220,323	220,322	1
Interest	9,525	9,525	9,521	4
Total expenditures	17,678,077	17,878,987	17,837,912	41,075
Excess (deficiency) of revenues over expenditures	(18,974)	22,962	340,677	317,715
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	41,544	41,544
Transfers in	135,000	135,000	138,099	3,099
Transfers out	(116,026)	(157,962)	(157,962)	-
Total other financing sources (uses)	18,974	(22,962)	21,681	44,643
Net change in fund balance	\$ -	\$ -	362,358	\$ 362,358
Fund Balance, Beginning of Year			7,237,087	
Fund Balance, End of Year			\$ 7,599,445	

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

City of Lighthouse Point, Florida
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue - Garbage and Trash Fund
For the Year Ended September 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Non-ad valorem assessments:			
Solid waste fees	\$ 2,334,614	\$ 2,363,008	\$ 28,394
Miscellaneous	25,760	25,902	142
Investment income	<u>2,000</u>	<u>2,322</u>	<u>322</u>
Total revenues	<u>2,362,374</u>	<u>2,391,232</u>	<u>28,858</u>
Expenditures:			
Physical environment			
Trash collection:			
Operating expenditures	<u>2,292,374</u>	<u>2,264,950</u>	<u>27,424</u>
Excess of revenues over expenditures	<u>70,000</u>	<u>126,282</u>	<u>56,282</u>
Other Financing Uses:			
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>56,282</u>	<u>\$ 56,282</u>
Fund Balance, Beginning of Year		<u>86,476</u>	
Fund Balance, End of Year		<u>\$ 142,758</u>	

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

City of Lighthouse Point, Florida
Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
September 30, 2022

Assets:

Investments:

U.S. stock funds	\$ 18,488,359
Money market funds and other deposits	10,185,884
Balanced funds	9,155,802
Bond funds	8,243,038
Specialty funds	4,943,730
International stock funds	<u>4,763,698</u>

Total investments	<u>55,780,511</u>
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Participant loans receivable	<u>205,917</u>
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Total assets	<u>\$ 55,986,428</u>
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Liabilities	<u>\$ -</u>
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Net Position:

Restricted for pensions	43,819,813
Restricted for other employee benefits	<u>12,166,615</u>

Total net position	<u>\$ 55,986,428</u>
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The accompanying notes to financial statements are an integral part of these statements.

City of Lighthouse Point, Florida
Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended September 30, 2022

Additions:

Contributions:

City	\$ 395,741
Employees	<u>1,507,699</u>

Total contributions	<u>1,903,440</u>
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Investment earnings and expenses:

Interest, dividends and investment value changes	(8,264,599)
Less investment expense	<u>267,273</u>

Net investment earnings	<u>(8,531,872)</u>
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Total additions	<u>(6,628,432)</u>
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Deductions:

Benefits paid	2,786,133
Refund of contributions	<u>18,290</u>

Total deductions	<u>2,804,423</u>
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Change in net position	(9,432,855)
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**Net Position Restricted for Pensions
and Other Employee Benefits:**

At Beginning of Year	<u>65,419,283</u>
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At End of Year	<u>\$ 55,986,428</u>
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The accompanying notes to financial statements are an integral part of these statements.

Note A - Summary of Significant Accounting Policies

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

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

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

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

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

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City has only governmental activities for the fiscal year ended September 30, 2022.

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

Note A - Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The City has only governmental and fiduciary funds for the fiscal year ended September 30, 2022.

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

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

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

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

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

Note A - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Assets, liabilities, and net position or fund balance:

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

Note A - Summary of Significant Accounting Policies (continued)

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

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

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age in accordance with City Commission resolution and City policy. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net position. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences payable from expendable available financial resources and only if they have matured.
6. Unearned revenue: Inflows that do not meet the criteria for revenue recognition, such as business tax receipts collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.
7. Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists of notes and capital leases payable, as well as accrued compensated absences payable, net pension liability and OPEB liability. In the fund financial statements, debt proceeds are reported as other financing sources. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.
8. Deferred outflows/inflows of resources: In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. As required by GASB Statements 68 and 75, the City reports deferred outflows of resources for pension-related and OPEB amounts. At September 30, 2022, the City reported deferred outflows of \$ 10,906,299 in the government-wide statements.

Note A - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that are deferred inflows of resources. The first type, unavailable revenue, arises only under a modified accrual basis of accounting, and is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from utility service taxes, franchise and other revenues, and intergovernmental revenues that were earned but not received within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At September 30, 2022, the City reported deferred inflows of \$ 370,139 for this category in the fund level statements. The second type is required by GASB Statements 68 and 75 for pension and OPEB related inflows. At September 30, 2022, the City reported deferred inflows of \$ 1,486,527 in the government-wide statements.

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

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

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

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

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

Note A - Summary of Significant Accounting Policies (continued)

As of September 30, 2022, the City had the following restricted fund balances:

Major Funds:	
General fund:	
Building department	\$ 467,431
Unspent lease proceeds	234,482
Garbage and Trash Fund:	
Special assessments	142,758
Bond construction fund:	
Unspent bond proceeds	<u>3,431,479</u>
 Total major funds	 <u>4,276,150</u>
 Nonmajor Funds:	
Public safety fund:	
Federal and state fines and forfeitures	1,227,298
Stormwater fund:	
Special assessments	881,877
Walt and Mary Barker library fund:	
Library resources	94,201
2002 Debt service fund:	
Unspent debt proceeds	5,470
2019 Debt service fund:	
Unspent debt proceeds	<u>28,458</u>
 Total nonmajor funds	 <u>2,237,304</u>
 Total restricted fund balance	 \$ <u><u>6,513,454</u></u>

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

Within the committed fund balance of \$ 3,074,439 there is an amount of \$ 1,577,384 set aside for operational contingencies. This amount is established through resolution by City Commission and is adjusted annually based on the following year's adopted expenditure budgeted amounts. It can be used upon approval of the City Commission.

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

Note A - Summary of Significant Accounting Policies (continued)

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

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

Other policies:

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. At September 30, 2022, encumbrances outstanding are as follows:

General Fund	\$	617,557
Infrastructure Fund		674,520
Bond Construction Fund		931,460
Stormwater Fund		331,502
Public Safety Fund		37,084
Tennis Center Fund		1,451
Total	\$	2,593,574

Subsequent events: The City’s management has evaluated subsequent events through March 23, 2023, which is the date the financial statements were available to be issued.

Note B - Stewardship, Compliance and Accountability

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

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. After June 1st, when the assessed values have been released by the Property Appraiser, the Mayor, as the City’s Chief Executive Officer, submits the proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of funding.

Note B - Stewardship, Compliance and Accountability (continued)

3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by resolution. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered nor specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the General Fund, Garbage and Trash Fund, Tennis Center Fund, Stormwater Fund, 2002 Debt Service Fund, and 2019 Debt Service Fund. The budgets are adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original General Fund budget was amended during the year to provide for \$ 242,846 of supplemental appropriations. The budget was increased to provide for costs associated with the building division's contracted services, overtime for the Fire Department to cover vacancies and absences due to COVID-19 and workers' compensation, and other unforeseen expenditures. Funding for the increased expenditures came from additional ad valorem receipts, Federal Grants, Other Federal Assistance (CARES Act), and miscellaneous revenues.

Note C - Property Tax

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

The assessed value of property at January 1, 2021, upon which the 2021-2022 levy was based, was approximately \$ 2,744,666,000. The Broward County Revenue Collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2022 was \$ 3.5893 per \$ 1,000 and \$ 0.5212 per \$ 1,000 for debt service.

Note D - Deposits and Investments

Governmental Funds

Deposits: The City’s deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. As of September 30, 2022, all non-interest bearing deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) and interest bearing deposits are insured up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity’s name.

At September 30, 2022, the carrying amount of the City’s deposits was \$ 9,016,817 and the combined bank balances totaled \$ 9,065,036.

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

As of September 30, 2022, the City had the following governmental investments:

<u>Investment Type</u>	<u>Fair Value</u>
Money market funds	\$ 7,917,968
Mutual funds	<u>4,505,316</u>
	<u>\$ 12,423,284</u>

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

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

Disclosure by Investment Type:

The table below summarizes the City’s Governmental Investment Funds scheduled maturities (in years) for investments held as of September 30, 2022:

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

Note D - Deposits and Investments (continued)

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Money market funds	\$ 7,917,968	\$ 7,917,968	\$ -	\$ -
Mutual funds	4,505,316	4,505,316	-	-
Total	\$ <u>12,423,284</u>	\$ <u>12,423,284</u>	\$ <u>-</u>	\$ <u>-</u>

The City has public depository money market accounts with the following banks as of September 30, 2022:

	Fair Value	Interest Rate
BankUnited	\$ 3,441,519	1.20% annually
City National Bank	\$ 2,501,233	2.25% annually
Centennial Bank	\$ 1,965,148	1.32% annually

For the money market accounts, interest rates fluctuate based upon market and economic conditions.

The City also holds mutual funds with BNY Mellon, which had a balance of \$ 3,921,183 at September 30, 2022. These amounts are invested in mutual funds with a rating of Aaa-mf by Moody's and AAAM by S&P.

The City also holds a portfolio with Charles Schwab containing the assets of the Walt and Mary Barker Library Trust, which amounted to \$ 703,498 at September 30, 2022. Of this amount, \$ 584,133 was invested in mutual funds which have a Morningstar rating range of 2 to 4 stars. In addition, the portfolio contains \$ 10,068 invested in money market funds.

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

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

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

Note D - Deposits and Investments (continued)

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

- Investments classified as Level 1 in the primary government and fiduciary funds, in the tables below are valued using prices quoted in active markets for identical securities.
- Investments classified as Level 2 in the primary government and fiduciary funds, in the tables below are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates), or other market corroborated inputs.
- Investments classified as Level 3 in the fiduciary funds, in the table on page 46 are valued based on significant unobservable outputs based on all information available in the circumstances to the extent observable inputs are not available. The fair value of classified level 3 funds represents the value of unit positions in funds that are not publicly traded on an exchange. The fair value of the funds can be impacted by redemption restrictions imposed by the fund managers.

Fair values of investments held by the City’s Governmental Investment Funds are classified at September 30, 2022 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 4,505,316	\$ 4,505,316	\$ -	\$ -
Total investments measured at fair value	4,505,316	<u>\$ 4,505,316</u>	<u>\$ -</u>	<u>\$ -</u>
Money market funds	<u>7,917,968</u>			
Total	<u>\$ 12,423,284</u>			

Note D - Deposits and Investments (continued)

Fiduciary Funds

The City has seven different pension plans included in the fiduciary funds. Of these plans, six are administered by MissionSquare Retirement, and the other is managed by the Florida League of Cities through the Florida Municipal Pension Trust (FMPT). Four of the MissionSquare plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City’s IRS 457 deferred compensation plan, and one is a retirement health savings plan. Employees select from a diverse group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who chose to convert from the 401a plan at that time. This plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board. As of September 30, 2022, the City had the following Fiduciary investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. stock funds	\$ 18,488,359
Money market funds and other deposits	10,185,884
Balanced funds	9,155,802
Bond funds	8,243,038
Specialty funds	4,943,730
International stock funds	<u>4,763,698</u>
	<u>\$ 55,780,511</u>

The table below summarizes the City’s Fiduciary Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2022:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Stock funds	\$ 18,488,359	\$ 18,488,359	\$ -	\$ -	\$ -
Money market funds and other deposits	10,185,884	10,185,884	-	-	-
Balanced funds	9,155,802	-	9,155,802	-	-
Bond funds	8,243,038	-	414,847	7,828,191	-
Specialty funds	4,943,730	4,943,730	-	-	-
International stock funds	<u>4,763,698</u>	<u>4,763,698</u>	-	-	-
Total	<u>\$ 55,780,511</u>	<u>\$ 38,381,671</u>	<u>\$ 9,570,649</u>	<u>\$ 7,828,191</u>	<u>\$ -</u>

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

Note D - Deposits and Investments (continued)

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, retirement health savings plan, and Roth IRA. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. The fixed income portion is invested in two separate bond funds: the Broad Market High Quality bond fund, with a Fitch rating of AAF/S4 and a weighted average maturity of 6.70 years, and the Core Plus Fixed Income fund (Not rated) with a weighted average maturity of 8.92 years.

Concentration risk: The fiduciary funds' policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, or other pooled investments are excluded from this requirement. There were no individual investments that represent 5% or more in any one issuer at September 30, 2022.

Foreign currency risk: The MissionSquare and FMPT funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds which has a balance of \$ 6,884,812 at September 30, 2022. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

Fair values of investments held by the City's Fiduciary Investment Funds are classified at September 30, 2022 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. stock funds	\$ 18,488,359	\$ 8,849,567	\$ 9,638,792	\$ -
Money market funds and other deposits	10,185,884	10,185,884	-	-
Balanced funds	9,155,802	9,155,802	-	-
Bond funds	8,243,038	414,847	3,967,348	3,860,843
Specialty funds	4,943,730	550,358	-	4,393,372
International stock funds	4,763,698	263,820	4,499,878	-
Total investments measured at fair value	\$ 55,780,511	\$ 29,420,278	\$ 18,106,018	\$ 8,254,215

Note E - Interfund Transactions

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

Interfund receivables and payables at September 30, 2022 were as follows:

Fund	Receivable	Payable
Major Funds:		
General fund	\$ -	\$ 498,849
Infrastructure fund	189,081	-
Garbage and trash fund	322,369	-
Bond construction fund	-	25,975
Total major funds	<u>511,450</u>	<u>524,824</u>
Nonmajor Funds:		
Tennis center fund	<u>13,374</u>	-
Total	<u>\$ 524,824</u>	<u>\$ 524,824</u>

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Major Funds:		
General fund	\$ 138,099	\$ 157,962
Garbage and trash fund	-	70,000
Total major funds	<u>138,099</u>	<u>227,962</u>
Nonmajor Funds:		
Tennis center fund	132,962	-
Public safety fund	-	71
Stormwater fund	-	65,000
Special purpose fund	<u>25,000</u>	<u>3,028</u>
Total nonmajor funds	<u>157,962</u>	<u>68,099</u>
Total	<u>\$ 296,061</u>	<u>\$ 296,061</u>

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

Note E - Interfund Transactions (continued)

In FY 2022, the General Fund transferred \$ 157,962 to other funds including \$ 132,962 for the Tennis Center budgeted subsidy for facility operations, and \$ 25,000 to the Special Purpose Fund for the City’s Keeper Day and Lighthouse A’Glow celebrations. The General fund also received a total of \$ 138,099 for an allocation of administrative expenses from other funds in the amount of \$ 70,000 from the Garbage and Trash Fund, \$ 71 from the Public Safety Fund, \$ 3,028 from the Special Purpose Fund, and \$ 65,000 from the Stormwater Fund.

Note F - Special Revenue Funds

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

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

As of September 30, 2022, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

Recreational support:	
LHP A’Glow for annual holiday celebration	\$ 49,039
Sponsor fees for recreation programs	24,672
Keeper Days for annual City anniversary	10,141
DeGroff Park Improvements	<u>4,897</u>
Total	<u>88,749</u>
Environmental:	
Beautification improvements in the City	6,607
Waterway cleanup and protection	<u>293</u>
Total	<u>6,900</u>
Cultural support:	
Library	46,561
Cultural arts committee	<u>4,163</u>
Total	<u>50,724</u>
Total Special Purpose Fund	<u><u>\$ 146,373</u></u>

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

Note G - Capital Assets

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

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,865,588	\$ -	\$ -	\$ 8,865,588
Construction in progress	<u>6,232,334</u>	<u>6,850,449</u>	<u>-</u>	<u>13,082,783</u>
Total capital assets, not being depreciated	<u>15,097,922</u>	<u>6,850,449</u>	<u>-</u>	<u>21,948,371</u>
Capital assets, being depreciated				
Buildings and land improvements	10,964,296	-	315,217	10,649,079
Equipment and fixtures	2,597,521	162,705	127,657	2,632,569
Infrastructure	12,215,870	-	-	12,215,870
Vehicles	<u>2,837,911</u>	<u>44,627</u>	<u>249,249</u>	<u>2,633,289</u>
Total capital assets being depreciated	<u>28,615,598</u>	<u>207,332</u>	<u>692,123</u>	<u>28,130,807</u>
Less accumulated depreciation for:				
Buildings and land improvements	5,481,436	232,538	249,972	5,464,002
Equipment and fixtures	2,209,231	126,738	153,281	2,182,688
Infrastructure	1,815,238	245,276	-	2,060,514
Vehicles	<u>2,059,985</u>	<u>212,307</u>	<u>214,982</u>	<u>2,057,310</u>
Total accumulated depreciation	<u>11,565,890</u>	<u>816,859</u>	<u>618,235</u>	<u>11,764,514</u>
Total capital assets, being depreciated, net	<u>17,049,708</u>	<u>(609,527)</u>	<u>73,888</u>	<u>16,366,293</u>
Lease assets				
Equipment	381,888	-	-	381,888
Vehicles	<u>272,277</u>	<u>35,110</u>	<u>-</u>	<u>307,387</u>
Total lease assets being amortized	<u>654,165</u>	<u>35,110</u>	<u>-</u>	<u>689,275</u>
Less accumulated amortization for:				
Equipment	131,134	42,617	-	173,751
Vehicles	<u>112,440</u>	<u>56,802</u>	<u>-</u>	<u>169,242</u>
Total accumulated amortization	<u>243,574</u>	<u>99,419</u>	<u>-</u>	<u>342,993</u>
Total lease assets, being amortized, net	<u>410,591</u>	<u>(64,309)</u>	<u>-</u>	<u>346,282</u>
Governmental activities, capital assets, net	<u>\$ 32,558,221</u>	<u>\$ 6,176,613</u>	<u>\$ 73,888</u>	<u>\$ 38,660,946</u>

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

Note G - Capital Assets (continued)

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

Governmental activities:		
General government	\$	48,968
Public safety		459,540
Physical environment		276,309
Culture and recreation		<u>131,461</u>
 Total depreciation and amortization expense - governmental activities	\$	<u><u>916,278</u></u>

The City has awarded various construction contracts. As of September 30, 2022, commitments on uncompleted construction contracts totaled approximately \$ 893,000.

Note H - Long-Term Liabilities

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

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 16,085,000	\$ -	\$ 320,000	\$ 15,765,000	\$ 335,000
Premium on general obligation bonds	<u>1,135,519</u>	<u>-</u>	<u>42,057</u>	<u>1,093,462</u>	<u>-</u>
Total bonds payable	<u>17,220,519</u>	<u>-</u>	<u>362,057</u>	<u>16,858,462</u>	<u>335,000</u>
Notes and leases payable:					
Note payable *	400,995	-	400,995	-	-
Leases	<u>604,906</u>	<u>-</u>	<u>220,322</u>	<u>384,584</u>	<u>135,771</u>
Total notes and leases payable	<u>1,005,901</u>	<u>-</u>	<u>621,317</u>	<u>384,584</u>	<u>135,771</u>
Total bonds, notes and leases payable	<u>\$ 18,226,420</u>	<u>\$ -</u>	<u>\$ 983,374</u>	<u>\$ 17,243,046</u>	<u>\$ 470,771</u>
Other liabilities:					
Compensated absences payable	\$ 1,738,269	\$ 35,866	\$ 59,732	\$ 1,714,403	\$ 143,034
Net pension liability	3,887,991	8,233,633	-	12,121,624	-
Net OPEB liability	<u>1,061,603</u>	<u>-</u>	<u>190,653</u>	<u>870,950</u>	<u>-</u>
Total long-term liabilities	<u>\$ 6,687,863</u>	<u>\$ 8,269,499</u>	<u>\$ 250,385</u>	<u>\$ 14,706,977</u>	<u>\$ 143,034</u>

* Amount represents direct borrowings and private placements.

Note H - Long-Term Liabilities (continued)

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

General Obligation Bonds: In April 2019, the City issued \$ 16,500,000 of General Obligation Bonds, Series 2019. The bonds were issued to finance construction of a new Fire Station/Emergency Operations Center, Public Works building, Recreation building at Dan Witt Park, Library expansion, and various renovations of existing City facilities. The outstanding bonds bear an interest rate from 3.0% to 5.0% payable semi-annually on February 1st and August 1st of each year, with principal due annually on August 1 through August 2048. The outstanding principal balance as of September 30, 2022 is \$ 15,765,000. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2021-22 was 0.3713.

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

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

Year Ending September 30,	Principal	Interest	Total
2023	\$ 335,000	\$ 628,600	\$ 963,600
2024	355,000	611,850	966,850
2025	370,000	594,100	964,100
2026	390,000	575,600	965,600
2027	410,000	556,100	966,100
2028-2032	2,370,000	2,452,250	4,822,250
2033-2037	2,885,000	1,937,348	4,822,348
2038-2042	3,445,000	1,399,138	4,844,138
2043-2047	4,265,000	597,052	4,862,052
2048	940,000	30,550	970,550
	<u>\$ 15,765,000</u>	<u>\$ 9,382,588</u>	<u>\$ 25,147,588</u>

Note payable: The City’s Series 2002 General Obligation Bonds were refunded during FY 2011-2012. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matured in August 2022. Principal and interest on the note were funded by the voter approved ad valorem tax, the rate of which for FY 2021-22 was 0.1499.

Leases: At September 30, 2022, the City had obligations under three separate lease agreements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Annual debt service payments are funded by General Fund revenues. The carrying value of these assets is approximately \$ 346,300. The City has the following leases:

Note H - Long-Term Liabilities (continued)

Series 2018: vehicles and equipment for police administration and fire rescue in the amount of \$ 119,509 at inception.

Series 2019: vehicles and equipment for City administration, police administration, and public works in the amount of \$ 216,000 at inception.

Series 2021: vehicles and equipment for police administration, fire rescue, and public works in the amount of \$ 334,707 at inception.

Future lease payments under these lease agreements outstanding at September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 135,771	\$ 5,641	\$ 141,412
2024	112,141	3,138	115,279
2025	67,863	1,548	69,411
2026	<u>68,809</u>	<u>602</u>	<u>69,411</u>
	<u>\$ 384,584</u>	<u>\$ 10,929</u>	<u>\$ 395,513</u>

Note I - Receivables and Payables

Receivables at September 30, 2022 were as follows:

	<u>Accounts</u>	<u>Inter- governmental</u>	<u>Total</u>
Governmental activities:			
General fund	\$ 513,542	\$ 349,275	\$ 862,817
Garbage and trash fund	6,439	120	6,559
Public safety fund	-	69	69
Stormwater fund	-	15	15
2002 Debt service fund	-	41	41
2019 Debt service fund	<u>-</u>	<u>59</u>	<u>59</u>
	<u>\$ 519,981</u>	<u>\$ 349,579</u>	<u>\$ 869,560</u>

Note I - Receivables and Payables (continued)

Payables at September 30, 2022 were as follows:

	<u>Total</u>
Governmental activities:	
General fund	\$ 355,481
Infrastructure fund	292,719
Garbage and trash fund	186,170
Bond construction fund	463,729
Tennis center fund	26,642
Public safety fund	3,888
Stormwater fund	142,612
Special purpose fund	<u>4,051</u>
Total governmental activities	<u>\$ 1,475,292</u>

All amounts at September 30, 2022 are payable to vendors/contractors.

Note J - Pension Plans

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 92-95. The City acts as a trustee for these plan resources, however, there are no separately audited financial statements of these plans.

During the year ended September 30, 2019, the City began offering pension benefits through the Florida Retirement System (“FRS”) plan to its public safety employees. The FRS plan is intended to replace the current Police and Fire Defined Benefit Plan offered through the Florida League of Cities. The City is a sponsor of the FRS plan, not a trustee, and, accordingly, there is no fiduciary fund on the City’s records. All provisions in relation to the City’s portion of FRS are recorded in the government wide statements on pages 22-23. The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Basis of Accounting

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

Note J - Pension Plans (continued)

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

Municipal Employees' Retirement Fund - Defined Contribution

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later in this section.

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

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

Contributions made by the City for the fiscal year ended September 30, 2022 are as follows:

Employee Classification	Covered Payroll	Required Contribution Amount			Percentage of Contributions to Total Covered Payroll
		City	Employee	Total	
General	\$ 1,776,822	\$ 230,986	\$ 93,871	\$ 324,857	18.28%
Fire *	-	-	-	-	0.00%
Police **	-	-	-	-	0.00%
Management / Exempt	1,056,420	164,755	63,385	228,140	21.60%
Total	\$ 2,833,242	\$ 395,741	\$ 157,256	\$ 552,997	19.52%

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

** During fiscal year 2022, the Police employees stopped contributing to the Municipal Employee's Retirement Fund due to addition of the Florida Retirement System Pension Plan.

Note J - Pension Plans (continued)

Plan membership at September 30, 2022 consisted of the following:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	<u>8</u>	<u>7</u>	<u>4</u>	<u>7</u>
Terminated members entitled to but not yet receiving benefits	<u>9</u>	<u>-</u>	<u>-</u>	<u>3</u>
Current employees:				
Fully vested	18	5	5	7
Partially vested	8	-	-	1
Nonvested	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current employees	<u>30</u>	<u>5</u>	<u>5</u>	<u>8</u>
Total membership	<u>47</u>	<u>12</u>	<u>9</u>	<u>18</u>

Investment summaries at September 30, 2022, are as follows:

<u>Investment Type</u>	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
U.S. Stock Funds	8%	54%	32%	23%
Money Market Funds	25%	24%	45%	51%
Balanced Funds	65%	10%	22%	25%
Bond Funds	2%	1%	1%	0%
Specialty Funds	0%	10%	0%	0%
International Stock Funds	<u>0%</u>	<u>1%</u>	<u>0%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Fair Value of Investments	\$ <u>5,179,271</u>	\$ <u>4,535,418</u>	\$ <u>1,979,115</u>	\$ <u>5,293,593</u>

All defined contribution (401a) plans provide for employee loans. Loans are limited to 50% of the employee's vested balance not to exceed \$ 50,000. Interest rates are based on prime plus 0.5%. As of September 30, 2022, participant loans outstanding amounted to \$ 205,917.

Police and Fire - Defined Benefit

Effective October 1, 2003, the City established a defined benefit pension plan for full-time police officers and firefighters. The defined benefit pension plan is a single-employer variety. In accordance with Ordinance 835, the defined benefit pension plan was mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. Previously, the City contributed 22.27% of employee base salaries and employees contributed 16.34%, but as of September 30, 2019 the plan was frozen due to public safety employees transitioning to the Florida Retirement System Plan. All investments, totaling \$ 26,626,499 at September 30, 2022, are managed by the Florida League of Cities, Inc. through the Florida Municipal Pension Trust. The plan has no past service costs because employees that opted to purchase past service credits were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in FY 2009. At September 30, 2022, the membership in the plan consists of six active participants, 33 former employees who are either vested or entitled to a refund of employee contributions, and 22 retirees/beneficiaries receiving a benefit.

Note J - Pension Plans (continued)

Net Pension (Asset) Liability:

The City's Police and Fire Defined Benefit Plan net pension (asset) liability as measured as of September 30, 2022 and the total pension liability (asset) used to calculate the net pension (asset) liability was determined by an actuarial valuation as of October 1, 2021.

Actuarial assumptions - The total net pension (asset) liability in the October 1, 2021 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate: 7.00% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

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

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

Mortality basis: For non-retired participants and non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.

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

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

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

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

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

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

Note J - Pension Plans (continued)

Investment Type	Target Allocation	Expected Long-Term Real Return
Core bonds	15%	1.60% per annum
Core plus	15%	2.10% per annum
U.S. large cap equity	25%	4.60% per annum
U.S. small cap equity	14%	5.50% per annum
Non-U.S. equity	21%	6.70% per annum
Core real estate	10%	5.00% per annum
	<u>100%</u>	
Total or weighted arithmetic average	<u>100%</u>	4.38% per annum

Rate of Return - For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -13.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Changes in the Net Pension (Asset) Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances, beginning	\$ 24,669,925	\$ (31,893,070)	\$ (7,223,145)
Changes for the year:			
Expected interest growth	1,676,223	(2,193,047)	(516,824)
Unexpected investment income	-	6,312,557	6,312,557
Demographic experience	(850,062)	-	(850,062)
Benefit payments, including refunds of member contributions	(1,092,422)	1,092,422	-
Administrative expense	-	54,639	54,639
	<u>(266,261)</u>	<u>5,266,571</u>	<u>5,000,310</u>
Net changes			
Balances, ending	\$ <u>24,403,664</u>	\$ <u>(26,626,499)</u>	\$ <u>(2,222,835)</u>

Note J - Pension Plans (continued)

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Total pension liability	\$ 27,288,997	\$ 24,403,664	\$ 22,114,104
Less: fiduciary net position	<u>(26,626,499)</u>	<u>(26,626,499)</u>	<u>(26,626,499)</u>
Net pension (asset) liability	<u>\$ 662,498</u>	<u>\$ (2,222,835)</u>	<u>\$ (4,512,395)</u>

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

For the year ended September 30, 2022 the City recognized pension income of \$ 769,461. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Police and Fire Defined Benefit Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual investment gain/loss	\$ 3,136,337	\$ -
Change of assumptions	124,267	-
Demographic experience	<u>199,718</u>	<u>311,086</u>
Total	<u>\$ 3,460,322</u>	<u>\$ 311,086</u>

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

<u>Year ended September 30,</u>	<u>Amount</u>
2023	\$ 929,481
2024	\$ 522,919
2025	\$ 501,098
2026	\$ 1,195,738
Thereafter	\$ NONE

Deferred Compensation Plan

Employees may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 as amended by Congress. The deferred compensation plan is available to all full-time employees of the City. Under the deferred compensation plan, employees may elect to defer a portion of their salaries and therefore defer paying taxes on such portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency subject to approval by the City.

Note J - Pension Plans (continued)

The deferred compensation plan is administered by an unrelated independent plan administrator. Under the terms of the Internal Revenue Code Section 457, all deferred compensation and income attributable to the investment returns are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator, approving investments offered to participants, monitoring compliance with maximum contribution limits, catch-up provisions, and emergency withdrawals. The current plan administrator is MissionSquare Retirement. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the deferred compensation plan. Due to the level of fiduciary responsibility accepted by the City, the deferred compensation fund is presented as a Pension Trust Fund in the accompanying financial statements.

Retirement Health Savings Plan

As a voluntary supplement to the employees' required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$ 730,021 at September 30, 2022 and is invested by MissionSquare per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations.

Should funds not be expended, they revert back to the City plan, however the City's policy is to distribute any remaining proceeds upon death of a participant to their beneficiaries as they have provided in writing. Based upon employee group commitments, the plan currently includes Fire Captains, Police Department non-union employees, Administrative Secretaries, the Chief Clerk of the Police Department, Fire Driver-Engineers, Fire Rescue Supervisors, and the City Administrator.

Roth IRA

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

Florida Retirement System

General Information:

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

Pension Plan:

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

Note J - Pension Plans (continued)

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

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 age 60 or 30 years of service regardless of age for Special Risk class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment (“COLA”) is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Special Risk – 25.89% and 27.83%; and DROP participants – 18.34% and 18.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022.

HIS Plan:

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

Benefits Provided - For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$ 5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can 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.

Note J - Pension Plans (continued)

For the fiscal year ended September 30, 2022, the HIS contribution rate was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding four 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.

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

At September 30, 2022, the City reported liabilities of \$ 10,630,260 for its proportionate share of the Pension Plan's net pension liability and \$ 1,491,364 for the HIS Plan's net pension liability for a total pension liability of \$ 12,121,624. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. At June 30, 2022, the City's proportionate share was .028569796 percent for the Pension Plan and .014080634 percent for the HIS Plan, which was a decrease of .000104818 percent and an increase of .000042814 percent respectively, from the proportionate share measured as of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$ 2,489,454 for the Pension Plan and \$ 285,343 for the HIS Plan for a total pension expense of \$ 2,774,797. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 504,876	\$ 45,266	\$ 550,142
Changes of assumptions	1,309,161	85,486	1,394,647
Net difference between projected and actual earnings on pension plan investments	701,915	2,159	704,074
Changes in proportion and differences between City contributions and proportionate share of contributions	3,114,488	773,944	3,888,432
City contributions subsequent to the measurement date	376,886	24,349	401,235
	<u>\$ 6,007,326</u>	<u>\$ 931,204</u>	<u>\$ 6,938,530</u>

Note J - Pension Plans (continued)

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 6,562	\$ 6,562
Changes of assumptions	-	230,713	230,713
Changes in proportion and differences between City contributions and proportionate share of contributions	635,242	-	635,242
	<u>\$ 635,242</u>	<u>\$ 237,275</u>	<u>\$ 872,517</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, 2022. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2023	\$ 1,605,137	\$ 183,196	\$ 1,788,333
2024	1,226,287	194,711	1,420,998
2025	403,960	202,027	605,987
2026	1,666,829	110,949	1,777,778
2027	92,985	(7,178)	85,807
Thereafter	-	(14,125)	(14,125)
	<u>\$ 4,995,198</u>	<u>\$ 669,580</u>	<u>\$ 5,664,778</u>

Actuarial Assumptions:

The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan's valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Note J - Pension Plans (continued)

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increases	3.25% average, including inflation	3.25% average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018

Long-term Expected Rate of Return:

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

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

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

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

Discount Rate:

The discount rate used to measure the total pension liability was 6.70% for the Pension Plan. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 3.54% for the HIS Plan. In general, the discount rate for calculating the HIS Plan’s total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date.

Note J - Pension Plans (continued)

Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.54% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following table presents the sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact to the City’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2022.

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
City's proportionate share of the net pension liability for Pension Plan	\$ <u>18,384,304</u>	\$ <u>10,630,260</u>	\$ <u>4,146,957</u>
	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
City's proportionate share of the net pension liability for HIS Plan	\$ <u>1,706,243</u>	\$ <u>1,491,364</u>	\$ <u>1,313,556</u>

Investment Plan:

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida 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 2021-2022 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

Note J - Pension Plans (continued)

<u>Class</u>	<u>Allocation Rate</u>
Elected Officials	14.34%
Senior Management	10.37%
Special Risk	17.00%
Regular Employees	9.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City’s pension expense for the Investment Plan totaled \$ 52,322 for the fiscal year ended September 30, 2022.

Aggregate Amounts For All Plans

	Police and Fire Defined Benefit Plan	Florida Retirement System		Total
		Pension Plan	HIS Plan	
Net pension asset	\$ 2,222,835	\$ -	\$ -	\$ 2,222,835
Net pension liability	\$ -	\$ 10,630,260	\$ 1,491,364	\$ 12,121,624
Deferred outflows of resources	\$ 3,460,322	\$ 6,007,326	\$ 931,204	\$ 10,398,852
Deferred inflows of resources	\$ 311,086	\$ 635,242	\$ 237,275	\$ 1,183,603
Pension expense	\$ 769,461	\$ 2,489,454	\$ 285,343	\$ 3,544,258

Note K - Commitments and Contingencies

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

Grants compliance: The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Florida Single Audit Act, the City was not required to conduct a “single audit” for federal or state grants. The threshold for such audits is \$ 750,000 for either level of government. For the year ended September 30, 2022, the City did not have any financial assistance that met the “single audit” threshold.

Note L - Other Post-Employment Benefits (OPEB)

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

Elected officials, who have served five years, are eligible to retain City health insurance at their own expense. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. An actuarial valuation was completed as of October 1, 2021 and reflects the most current estimate of the other post-employment benefit obligation liability. As of September 30, 2022, the net obligation was \$ 870,950. Consequently, the Statement of Net Position reflects this amount.

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

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>104</u>
Total plan members	<u><u>111</u></u>

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

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

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

Actuarial methods and assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the future value of reported amounts and assumptions about the probability of events. 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. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability at September 30, 2022 was based on an actuarial valuation dated October 1, 2021 with a measurement date of September 30, 2022, using the following actuarial assumptions:

Measurement date:	September 30, 2022
Valuation date:	October 1, 2021
Actuarial cost method:	Entry Age Normal
Asset valuation method:	Market
Inflation:	3.00%
Healthcare cost trend rates:	7.0% decreasing to 5.0% ultimate
Salary increases:	3.00%
Retirement age:	Safety (uniformed): Rates from age 50 and 25 years. General: Rates from age 55 and 10 years.
Mortality:	PUB 2010 mortality table with MP-2021 projection
Discount rate:	4.77%

Changes - Since the prior measurement date (September 30, 2021), the discount rate increased from 2.43% to 4.77%.

Note L - Other Post-Employment Benefits (continued)

Discount rate: The discount rate used to measure the total OPEB liability at September 30, 2022 was 4.77%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date was used to determine the total OPEB liability.

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

Total OPEB liability	\$	870,950
OPEB plan fiduciary net position		<u>-</u>
City's net OPEB liability	\$	<u><u>870,950</u></u>
OPEB plan fiduciary net position as a percentage of total OPEB liability		<u><u>0%</u></u>

Measurement year ended September 30, 2022

Total OPEB liability:		
Service cost	\$	105,487
Expected interest growth		24,825
Demographic experience		(27,267)
Assumption changes		(213,718)
Benefit payments and refunds		<u>(79,980)</u>
Net change in total OPEB liability		(190,653)
Total OPEB liability, beginning		<u>1,061,603</u>
Total OPEB liability, ending	\$	<u><u>870,950</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following table presents the total OPEB liability, calculated using the discount rate of 4.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease <u>(3.77%)</u>	Current Discount Rate <u>(4.77%)</u>	1% Increase <u>(5.77%)</u>
Total OPEB liability	\$ <u><u>962,300</u></u>	\$ <u><u>870,950</u></u>	\$ <u><u>779,697</u></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:

Note L - Other Post-Employment Benefits (continued)

	1% Trend Decrease 6.00% Decreasing to 4.00%	Trend Rate Assumption 7.00% Decreasing to 5.00%	1% Trend Increase 8.00% Decreasing to 6.00%
Total OPEB liability	\$ <u>766,064</u>	\$ <u>870,950</u>	\$ <u>995,273</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2022, the City recognized OPEB expense of \$ 181,503. At September 30, 2022, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic experience	\$ 257,528	\$ 38,560
Assumption changes	<u>249,919</u>	<u>264,364</u>
Total	\$ <u>507,447</u>	\$ <u>302,924</u>

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

Fiscal Year Ending September 30,	Amount
2023	\$ 51,191
2024	\$ 51,191
2025	\$ 51,191
2026	\$ 51,191
2027	\$ 31,996
Thereafter	\$ (32,237)

Note M - Individual Fund Disclosures

At September 30, 2022, the Tennis Center Fund has a deficit fund balance of \$ 17,605. The City expects to reduce this deficit through transfers from the General Fund in Fiscal Year 2022-2023.

Note N - New Accounting Pronouncements

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. Upon review of the City's leases, there was no effect on beginning net position or fund balance upon implementation of GASB No. 87.

REQUIRED SUPPLEMENTARY
INFORMATION

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Lighthouse Point, Florida's proportion of the net pension liability	0.028569796%	0.028674614%	0.031689588%	0.017188014%
City of Lighthouse Point, Florida's proportionate share of the net pension liability	\$ 10,630,260	\$ 2,166,041	\$ 13,734,734	\$ 5,919,313
City of Lighthouse Point, Florida's covered payroll	\$ 4,929,793	\$ 4,629,538	\$ 4,310,968	\$ 2,319,529
City of Lighthouse Point, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	215.63%	46.79%	318.60%	255.19%
Plan fiduciary net position as a percentage of total pension liability	82.89%	96.40%	78.85%	82.61%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Lighthouse Point, Florida's proportion of the net pension liability	0.014080634%	0.014037820%	0.013134623%	0.007251617%
City of Lighthouse Point, Florida's proportionate share of the net pension liability	\$ 1,491,364	1,721,950	\$ 1,603,716	\$ 811,383
City of Lighthouse Point, Florida's covered payroll	\$ 5,131,416	4,969,698	\$ 4,558,649	\$ 2,425,248
City of Lighthouse Point, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	29.06%	34.65%	35.18%	33.46%
Plan fiduciary net position as a percentage of total pension liability	4.81%	3.56%	3.00%	2.63%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,299,168	1,161,401	\$ 1,024,346	\$ 772,311
Contributions in relation to the contractually required contribution	<u>1,299,168</u>	<u>1,161,401</u>	<u>1,024,346</u>	<u>772,311</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
City of Lighthouse Point, Florida's covered payroll	\$ 5,244,441	4,684,824	\$ 4,345,899	\$ 3,337,710
Contributions as a percentage of covered payroll	24.77%	24.79%	23.57%	23.14%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 90,359	\$ 82,920	\$ 76,607	\$ 58,067
Contributions in relation to the contractually required contribution	<u>90,359</u>	<u>82,920</u>	<u>76,607</u>	<u>58,067</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Lighthouse Point, Florida's covered payroll	\$ 5,443,288	\$ 4,995,172	\$ 4,614,905	\$ 3,498,009
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ 11,959
Expected interest growth	1,676,223	1,658,172	1,685,413	2,051,009
Demographic experience	(850,062)	873,392	(1,379,006)	(636,834)
Assumption changes	-	(1,306,723)	-	-
Benefit payments, including refunds of member contributions	(1,092,422)	(904,064)	(667,030)	(1,404,551)
Changes in benefit terms	-	-	-	(5,154,431)
Net change in total pension liability	(266,261)	320,777	(360,623)	(5,132,848)
Total pension liability - beginning	24,669,925	24,349,148	24,709,771	29,842,619
Total pension liability - ending (A)	<u>\$ 24,403,664</u>	<u>\$ 24,669,925</u>	<u>\$ 24,349,148</u>	<u>\$ 24,709,771</u>
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	111,254
Net investment income (loss)	(4,119,510)	5,295,691	1,677,474	1,331,005
Administrative expenses	(54,639)	(51,063)	-	-
Benefit payments, including refunds of member contributions	(1,092,422)	(904,064)	(667,030)	(1,404,551)
Net change in plan fiduciary net position	(5,266,571)	4,340,564	1,010,444	37,708
Plan fiduciary net position - beginning	31,893,070	27,552,506	26,542,062	26,504,354
Plan fiduciary net position - ending (B)	<u>\$ 26,626,499</u>	<u>\$ 31,893,070</u>	<u>\$ 27,552,506</u>	<u>\$ 26,542,062</u>
City net pension (asset) liability - ending (A) - (B)	\$ (2,222,835)	\$ (7,223,145)	\$ (3,203,358)	\$ (1,832,291)
Plan fiduciary net position as a percentage of the total pension (asset) liability	109.11%	129.28%	113.16%	107.42%
Covered payroll	\$ -	\$ -	\$ -	\$ 222,581
City net pension (asset) liability as percentage of covered payroll	0.00%	0.00%	0.00%	-823.20%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	398,297	\$ 371,661	\$ 371,661	\$ 253,497	\$ 338,632
	1,658,825	1,586,392	1,129,166	1,514,924	1,477,810
	2,898,623	(426,868)	659,097	(32,379)	-
	1,803,577	-	4,860,207	(1,940,714)	-
	(746,176)	(455,688)	(454,253)	(355,333)	(599,481)
	-	-	-	-	-
	6,013,146	1,075,497	6,565,878	(560,005)	1,216,961
	23,829,473	22,753,976	16,188,098	16,748,103	15,531,142
\$	<u>29,842,619</u>	<u>23,829,473</u>	<u>22,753,976</u>	<u>16,188,098</u>	<u>16,748,103</u>
\$	1,372,606	\$ 991,535	\$ 815,761	\$ 776,750	\$ 812,593
	702,612	722,202	564,019	544,741	561,829
	1,733,186	2,653,471	1,400,099	(79,907)	1,198,583
	-	-	-	-	-
	(746,176)	(455,688)	(454,253)	(355,333)	(387,047)
	3,062,228	3,911,520	2,325,626	886,251	2,185,958
	23,442,126	19,530,606	17,204,980	16,318,729	14,132,771
\$	<u>26,504,354</u>	<u>23,442,126</u>	<u>19,530,606</u>	<u>17,204,980</u>	<u>16,318,729</u>
\$	3,338,265	\$ 387,347	\$ 3,223,370	\$ (1,016,882)	\$ 429,374
	88.81%	98.37%	85.83%	106.28%	97.44%
\$	3,261,638	\$ 3,261,638	\$ 3,011,289	\$ 3,043,337	\$ 3,125,632
	102.35%	11.88%	107.04%	-33.41%	13.74%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 1,372,607	\$ 991,535	\$ 815,761	\$ 776,750	\$ 812,593	\$ 1,194,863
Actual contribution	-	-	-	-	957,596	991,535	815,761	776,750	812,593	1,194,863
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 415,011	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -	\$ 222,581	\$ 3,261,638	\$ 3,261,638	\$ 3,011,289	\$ 3,043,337	\$ 3,125,632	\$ 3,108,447
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	29.36%	30.40%	27.09%	25.52%	26.00%	38.44%

Valuation date: October 1, 2021

Methods and assumptions used to determine contribution rates:

- Discount rate 7.00% per annum (2.62% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
- Salary increases 7.00% per annum for employees less than age 35, 6.00% per annum for employees age 35 to age 45
- Cost-of-living increases 5.00% per annum for employees age 45 to age 55, and 4.00% per annum for employees at least age 55
- Mortality basis 3.00% as of each October 1 at least five years after retirement
- Retirement age Sex-distinct rates set forth in the PUB-2010 Headcount Weighted Mortality Tables, with full generational improvements using Scale MP-2018
- Other decrements 4.30% at ages 50 and 54, 4.20% at age 52, 4.40% at age 55, 4.50% at age 56, 4.70% at age 57, or 100% at normal retirement age.
- Future contributions Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55.
- Changes Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.
- Contributions from the employer and employees are assumed to be made as legally required.
- No assumptions were changed since the prior measurement date.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-13.14%	19.53%	6.58%	5.40%	7.49%	13.46%	8.20%	-0.23%	8.50%

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

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

Fiscal Year:	2022	2021	2020	2019	2018
Measurement Date:	<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>
Total OPEB liability					
Service cost	\$ 105,487	\$ 105,227	\$ 88,631	\$ 37,544	\$ 29,429
Expected interest growth	24,825	23,006	12,096	10,932	10,007
Demographic experience	(27,267)	(21,262)	188,231	269,804	-
Assumption changes	(213,718)	(80,447)	398,977	(45,822)	-
Benefits payments	<u>(79,980)</u>	<u>(79,980)</u>	<u>(98,415)</u>	<u>(29,200)</u>	<u>(5,255)</u>
Net change in total OPEB liability	(190,653)	(53,456)	589,520	243,258	34,181
Total OPEB liability - beginning	<u>1,061,603</u>	<u>1,115,059</u>	<u>525,539</u>	<u>282,281</u>	<u>248,100</u>
Total OPEB liability - ending	<u>\$ 870,950</u>	<u>\$ 1,061,603</u>	<u>\$ 1,115,059</u>	<u>\$ 525,539</u>	<u>\$ 282,281</u>
Covered payroll	\$ 10,920,134	\$ 9,509,173	\$ 6,088,198	\$ 5,845,659	\$ 4,992,342
Total OPEB liability as a percentage of covered payroll	7.98%	11.16%	18.32%	8.99%	5.65%

Notes to Schedule:

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

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

OTHER SUPPLEMENTARY
INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 9,426,000	\$ 9,479,334	\$ 9,479,334	\$ -
Delinquent	-	-	564	564
	<u>9,426,000</u>	<u>9,479,334</u>	<u>9,479,898</u>	<u>564</u>
Franchise taxes:				
Electricity	825,000	825,000	965,887	140,887
Solid waste	75,000	75,000	77,749	2,749
	<u>900,000</u>	<u>900,000</u>	<u>1,043,636</u>	<u>143,636</u>
Utility service taxes:				
Electricity	1,235,000	1,235,000	1,310,790	75,790
Water	550,000	550,000	571,621	21,621
Gas	-	-	23	23
Propane	50,000	50,000	61,773	11,773
Communications services	515,000	515,000	544,694	29,694
	<u>2,350,000</u>	<u>2,350,000</u>	<u>2,488,901</u>	<u>138,901</u>
Licenses and permits:				
Business license tax	80,000	80,000	95,724	15,724
Building permits	385,000	410,271	410,271	-
Plumbing permits	85,000	85,000	114,734	29,734
Electrical permits	105,000	105,000	125,499	20,499
Other	351,000	397,540	418,836	21,296
	<u>1,006,000</u>	<u>1,077,811</u>	<u>1,165,064</u>	<u>87,253</u>
Intergovernmental revenues:				
State revenue sharing	315,000	315,000	403,494	88,494
Other state revenue sharing	59,000	59,000	33,074	(25,926)
Alcoholic beverage license	8,000	8,000	8,516	516
Gasoline tax	185,000	185,000	182,522	(2,478)
Half cent sales tax	700,000	700,000	869,051	169,051
Firefighters supplemental	12,250	12,250	13,998	1,748
Motor fuel rebate	6,000	6,000	5,305	(695)
County occupational license	12,000	12,000	12,189	189
Federal grants	284,000	284,000	176,313	(107,687)
State grants	-	-	14,403	14,403
Local grants	107,537	107,537	169,240	61,703
	<u>1,688,787</u>	<u>1,688,787</u>	<u>1,888,105</u>	<u>199,318</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	40,000	40,000	43,425	3,425
Zoning fees	40,000	126,157	126,157	-
Merchandise sales	-	-	1,159	1,159
Certification, copying, research	1,000	1,000	968	(32)
Election fees	500	500	476	(24)
Other fees - city clerk	200	200	100	(100)
Accident reports	2,500	2,500	3,541	1,041
Fingerprinting fees	5,000	5,000	930	(4,070)
Alarm fees	8,000	8,000	5,700	(2,300)
Special detail fees	30,000	30,000	33,525	3,525
Fire inspection fees	27,000	27,000	24,174	(2,826)
Construction inspection fees	3,000	3,000	4,461	1,461
Other fees - fire	750	750	525	(225)
Ambulance fees	290,000	290,000	371,817	81,817
Library fees	1,000	1,000	800	(200)
Photostat and other fees	1,500	1,500	408	(1,092)
Registration - recreation	40,000	40,000	39,480	(520)
Summer recreation fees	60,000	60,000	40,700	(19,300)
Other recreation fees	5,150	5,150	11,333	6,183
	<u>555,600</u>	<u>641,757</u>	<u>709,679</u>	<u>67,922</u>
Non-ad valorem assessments:				
Special assessments - fire	925,000	925,000	927,406	2,406
	<u>925,000</u>	<u>925,000</u>	<u>927,406</u>	<u>2,406</u>
Fines and forfeitures:				
Court fines	9,000	9,000	12,543	3,543
Library fines	400	400	261	(139)
Parking citations	1,500	1,500	1,255	(245)
Code enforcement fines	125,000	125,000	335,670	210,670
	<u>135,900</u>	<u>135,900</u>	<u>349,729</u>	<u>213,829</u>
Miscellaneous income:				
Investment income	27,000	27,000	31,067	4,067
Other	90,000	121,544	95,104	(26,440)
	<u>117,000</u>	<u>148,544</u>	<u>126,171</u>	<u>(22,373)</u>
Allocation of fund balance	<u>554,816</u>	<u>554,816</u>	<u>-</u>	<u>(554,816)</u>
Total revenues	<u>17,659,103</u>	<u>17,901,949</u>	<u>18,178,589</u>	<u>276,640</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	57,720	60,314	60,097	217
Operating expenditures	69,808	131,193	131,192	1
Grants and aids	11,164	11,164	11,164	-
	<u>138,692</u>	<u>202,671</u>	<u>202,453</u>	<u>218</u>
Executive - Mayor:				
Personal services	36,725	33,665	33,664	1
Operating expenditures	14,180	14,180	11,719	2,461
	<u>50,905</u>	<u>47,845</u>	<u>45,383</u>	<u>2,462</u>
Administration/finance:				
Personal services	799,225	859,046	856,111	2,935
Operating expenditures	126,295	172,933	172,368	565
Capital outlay	-	8,043	8,040	3
	<u>925,520</u>	<u>1,040,022</u>	<u>1,036,519</u>	<u>3,503</u>
City attorney:				
Operating expenditures	224,720	256,799	256,798	1
Support services:				
Personal services	72,442	72,442	70,883	1,559
Operating expenditures	692,400	714,429	712,727	1,702
Capital outlay	2,000	11,200	11,200	-
	<u>766,842</u>	<u>798,071</u>	<u>794,810</u>	<u>3,261</u>
Total general government	<u>2,106,679</u>	<u>2,345,408</u>	<u>2,335,963</u>	<u>9,445</u>
Public safety:				
Police department:				
Personal services	5,768,866	5,726,809	5,726,776	33
Operating expenditures	393,606	453,037	454,334	(1,297)
Capital outlay	47,574	52,060	52,060	-
	<u>6,210,046</u>	<u>6,231,906</u>	<u>6,233,170</u>	<u>(1,264)</u>

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City of Lighthouse Point, Florida
 General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (continued)
 For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	4,134,320	4,238,780	4,238,777	3
Operating expenditures	278,434	331,940	330,760	1,180
Capital outlay	7,000	7,000	5,858	1,142
	<u>4,419,754</u>	<u>4,577,720</u>	<u>4,575,395</u>	<u>2,325</u>
Building department:				
Personal services	195,326	216,904	216,796	108
Operating expenditures	725,870	839,234	839,208	26
	<u>921,196</u>	<u>1,056,138</u>	<u>1,056,004</u>	<u>134</u>
Code enforcement:				
Personal services	353,253	353,253	347,234	6,019
Operating expenditures	20,480	22,365	22,260	105
	<u>373,733</u>	<u>375,618</u>	<u>369,494</u>	<u>6,124</u>
Total public safety	<u>11,924,729</u>	<u>12,241,382</u>	<u>12,234,063</u>	<u>7,319</u>
Physical environment:				
Public works:				
Personal services	1,264,305	1,141,689	1,141,690	(1)
Operating expenditures	497,130	545,898	545,359	539
Capital outlay	1,500	36,610	35,110	1,500
	<u>1,762,935</u>	<u>1,724,197</u>	<u>1,722,159</u>	<u>2,038</u>
Total physical environment	<u>1,762,935</u>	<u>1,724,197</u>	<u>1,722,159</u>	<u>2,038</u>
Transportation:				
Community bus:				
Personal services	42,495	40,000	39,542	458
Operating expenditures	10,314	13,830	12,700	1,130
	<u>52,809</u>	<u>53,830</u>	<u>52,242</u>	<u>1,588</u>
Total transportation	<u>52,809</u>	<u>53,830</u>	<u>52,242</u>	<u>1,588</u>

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City of Lighthouse Point, Florida
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (continued)
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	401,497	356,310	356,309	1
Operating expenditures	48,440	42,440	35,804	6,636
Capital outlay	48,600	28,560	28,559	1
	<u>498,537</u>	<u>427,310</u>	<u>420,672</u>	<u>6,638</u>
Recreation department:				
Personal services	425,710	368,402	366,930	1,472
Operating expenditures	226,830	247,110	247,026	84
Capital outlay	450,000	241,500	229,014	12,486
	<u>1,102,540</u>	<u>857,012</u>	<u>842,970</u>	<u>14,042</u>
Total culture/recreation	<u>1,601,077</u>	<u>1,284,322</u>	<u>1,263,642</u>	<u>20,680</u>
Debt service:				
Principal	220,323	220,323	220,322	1
Interest	9,525	9,525	9,521	4
Total debt service	<u>229,848</u>	<u>229,848</u>	<u>229,843</u>	<u>5</u>
Total expenditures	<u>17,678,077</u>	<u>17,878,987</u>	<u>17,837,912</u>	<u>41,075</u>
Excess (deficiency) of revenues over expenditures	<u>(18,974)</u>	<u>22,962</u>	<u>340,677</u>	<u>317,715</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital asset	-	-	41,544	41,544
Transfers in	135,000	135,000	138,099	3,099
Transfers out	(116,026)	(157,962)	(157,962)	-
Total other financing sources (uses)	<u>18,974</u>	<u>(22,962)</u>	<u>21,681</u>	<u>44,643</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>362,358</u>	<u>\$ 362,358</u>
Fund Balance, Beginning of Year			<u>7,237,087</u>	
Fund Balance, End of Year			<u>\$ 7,599,445</u>	

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OTHER
FINANCIAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Permanent Fund

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

Debt Service Funds

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

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

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

	Special Revenue			
	Tennis Center Fund	Public Safety Fund	Stormwater Fund	Special Purpose Fund
Assets:				
Cash, cash equivalents, restricted cash, and investments	\$ 100	\$ 1,231,117	\$ 1,150,559	\$ 150,424
Due from other funds	13,374	-	-	-
Due from other governments	-	69	15	-
Total assets	<u>\$ 13,474</u>	<u>\$ 1,231,186</u>	<u>\$ 1,150,574</u>	<u>\$ 150,424</u>
Liabilities:				
Accounts payable	\$ 26,642	\$ 3,888	\$ 142,612	\$ 4,051
Accrued expenses	4,437	-	-	-
Unearned revenue	-	-	126,085	-
Total liabilities	<u>31,079</u>	<u>3,888</u>	<u>268,697</u>	<u>4,051</u>
Fund Balances (Deficit):				
Nonspendable	-	-	-	-
Restricted	-	1,227,298	881,877	-
Committed	-	-	-	146,373
Unassigned	(17,605)	-	-	-
Total fund balances (deficit)	<u>(17,605)</u>	<u>1,227,298</u>	<u>881,877</u>	<u>146,373</u>
Total liabilities and fund balances	<u>\$ 13,474</u>	<u>\$ 1,231,186</u>	<u>\$ 1,150,574</u>	<u>\$ 150,424</u>

<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>2002 Debt Service Fund</u>	<u>2019 Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 2,532,200	\$ 594,201	\$ 5,429	\$ 28,399	\$ 3,160,229
13,374	-	-	-	13,374
84	-	41	59	184
<u>\$ 2,545,658</u>	<u>594,201</u>	<u>\$ 5,470</u>	<u>\$ 28,458</u>	<u>\$ 3,173,787</u>
\$ 177,193	\$ -	\$ -	\$ -	\$ 177,193
4,437	-	-	-	4,437
126,085	-	-	-	126,085
<u>307,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,715</u>
-	500,000	-	-	500,000
2,109,175	94,201	5,470	28,458	2,237,304
146,373	-	-	-	146,373
(17,605)	-	-	-	(17,605)
<u>2,237,943</u>	<u>594,201</u>	<u>5,470</u>	<u>28,458</u>	<u>2,866,072</u>
<u>\$ 2,545,658</u>	<u>\$ 594,201</u>	<u>\$ 5,470</u>	<u>\$ 28,458</u>	<u>\$ 3,173,787</u>

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

	Special Revenue			
	Tennis Center Fund	Public Safety Fund	Stormwater Fund	Special Purpose Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	25,420	-
Charges for services	90,516	-	-	-
Non-ad valorem assessments	-	-	339,847	-
Fines and forfeitures	-	2,763	-	-
Investment income (loss)	-	3,793	2,274	370
Miscellaneous	4,000	7,500	-	99,546
Total revenues	94,516	14,056	367,541	99,916
Expenditures:				
Current:				
General government	-	-	4,827	-
Physical environment	-	46,927	194,342	6,114
Culture/recreation	242,962	-	-	88,410
Capital outlay	-	-	-	5,548
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	242,962	46,927	199,169	100,072
Excess (deficiency) of revenues over expenditures	(148,446)	(32,871)	168,372	(156)
Other Financing Sources (Uses):				
Transfers in	132,962	-	-	25,000
Transfers out	-	(71)	(65,000)	(3,028)
Total other financing sources (uses)	132,962	(71)	(65,000)	21,972
Net change in fund balance	(15,484)	(32,942)	103,372	21,816
Fund Balance (Deficit), Beginning of Year	(2,121)	1,260,240	778,505	124,557
Fund Balance (Deficit), End of Year	\$ (17,605)	\$ 1,227,298	\$ 881,877	\$ 146,373

<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>2002 Debt Service Fund</u>	<u>2019 Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 395,952	\$ 980,447	\$ 1,376,399
25,420	-	-	-	25,420
90,516	-	-	-	90,516
339,847	-	-	-	339,847
2,763	-	-	-	2,763
6,437	(97,102)	361	1,406	(88,898)
111,046	-	-	-	111,046
<u>576,029</u>	<u>(97,102)</u>	<u>396,313</u>	<u>981,853</u>	<u>1,857,093</u>
4,827	-	-	-	4,827
247,383	-	-	-	247,383
331,372	12,195	-	-	343,567
5,548	-	-	-	5,548
-	-	400,995	320,000	720,995
-	-	6,724	655,850	662,574
<u>589,130</u>	<u>12,195</u>	<u>407,719</u>	<u>975,850</u>	<u>1,984,894</u>
<u>(13,101)</u>	<u>(109,297)</u>	<u>(11,406)</u>	<u>6,003</u>	<u>(127,801)</u>
157,962	-	-	-	157,962
(68,099)	-	-	-	(68,099)
<u>89,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,863</u>
76,762	(109,297)	(11,406)	6,003	(37,938)
<u>2,161,181</u>	<u>703,498</u>	<u>16,876</u>	<u>22,455</u>	<u>2,904,010</u>
<u>\$ 2,237,943</u>	<u>\$ 594,201</u>	<u>\$ 5,470</u>	<u>\$ 28,458</u>	<u>\$ 2,866,072</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services:				
Membership fees	\$ 60,000	\$ 60,000	\$ 43,750	\$ (16,250)
Revenue sharing	25,000	25,000	32,664	7,664
Daily use fees	18,000	18,000	14,102	(3,898)
Summer camp fees	3,000	3,000	-	(3,000)
Miscellaneous	1,000	4,000	4,000	-
Total revenues	<u>107,000</u>	<u>110,000</u>	<u>94,516</u>	<u>(15,484)</u>
Expenditures:				
Culture/recreation:				
Personal services	147,001	165,793	165,791	2
Operating expenditures	<u>51,025</u>	<u>77,169</u>	<u>77,171</u>	<u>(2)</u>
Total expenditures	<u>198,026</u>	<u>242,962</u>	<u>242,962</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(91,026)	(132,962)	(148,446)	(15,484)
Other Financing Sources:				
Transfers in	<u>91,026</u>	<u>132,962</u>	<u>132,962</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(15,484)	\$ <u>(15,484)</u>
Fund Balance (Deficit), Beginning of Year			<u>(2,121)</u>	
Fund Balance (Deficit), End of Year			\$ <u>(17,605)</u>	

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

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Non-ad valorem assessments:			
Stormwater fees	\$ 336,289	\$ 339,847	\$ 3,558
Intergovernmental revenue	-	25,420	25,420
Investment income	1,500	2,274	774
Allocation of fund balance	245,911	-	(245,911)
	<u>583,700</u>	<u>367,541</u>	<u>(216,159)</u>
Total revenues			
Expenditures:			
Finance/administration:			
Operating expenditures	5,040	4,827	213
Physical environment:			
Operating expenditures	513,660	194,342	319,318
	<u>518,700</u>	<u>199,169</u>	<u>319,531</u>
Total expenditures			
Excess of revenues over expenditures	<u>65,000</u>	<u>168,372</u>	<u>103,372</u>
Other Financing Sources (Uses):			
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	<u>103,372</u>	\$ <u>103,372</u>
Fund Balance, Beginning of Year		<u>778,505</u>	
Fund Balance, End of Year		<u>\$ 881,877</u>	

City of Lighthouse Point, Florida
2002 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Ad valorem taxes	\$ 393,627	\$ 395,952	\$ 2,325
Allocation of fund balance	13,792	-	(13,792)
Investment income	300	361	61
	<u>407,719</u>	<u>396,313</u>	<u>(11,406)</u>
Expenditures:			
Debt service:			
Principal	401,757	400,995	762
Interest	5,962	6,724	(762)
	<u>407,719</u>	<u>407,719</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	(11,406)	\$ <u><u>(11,406)</u></u>
Fund Balance, Beginning of Year		<u>16,876</u>	
Fund Balance, End of Year		\$ <u><u>5,470</u></u>	

City of Lighthouse Point, Florida
2019 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Ad valorem taxes	\$ 975,050	\$ 980,447	\$ 5,397
Investment income	800	1,406	606
	<u>975,850</u>	<u>981,853</u>	<u>6,003</u>
Total revenues			
Expenditures:			
Debt service:			
Principal	320,000	320,000	-
Interest	644,600	644,600	-
Other	11,250	11,250	-
	<u>975,850</u>	<u>975,850</u>	<u>-</u>
Total expenditures			
Net change in fund balance	\$ <u><u>-</u></u>	6,003	\$ <u><u>6,003</u></u>
Fund Balance, Beginning of Year		<u>22,455</u>	
Fund Balance, End of Year		<u><u>\$ 28,458</u></u>	

City of Lighthouse Point, Florida
Combining Statement of Fiduciary Net Position
September 30, 2022

	Defined Contribution Pension Plans				
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	<u>Total</u>
Assets:					
Investments	\$ 5,179,271	\$ 4,535,418	\$ 1,979,115	\$ 5,293,593	\$ 16,987,397
Participant loans receivable	<u>149,655</u>	<u>13,888</u>	<u>26,337</u>	<u>16,037</u>	<u>205,917</u>
Total assets	<u>\$ 5,328,926</u>	<u>\$ 4,549,306</u>	<u>\$ 2,005,452</u>	<u>\$ 5,309,630</u>	<u>\$ 17,193,314</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:					
Restricted for pensions	5,328,926	4,549,306	2,005,452	5,309,630	17,193,314
Restricted for other employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 5,328,926</u>	<u>\$ 4,549,306</u>	<u>\$ 2,005,452</u>	<u>\$ 5,309,630</u>	<u>\$ 17,193,314</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 26,626,499	\$ 11,436,594	\$ 730,021	\$ 55,780,511
<u>-</u>	<u>-</u>	<u>-</u>	<u>205,917</u>
\$ <u>26,626,499</u>	\$ <u>11,436,594</u>	\$ <u>730,021</u>	\$ <u>55,986,428</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
26,626,499	-	-	43,819,813
<u>-</u>	<u>11,436,594</u>	<u>730,021</u>	<u>12,166,615</u>
\$ <u>26,626,499</u>	\$ <u>11,436,594</u>	\$ <u>730,021</u>	\$ <u>55,986,428</u>

City of Lighthouse Point, Florida
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022

	Defined Contribution Pension Plans				
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	<u>Total</u>
Additions:					
Contributions:					
City	\$ 230,986	\$ -	\$ -	\$ 164,755	\$ 395,741
Employees	93,871	-	-	63,385	157,256
Total contributions	<u>324,857</u>	<u>-</u>	<u>-</u>	<u>228,140</u>	<u>552,997</u>
Investment earnings and expenses:					
Interest, dividend and investment value changes	(750,003)	(743,252)	(243,061)	(667,221)	(2,403,537)
Less investment expense	38,901	34,120	14,840	39,291	127,152
Net investment earnings	<u>(788,904)</u>	<u>(777,372)</u>	<u>(257,901)</u>	<u>(706,512)</u>	<u>(2,530,689)</u>
Total additions	<u>(464,047)</u>	<u>(777,372)</u>	<u>(257,901)</u>	<u>(478,372)</u>	<u>(1,977,692)</u>
Deductions:					
Benefits paid	<u>487,219</u>	<u>175,942</u>	<u>107,435</u>	<u>380,572</u>	<u>1,151,168</u>
Refund of contributions:					
City	18,290	-	-	-	18,290
Total deductions	<u>505,509</u>	<u>175,942</u>	<u>107,435</u>	<u>380,572</u>	<u>1,169,458</u>
Change in net position	(969,556)	(953,314)	(365,336)	(858,944)	(3,147,150)
Net Position Restricted for Pensions and Other Employee Benefits:					
Beginning of Year	<u>6,298,482</u>	<u>5,502,620</u>	<u>2,370,788</u>	<u>6,168,574</u>	<u>20,340,464</u>
End of Year	<u>\$ 5,328,926</u>	<u>\$ 4,549,306</u>	<u>\$ 2,005,452</u>	<u>\$ 5,309,630</u>	<u>\$ 17,193,314</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 395,741
<u>-</u>	<u>1,304,544</u>	<u>45,899</u>	<u>1,507,699</u>
<u>-</u>	<u>1,304,544</u>	<u>45,899</u>	<u>1,903,440</u>
(4,119,510)	(1,635,963)	(105,589)	(8,264,599)
<u>54,639</u>	<u>78,912</u>	<u>6,570</u>	<u>267,273</u>
<u>(4,174,149)</u>	<u>(1,714,875)</u>	<u>(112,159)</u>	<u>(8,531,872)</u>
<u>(4,174,149)</u>	<u>(410,331)</u>	<u>(66,260)</u>	<u>(6,628,432)</u>
<u>1,092,422</u>	<u>508,234</u>	<u>34,309</u>	<u>2,786,133</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,290</u>
<u>1,092,422</u>	<u>508,234</u>	<u>34,309</u>	<u>2,804,423</u>
(5,266,571)	(918,565)	(100,569)	(9,432,855)
<u>31,893,070</u>	<u>12,355,159</u>	<u>830,590</u>	<u>65,419,283</u>
<u>\$ 26,626,499</u>	<u>\$ 11,436,594</u>	<u>\$ 730,021</u>	<u>\$ 55,986,428</u>

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STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

This part of the City of Lighthouse Point’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.

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	96-103
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	104-110
Debt Capacity These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	111-115
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.	116-117
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.	118-123

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

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

	Fiscal			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities:				
Net investment in capital assets	\$ 25,120,303	\$ 25,515,308	\$ 19,754,023	\$ 19,483,620
Restricted	3,347,493	3,157,370	2,869,269	2,773,223
Unrestricted	<u>4,761,370</u>	<u>6,633,989</u>	<u>7,330,317</u>	<u>10,541,565</u>
Total governmental activities net position	<u>\$ 33,229,166</u>	<u>\$ 35,306,667</u>	<u>\$ 29,953,609</u>	<u>\$ 32,798,408</u>

Notes: The City has no business-type activities.

Table 1

Year					
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 21,228,328	\$ 18,960,079	\$ 19,261,328	\$ 17,949,228	\$ 16,691,679	\$ 16,705,644
2,595,822	2,951,222	2,680,004	3,995,702	3,250,412	3,191,909
<u>5,778,930</u>	<u>7,480,739</u>	<u>7,603,373</u>	<u>7,469,821</u>	<u>5,899,447</u>	<u>6,421,799</u>
\$ <u>29,603,080</u>	\$ <u>29,392,040</u>	\$ <u>29,544,705</u>	\$ <u>29,414,751</u>	\$ <u>25,841,538</u>	\$ <u>26,319,352</u>

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

	Fiscal			
	2022	2021	2020	2019
Expenses:				
Governmental activities:				
General government	\$ 2,434,142	\$ 2,042,697	\$ 1,898,882	\$ 1,902,050
Public safety	14,818,434	12,634,594	14,562,191	8,581,339
Physical environment	5,648,083	4,357,024	4,682,249	4,090,349
Transportation	53,125	55,664	43,476	50,423
Culture/recreation	1,480,933	1,430,436	1,318,882	1,416,800
Interest expense	626,042	647,800	795,985	443,935
	<u>25,060,759</u>	<u>\$ 21,168,215</u>	<u>\$ 23,301,665</u>	<u>\$ 16,484,896</u>
Total governmental activities expenses				
Program Revenues:				
Charges for services:				
General government	\$ 172,285	\$ 140,823	\$ 99,366	\$ 52,127
Public safety	2,889,635	2,725,204	2,416,814	2,417,111
Physical environment	2,702,855	2,459,508	2,325,163	2,277,313
Culture/recreation	183,237	174,462	121,938	227,221
Operating grants and contributions	255,167	675,145	425,242	529,086
Capital grants and contributions	405,913	4,335,453	-	-
	<u>6,609,092</u>	<u>\$ 10,510,595</u>	<u>\$ 5,388,523</u>	<u>\$ 5,502,858</u>
Total governmental activities program revenues				
Total governmental activities net expense	<u>\$ 18,451,667</u>	<u>\$ 10,657,620</u>	<u>\$ 17,913,142</u>	<u>\$ 10,982,038</u>
General Revenues and Changes in Net Position:				
Taxes:				
Ad valorem taxes	\$ 10,856,297	\$ 10,411,394	\$ 10,027,872	\$ 8,711,785
Franchise taxes	1,055,165	929,709	885,017	899,011
Utility service taxes	2,505,645	2,339,637	2,301,571	2,352,865
Intergovernmental revenues	1,583,198	1,319,241	1,173,114	1,290,317
Miscellaneous and investment income (loss)	373,861	1,010,697	680,769	923,388
	<u>16,374,166</u>	<u>\$ 16,010,678</u>	<u>\$ 15,068,343</u>	<u>\$ 14,177,366</u>
Total general revenues				
Changes in Net Position	<u>\$ (2,077,501)</u>	<u>\$ 5,353,058</u>	<u>\$ (2,844,799)</u>	<u>\$ 3,195,328</u>

Table 2

						Year					
<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>	
\$	1,823,307	\$	1,781,048	\$	1,717,475	\$	1,624,496	\$	1,465,093	\$	1,415,364
	10,696,943		10,120,375		9,827,589		8,684,687		9,134,305		8,686,485
	4,046,490		4,380,588		4,054,749		3,550,580		3,506,609		3,854,194
	48,582		44,246		42,655		43,471		46,027		44,667
	1,329,199		1,286,251		1,262,675		1,196,903		1,122,567		1,156,366
	49,127		50,790		60,161		65,540		71,369		77,180
	<u>17,993,648</u>		<u>17,663,298</u>		<u>16,965,304</u>		<u>15,165,677</u>		<u>15,345,970</u>		<u>15,234,256</u>
\$	67,505	\$	48,203	\$	53,324	\$	51,423	\$	34,564	\$	27,335
	2,452,535		2,477,037		2,423,816		2,040,455		1,891,940		1,603,627
	1,931,329		1,936,657		2,133,587		2,100,378		2,068,101		2,236,065
	214,804		189,145		184,524		161,164		150,725		125,904
	244,468		130,980		129,830		162,097		119,455		153,494
	-		-		-		1,202,548		-		-
	<u>4,910,641</u>		<u>4,782,022</u>		<u>4,925,081</u>		<u>5,718,065</u>		<u>4,264,785</u>		<u>4,146,425</u>
\$	<u>13,083,007</u>	\$	<u>12,881,276</u>	\$	<u>12,040,223</u>	\$	<u>9,447,612</u>	\$	<u>11,081,185</u>	\$	<u>11,087,831</u>
\$	8,147,243	\$	7,652,001	\$	7,270,669	\$	6,928,063	\$	6,583,961	\$	6,393,001
	865,160		873,192		850,214		864,725		869,058		862,148
	2,315,992		2,264,796		2,212,221		2,256,338		3,124,968		2,195,295
	1,274,422		1,297,569		1,209,109		1,166,306		1,153,978		1,288,713
	650,330		641,053		627,964		1,805,393		416,655		537,573
	<u>13,253,147</u>		<u>12,728,611</u>		<u>12,170,177</u>		<u>13,020,825</u>		<u>12,148,620</u>		<u>11,276,730</u>
\$	<u>170,140</u>	\$	<u>(152,665)</u>	\$	<u>129,954</u>	\$	<u>3,573,213</u>	\$	<u>1,067,435</u>	\$	<u>188,899</u>

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

	Fiscal			
	2022	2021	2020	2019
General Fund:				
Nonspendable	\$ 112,287	\$ 132,332	\$ 89,273	\$ 90,932
Restricted	701,913	645,388	251,700	233,996
Committed	1,904,294	2,107,043	1,724,320	1,416,224
Assigned	3,750,000	3,750,000	3,750,000	3,750,000
Unassigned	1,130,951	602,324	1,285,804	913,981
Total general fund	\$ <u>7,599,445</u>	\$ <u>7,237,087</u>	\$ <u>7,101,097</u>	\$ <u>6,405,133</u>
All Other Governmental Funds:				
Major Funds:				
Infrastructure fund:				
Committed	\$ 1,023,772	\$ 1,625,827	\$ 588,683	\$ 661,406
Garbage and trash fund:				
Restricted	142,758	-	-	-
Committed	-	86,476	213,966	378,347
Bond construction fund:				
Restricted	3,431,479	9,687,292	14,950,578	15,687,581
Nonmajor Funds:				
Public safety fund:				
Restricted	1,227,298	1,260,240	1,403,216	1,564,105
2002 Debt service fund:				
Restricted	5,470	16,876	13,792	9,379
2019 Debt service fund:				
Restricted	28,458	22,455	15,016	-
Walt and Mary Barker Library fund:				
Nonspendable	500,000	500,000	500,000	500,000
Restricted	94,201	203,498	93,143	92,903
Other nonmajor funds:				
Nonspendable	-	-	-	-
Restricted	881,877	778,505	592,402	415,341
Committed	146,373	124,557	98,578	475,154
Unassigned (deficit)	(17,605)	(2,121)	(30,432)	(27,680)
Total all other governmental funds	\$ <u>7,464,081</u>	\$ <u>14,303,605</u>	\$ <u>18,438,942</u>	\$ <u>19,756,536</u>

Table 3

		Year									
		2018	2017	2016	2015	2014	2013				
\$	81,542	\$	76,661	\$	62,003	\$	59,549	\$	57,923	\$	550,156
	-		-		-		-		-		-
	1,492,589		1,598,527		1,365,837		1,379,797		1,560,813		1,665,151
	2,250,000		3,750,000		3,750,000		3,750,000		3,750,000		3,250,000
	21,580		380,815		887,155		349,186		158,139		174,354
\$	<u>3,845,711</u>	\$	<u>5,806,003</u>	\$	<u>6,064,995</u>	\$	<u>5,538,532</u>	\$	<u>5,526,875</u>	\$	<u>5,639,661</u>
\$	552,586	\$	447,370	\$	845,438	\$	1,355,656	\$	-	\$	-
	26,543		221,423		-		-		-		-
	393,327		393,327		393,327		324,682		342,805		471,867
	-		-		-		-		-		-
	1,688,447		1,796,681		1,953,004		2,069,312		2,202,826		2,328,298
	14,952		10,825		14,673		14,103		7,580		323
	-		-		-		-		-		-
	500,000		500,000		500,000		473,483		-		-
	96,904		77,555		19,579		-		-		-
	-		-		-		-		-		750
	295,519		344,738		192,748		1,438,804		1,040,006		863,288
	417,800		353,133		322,932		295,443		1,046,300		859,603
	(19,506)		(28,916)		(11,078)		(8,826)		(9,641)		-
\$	<u>3,966,572</u>	\$	<u>4,116,136</u>	\$	<u>4,230,623</u>	\$	<u>5,962,657</u>	\$	<u>4,629,876</u>	\$	<u>4,524,129</u>

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

	Fiscal Year			
	2022	2021	2020	2019
Revenues:				
Ad valorem taxes	\$ 10,856,297	\$ 10,411,394	\$ 10,027,872	\$ 8,711,785
Franchise taxes	1,043,636	914,502	884,380	899,319
Utility service taxes	2,488,901	2,398,806	2,441,650	2,496,561
Licenses and permits	1,165,064	1,130,182	902,297	973,488
Intergovernmental revenues	2,294,018	1,991,435	1,740,485	1,684,464
* Charges for services	800,195	669,600	588,895	650,587
* Non-ad valorem assessments	3,630,261	3,387,690	3,252,409	3,196,902
Fines and forfeitures	352,492	312,525	222,680	149,795
Investment income (loss)	(27,041)	38,745	233,059	256,726
Miscellaneous	407,052	5,257,118	445,476	719,396
Total revenues	23,010,875	26,511,997	20,739,203	19,739,023
Expenditures:				
General government	2,321,550	1,922,880	1,804,286	1,826,188
Public safety	12,176,145	11,927,065	11,089,766	10,850,196
Physical environment	5,348,412	4,087,447	4,467,245	3,889,144
Transportation	52,242	54,500	43,476	50,423
Culture/recreation	1,349,636	1,266,237	1,163,157	1,268,181
Capital outlay	6,668,188	10,030,459	1,178,665	548,947
Debt service:				
Principal	941,317	863,761	710,547	621,346
Interest and other	672,095	693,702	903,691	270,843
Total expenditures	29,529,585	30,846,051	21,360,833	19,325,268
Excess of revenues over (under) expenditures	(6,518,710)	(4,334,054)	(621,630)	413,755
Other Financing Sources (Uses):				
Issuance of bond	-	-	-	16,500,000
Premium of bond	-	-	-	1,219,631
Issuance of leases	-	334,707	-	216,000
Proceeds from sale of capital assets	41,544	-	-	-
Transfers in	296,061	868,774	271,150	2,083,824
Transfers out	(296,061)	(868,774)	(271,150)	(2,083,824)
Total other financing sources (uses)	41,544	334,707	-	17,935,631
Net change in fund balances	\$ (6,477,166)	\$ (3,999,347)	\$ (621,630)	\$ 18,349,386
Debt service as a % of noncapital expenditures	7.0%	7.5%	8.0%	4.8%

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

Table 4

		Fiscal Year									
		2018	2017	2016	2015	2014	2013				
\$	8,147,243	\$	7,652,001	\$	7,270,669	\$	6,928,063	\$	6,583,961	\$	6,393,001
	869,133		867,349		847,516		874,245		862,847		864,519
	2,448,572		2,397,754		2,360,010		2,353,013		2,260,186		2,239,104
	1,093,785		953,071		1,083,509		913,141		707,214		605,477
	1,496,896		1,431,410		1,348,559		1,333,079		1,278,800		1,432,563
	614,961		565,855		2,423,630		2,368,838		2,250,635		2,412,786
	2,758,864		2,549,895		885,813		883,227		883,144		841,554
	203,342		582,221		402,299		188,214		304,337		133,114
	104,127		91,912		65,359		74,328		41,337		33,226
	492,786		586,528		566,985		2,946,439		419,966		518,735
	<u>18,229,709</u>		<u>17,677,996</u>		<u>17,254,349</u>		<u>18,862,587</u>		<u>15,592,427</u>		<u>15,474,079</u>
	1,763,537		1,735,223		1,651,595		1,542,644		1,433,511		1,345,069
	10,350,349		10,355,168		9,650,329		9,320,877		8,901,379		8,782,071
	3,832,573		4,176,377		3,887,800		3,406,984		3,417,866		3,712,686
	48,582		44,246		42,655		43,471		46,027		44,579
	1,175,293		1,155,759		1,099,429		1,120,957		986,683		1,000,339
	2,644,692		449,298		1,680,540		1,737,933		686,317		397,492
	593,693		503,408		484,229		476,214		525,369		499,021
	50,356		51,996		61,343		66,747		72,506		78,296
	<u>20,459,075</u>		<u>18,471,475</u>		<u>18,557,920</u>		<u>17,715,827</u>		<u>16,069,658</u>		<u>15,859,553</u>
	<u>(2,229,366)</u>		<u>(793,479)</u>		<u>(1,303,571)</u>		<u>1,146,760</u>		<u>(477,231)</u>		<u>(385,474)</u>
	-		-		-		-		-		-
	-		-		-		-		-		-
	119,509		420,000		98,000		197,678		470,192		-
	-		-		-		-		-		-
	270,405		762,328		313,784		336,889		273,000		235,511
	<u>(270,405)</u>		<u>(762,328)</u>		<u>(313,784)</u>		<u>(336,889)</u>		<u>(273,000)</u>		<u>(235,511)</u>
	<u>119,509</u>		<u>420,000</u>		<u>98,000</u>		<u>197,678</u>		<u>470,192</u>		<u>-</u>
\$	<u>(2,109,857)</u>	\$	<u>(373,479)</u>	\$	<u>(1,205,571)</u>	\$	<u>1,344,438</u>	\$	<u>(7,039)</u>	\$	<u>(385,474)</u>
	3.6%		3.1%		3.2%		3.4%		3.9%		3.7%

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

Fiscal Year	Tax Year	Real Property			Personal Property
		Residential	Commercial	Other	
2013	2012	1,994,093	143,483	24,009	21,967
2014	2013	2,109,780	140,854	28,578	24,317
2015	2014	2,370,635	140,326	29,413	25,995
2016	2015	2,630,639	141,754	30,113	26,671
2017	2016	2,780,511	155,879	30,118	27,196
2018	2017	2,973,368	167,257	30,789	28,922
2019	2018	3,142,114	179,631	30,796	27,712
2020	2019	3,192,936	187,419	30,390	26,928
2021	2020	3,298,145	196,025	31,928	26,932
2022	2021	3,463,656	199,891	34,791	27,025

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

Source: Broward County Property Appraiser

Table 5

<u>Less: Exemptions</u>		<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Net Assessed Value as a Percentage of Estimated Actual Value</u>
<u>Real Property</u>	<u>Personal Property</u>				
472,386	3,996	1,707,170	3.8691	2,183,551	78.18%
523,322	3,946	1,776,261	3.8307	2,303,550	77.11%
679,481	4,978	1,881,910	3.8175	2,566,369	73.33%
844,533	4,979	1,979,665	3.8028	2,829,177	69.97%
896,758	5,305	2,091,641	3.7892	2,993,718	69.87%
950,577	5,350	2,244,409	3.7803	3,200,337	70.13%
980,003	5,170	2,395,080	3.7623	3,380,254	70.86%
940,999	4,955	2,491,719	4.1713	3,437,673	72.48%
938,265	5,979	2,608,786	4.1439	3,552,121	73.44%
976,598	4,099	2,744,666	4.1105	3,725,366	73.68%

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

Fiscal Year/ Tax Year	City of Lighthouse Point			Broward County			School Board
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage
2013/12	3.5893	0.2798	3.8691	5.2576	0.2954	5.5530	7.4560
2014/13	3.5893	0.2414	3.8307	5.4400	0.2830	5.7230	7.4800
2015/14	3.5893	0.2282	3.8175	5.4584	0.2646	5.7230	7.4380
2016/15	3.5893	0.2135	3.8028	5.4741	0.2489	5.7230	7.2030
2017/16	3.5893	0.1999	3.7892	5.4474	0.2216	5.6690	6.8360
2018/17	3.5893	0.1910	3.7803	5.4623	0.2067	5.6690	6.4740
2019/18	3.5893	0.1730	3.7623	5.4792	0.1898	5.6690	6.2750
2020/19	3.5893	0.5820	4.1713	5.4878	0.1812	5.6690	6.6350
2021/20	3.5893	0.5546	4.1439	5.4999	0.1691	5.6690	6.4140
2022/21	3.5893	0.5212	4.1105	5.5134	0.1556	5.6690	6.3180

Source: Broward County Property Appraiser

Table 6

School Board		Overlapping Rates					Total Direct and Overlapping Rate
Debt Service Millage	Total School Board Millage	Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet District	
-	7.4560	0.4902	0.4289	0.0345	1.8564	0.0860	19.7741
-	7.4800	0.4882	0.4110	0.0345	1.7554	0.0860	19.8088
-	7.4380	0.4882	0.3842	0.0345	1.5939	0.0860	19.5653
0.0710	7.2740	0.4882	0.3551	0.0320	1.4425	0.0860	19.2036
0.0703	6.9063	0.4882	0.3307	0.0320	1.3462	0.0860	18.6476
0.0654	6.5394	0.4882	0.3100	0.0320	1.2483	0.0860	18.1532
0.1279	6.4029	0.4882	0.2936	0.0320	1.0855	0.0860	17.8195
0.1043	6.7393	0.4882	0.2795	0.0320	1.0324	0.0985	18.5102
0.0912	6.5052	0.4882	0.2675	0.0320	1.1469	0.0985	18.3512
0.1441	6.4621	0.4699	0.2572	0.0320	1.2770	0.0995	18.3772

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

Table 7

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Brixmore Venetian Isle LLC	\$ 28,928,630	1	1.05%	\$ -	-	-
Lighthouse Point Yacht Club Investments LLC	14,784,740	2	0.54%	-	-	-
Florida Power & Light Co	11,934,396	3	0.43%	5,851,077	6	0.34%
Beacon Light Partners LTD	10,697,080	4	0.39%	9,974,230	2	0.58%
Acheson, James C & Suzanne J	9,238,130	5	0.34%	8,001,480	4	0.47%
Lighthouse Point FL LLC	8,158,560	6	0.30%	-	-	-
Lighthouse Point Auto Investors I Inc	6,915,270	7	0.25%	-	-	-
Wye, Jane & Thomas Wye Family Rev Tr	6,514,380	8	0.24%	-	-	-
Lighthouse Point Newport Property LLC	6,336,000	9	0.23%	-	-	-
Jenkins, David G	5,760,000	10	0.21%	-	-	-
Centro Heritage Venetian Isle	-	-	-	18,536,180	1	1.09%
Lighthouse Point at Vintage LLC	-	-	-	8,992,320	3	0.53%
Silver Seas Hotel, Inc.	-	-	-	6,407,270	5	0.38%
RHPH LLC	-	-	-	5,539,510	7	0.32%
J.H. and T. M. Verillo	-	-	-	5,270,260	8	0.31%
Grove Gateway LLC	-	-	-	5,023,380	9	0.29%
Foxman, Leonard A TRSTEE	-	-	-	4,891,630	10	0.29%
Total	\$ 109,267,186		3.98%	\$ 78,487,337		4.60%

Source: Broward County Revenue Collector

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>		
	<u>Gross Levy</u>	<u>Discount</u>	<u>Net Levy</u>
2013	\$ 6,610,703	\$ 283,841	\$ 6,326,862
2014	\$ 6,812,658	\$ 340,039	\$ 6,472,619
2015	\$ 7,195,575	\$ 358,575	\$ 6,837,000
2016	\$ 7,535,473	\$ 372,364	\$ 7,163,109
2017	\$ 7,930,348	\$ 359,908	\$ 7,570,440
2018	\$ 8,495,187	\$ 372,468	\$ 8,122,719
2019	\$ 9,023,277	\$ 395,808	\$ 8,627,469
2020	\$ 10,399,161	\$ 468,461	\$ 9,930,700
2021	\$ 10,814,506	\$ 422,289	\$ 10,392,217
2022	\$ 11,303,710	\$ 455,699	\$ 10,848,011

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

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

Source: Broward County Property Appraiser

Table 8

<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Years</u>	<u>Total Collections to Date</u>	
<u>Amount</u>	<u>Percentage of Gross Levy</u>		<u>Amount</u>	<u>Percentage of Gross Levy</u>
\$ 6,228,508	94.22%	\$ 162,200	\$ 6,390,708	96.67%
\$ 6,421,761	94.26%	\$ 159,268	\$ 6,581,029	96.60%
\$ 6,768,795	94.07%	\$ 170,320	\$ 6,939,115	96.44%
\$ 7,100,350	94.23%	\$ 188,367	\$ 7,288,717	96.73%
\$ 7,463,634	94.11%	\$ 141,396	\$ 7,605,030	95.90%
\$ 8,005,847	94.24%	\$ 197,059	\$ 8,202,906	96.56%
\$ 8,514,726	94.36%	\$ 21,603	\$ 8,536,329	94.60%
\$ 10,006,267	96.22%	\$ 9,445	\$ 10,015,712	96.31%
\$ 10,401,949	96.19%	\$ 474	\$ 10,402,423	96.19%
\$ 10,855,822	96.04%	\$ -	\$ 10,855,822	96.04%

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

Table 9

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita Personal Income	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Leases	Notes Payable				
2013	\$ -	\$ 166,208	\$ 3,347,222	\$ 3,513,430	\$ 43,792	0.77%	\$ 338
2014	\$ -	\$ 454,476	\$ 3,003,777	\$ 3,458,253	\$ 43,283	0.77%	\$ 333
2015	\$ -	\$ 526,137	\$ 2,653,532	\$ 3,179,669	\$ 44,909	0.68%	\$ 307
2016	\$ -	\$ 496,857	\$ 2,296,583	\$ 2,793,440	\$ 46,906	0.57%	\$ 266
2017	\$ -	\$ 777,537	\$ 1,932,495	\$ 2,710,032	\$ 48,680	0.53%	\$ 257
2018	\$ -	\$ 674,805	\$ 1,561,043	\$ 2,235,848	\$ 50,269	0.42%	\$ 212
2019	\$ * 17,719,631	\$ 648,266	\$ 1,182,236	\$ 19,550,133	\$ 52,308	3.53%	\$ 1,847
2020	\$ * 17,567,575	\$ 434,948	\$ 795,007	\$ 18,797,530	\$ 55,908	3.20%	\$ 1,788
2021	\$ * 17,220,519	\$ 604,906	\$ 400,995	\$ 18,226,420	\$ 64,453	2.71%	\$ 1,746
2022	\$ * 16,858,462	\$ 384,584	\$ -	\$ 17,243,046	\$ N/A	N/A	\$ N/A

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

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

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

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

Table 10

Fiscal Year	General Obligation Bonds	Taxable Value	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ -	\$ 1,707,169,924	0.00%	\$ -
2014	\$ -	\$ 1,776,261,097	0.00%	\$ -
2015	\$ -	\$ 1,881,909,580	0.00%	\$ -
2016	\$ -	\$ 1,979,665,674	0.00%	\$ -
2017	\$ -	\$ 2,091,641,994	0.00%	\$ -
2018	\$ -	\$ 2,244,395,332	0.00%	\$ -
2019	\$ 17,719,631	\$ 2,395,081,376	0.74%	\$ 1,674
2020	\$ 17,567,575	\$ 2,491,718,885	0.71%	\$ 1,671
2021	\$ 17,220,519	\$ 2,608,786,893	0.66%	\$ 1,650
2022	\$ 16,858,462	\$ 2,744,666,119	0.61%	\$ 1,615

Source: Broward County Property Appraiser's Office

**City of Lighthouse Point, Florida
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2022**

Table 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimate Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Broward County	\$ 68,790,000	1.24%	\$ 852,309
School Board of Broward County	758,375,000	1.16%	<u>8,781,567</u>
Subtotal, overlapping debt			9,633,875
City direct debt			<u>17,243,046</u>
Total direct and overlapping debt			<u>\$ 26,876,921</u>

Sources: Debt outstanding data provided by each governmental unit.

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

The School Board of Broward County debt outstanding is as of June 30, 2022.

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

The City Charter does not set a debt margin.

The City does not have any pledged revenue.

Calendar Year	Population	School Enrollment	Unemployment Rate	Personal Income	
				Total	Per Capita
2013	10,401	260,796	8.4%	\$ 80,525,783	\$ 43,792
2014	10,374	262,563	6.4%	\$ 80,905,552	\$ 43,283
2015	10,358	265,401	5.6%	\$ 85,167,498	\$ 44,909
2016	10,506	268,836	5.0%	\$ 89,572,271	\$ 46,906
2017	10,526	271,105	4.6%	\$ 94,239,400	\$ 48,680
2018	10,560	271,517	3.9%	\$ 98,087,689	\$ 50,269
2019	10,587	270,550	3.3%	\$ 102,145,579	\$ 52,308
2020	10,536	267,970	7.1%	\$ 109,473,926	\$ 55,908
2021	10,486	260,715	5.9%	\$ 124,458,321	\$ 64,453
2022	10,514	256,021	2.9%	\$ N/A	\$ N/A

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

Notes: School Enrollment data is County-wide.
Unemployment rates are representative of Miami / Fort Lauderdale / Pompano Beach metropolitan area.
Per capita personal income is representative of Fort Lauderdale / Pompano Beach / Deerfield Beach metropolitan area.

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

Table 15

Employer	Type of Business	Fiscal Year 2022			Fiscal Year 2014		
		Employees	Rank	Total City	Employees	Rank	Total City
Publix Supermarkets	Retail	193	1	0.021%	275	1	0.027%
City of Lighthouse Point	Municipality	113	2	0.012%	103	2	0.010%
Hendrick Honda	Automotive	103	3	0.011%	99	3	0.010%
Sheehan Buick GMC, Inc.	Automotive	100	4	0.011%	*	*	*
Bonefish Mac's Sports Grille	Restaurant	100	4	0.011%	85	4	0.008%
Lighthouse Point Yacht Club	Restaurant	85	5	0.009%	84	5	0.008%
McDonald's	Restaurant	48	6	0.005%	*	*	*
Wash Depot I, Inc.	Automotive	38	7	0.004%	*	*	*
Bateman Gordon & Sands	Insurance	37	8	0.004%	*	*	*
Trinity Learning Center	Daycare/Nursery	29	9	0.003%	*	*	*
CVS	Retail	28	10	0.003%	*	*	*
The Nauti Dawg Marina Café	Restaurant	-	-	0.000%	48	6	0.005%
Total		874		0.093%	694		0.068%

Source: Individual businesses upon payment of annual business tax.

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

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

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government:				
Finance and administration	<u>6.00</u>	<u>5.63</u>	<u>5.00</u>	<u>5.00</u>
Subtotal	<u>6.00</u>	<u>5.63</u>	<u>5.00</u>	<u>5.00</u>
Public safety:				
Police	<u>42.52</u>	<u>42.52</u>	<u>41.52</u>	<u>42.05</u>
Fire	<u>27.00</u>	<u>27.00</u>	<u>27.00</u>	<u>27.00</u>
Building	<u>2.00</u>	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>
Code enforcement	<u>3.45</u>	<u>3.45</u>	<u>3.45</u>	<u>3.45</u>
Subtotal	<u>74.97</u>	<u>74.97</u>	<u>74.97</u>	<u>75.50</u>
Public works	<u>13.00</u>	<u>13.00</u>	<u>12.63</u>	<u>12.00</u>
Transportation	<u>0.85</u>	<u>0.85</u>	<u>0.85</u>	<u>0.82</u>
Culture/recreation:				
Library	<u>4.63</u>	<u>4.63</u>	<u>4.73</u>	<u>4.60</u>
Recreation	<u>8.66</u>	<u>8.66</u>	<u>8.21</u>	<u>8.38</u>
Subtotal	<u>13.29</u>	<u>13.29</u>	<u>12.94</u>	<u>12.98</u>
Total authorized employees	<u><u>108.11</u></u>	<u><u>107.74</u></u>	<u><u>106.39</u></u>	<u><u>106.30</u></u>

Source: City of Lighthouse Point departmental staff.

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

Table 16

2018	2017	2016	2015	2014	2013
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
42.05	42.03	43.00	43.00	42.50	42.50
27.00	27.00	27.00	27.00	27.00	27.00
3.00	3.50	3.50	3.00	3.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
75.05	75.53	76.50	76.00	75.50	74.50
12.00	12.00	12.00	12.00	12.00	12.00
0.82	0.82	0.88	0.88	0.88	0.88
4.10	4.10	3.90	3.90	3.90	3.45
8.00	7.60	7.68	6.04	6.04	6.04
12.10	11.70	11.58	9.94	9.94	9.49
104.97	105.05	105.96	103.82	103.32	101.87

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

Function/Program	2022	2021	2020	2019
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections:				
Registered voters	8,465	8,635	8,610	8,277
Votes cast in last election	2,281	N/A	2,633	3,463
Lien searches processed	584	689	556	443
Business licenses issued	309	399	419	424
Ordinances prepared and adopted	9	3	4	8
Resolutions prepared and adopted	53	56	47	63
Commission minutes prepared and adopted	27	23	24	26
Agenda packets prepared	27	23	24	26
Public safety:				
Police:				
Stations	1	1	1	1
Uniformed employees	33	34	34	34
Calls-for-service handled	8,960	9,144	10,505	11,549
Traffic accidents handled	385	361	357	457
Traffic citations/warnings issued	2,097	1,966	2,330	3,424
Fire:				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,919	1,767	1,711	1,510
Building:				
Permits issued	3,336	3,180	2,736	2,974
Value of construction	\$ 53,527,261	\$ 58,523,383	\$ 34,543,605	\$ 37,838,490
Physical environment:				
Miles of streets	41.12	41.12	41.12	41.12
Miles of waterways	18	18.00	18.00	18.00
Culture/recreation:				
Library:				
Books in collection	35,123	34,745	35,392	42,963
Circulation	24,836	19,588	22,422	39,765
Volunteer hours	1,707	135	2,914	8,151
Recreation:				
Facilities				
Al Fletcher Park acreage	0.50	0.50	0.50	0.50
Dan Witt Park acreage	6.00	6.00	6.00	6.00
DeGroff Park acreage	4.60	4.60	4.60	4.60
Exchange Club park acreage	14.00	14.00	14.00	14.00
Frank McDonough Park acreage	6.10	6.10	6.10	6.10
Tennis Center	1	1	1	1

Source: City of Lighthouse Point departmental staff.

Table 17

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	2.49	2.49	2.49	2.49	2.49	2.49
	6,855	8,379	8,640	7,827	7,848	7,894
	-	2,235	-	1,722	1,885	2,639
	478	530	506	525	461	459
	480	494	449	415	446	460
	16	9	16	10	15	3
	65	60	64	57	47	51
	30	19	21	29	29	25
	25	17	19	26	24	20
	1	1	1	1	1	1
	34	34	34	34	34	34
	10,380	10,615	10,724	10,940	8,992	8,516
	427	455	451	400	360	347
	2,354	2,231	3,070	3,462	1,973	2,366
	1	1	1	1	1	1
	26	26	26	26	26	26
	1,460	1,704	1,397	1,444	1,332	1,235
	3,149	3,070	3,297	2,863	2,702	2,634
\$	50,925,434	\$ 41,555,309	\$ 42,754,614	\$ 33,659,276	\$ 20,268,696	\$ 26,680,297
	41.12	41.12	41.12	41.12	41.12	41.12
	18.00	18.00	18.00	18.00	18.00	18.00
	40,688	42,593	41,761	41,841	41,000	38,323
	41,117	41,272	39,482	40,377	40,000	42,673
	8,498	9,447	10,000	10,400	10,500	10,200
	0.50	0.50	0.50	0.50	0.50	0.50
	6.00	6.00	6.00	6.00	6.00	6.00
	4.60	4.60	4.60	4.60	4.60	4.60
	14.00	14.00	14.00	14.00	14.00	14.00
	6.10	6.10	6.10	6.10	6.10	6.10
	1	1	1	1	1	1

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities:				
General government				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	55,208	55,208	55,208	55,208
Public safety:				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
Culture/Recreation:				
Libraries	1	1	1	1
Acres of parks	31	31	31	31
Number of parks	5	5	5	5

Source: City Departments

Table 18

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208
1 1	1 1	1 1	1 1	1 1	1 1
1 31 5	1 31 5	1 31 5	1 31 5	1 31 5	1 31 5

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COMPLIANCE SECTION

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

Independent Auditor's Report to City Management

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated March 23, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 23, 2023

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 23, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 23, 2023

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

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

We have examined the City of Lighthouse Point, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the City's compliance with the specific requirements. Our responsibility is to express an opinion on the City's compliance with the specific requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 23, 2023

CPA's + Trusted Advisors