

# ***City of Lighthouse Point***

## ***Florida***



**Comprehensive Annual Financial Report  
For the Year Ended September 30, 2019**



# The City of Lighthouse Point, Florida

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2019

Prepared By:  
Finance Department

Cori Olympio, CPA  
Finance Director

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## City of Lighthouse Point, Florida

### Table of Contents

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#### **Introductory Section:**

Letter of Transmittal	i-v
Government Finance Officers Association Certificate of Achievement	vi
City Governmental Structure	vii
List of Principal Officials	viii

#### **Financial Section:**

Independent Auditor's Report	1-3
Management's Discussion and Analysis (Not covered by Independent Auditors' Report)	4-20
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds	23-24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Garbage and Trash Fund	30
Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds	31
Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds	32
Notes to Basic Financial Statements	33-70

## City of Lighthouse Point, Florida

### Table of Contents

---

#### Required Supplementary Information:

Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan (Unaudited)	71
Schedule of Proportionate Share of Net Pension Liability – Retiree Health Insurance Subsidy Program (Unaudited)	72
Schedule of Contributions – Florida Retirement System Pension Plan (Unaudited)	73
Schedule of Contributions – Retiree Health Insurance Subsidy Program (Unaudited)	74
Schedule of Changes in the City’s Net Pension Liability and Related Ratios – Police and Fire Defined Benefit Pension Plan (Unaudited)	75
Schedule of City Contributions – Police and Fire Defined Benefit Pension Plan (Unaudited)	76
Schedule of Investment Returns – Police and Fire Defined Benefit Pension Plan (Unaudited)	77
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	78

#### Other Supplementary Information:

##### Budgetary Schedules:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	79-83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tennis Center Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Stormwater Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	86

#### Other Financial Information:

##### Combining Financial Statements:

Combining Balance Sheet - Nonmajor Governmental Funds	87-88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	89-90
Combining Statement of Fiduciary Net Position	91-92
Combining Statement of Changes in Fiduciary Net Position	93-94

## City of Lighthouse Point, Florida

### Table of Contents

---

#### Statistical Section:

##### Financial Trends:

Table 1 - Net Position by Component	95-96
Table 2 - Changes in Net Position	97-98
Table 3 - Fund Balances of Governmental Funds	99-100
Table 4 - Changes in Fund Balances of Governmental Funds	101-102

##### Revenue Capacity:

Table 5 - Assessed Value and Estimated Value of Taxable Property	103-104
Table 6 - Direct and Overlapping Property Tax Rates	105-106
Table 7 - Principal Property Taxpayers	107
Table 8 - Property Tax Levies and Collections	108-109

##### Debt Capacity:

Table 9 - Ratios of Outstanding Debt by Type	110
Table 10 - Ratios of General Bonded Debt Outstanding	111
Table 11 - Direct and Overlapping Governmental Activities Debt	112
Table 12 - Legal Debt Margin Information	113
Table 13 - Pledged-Revenue Coverage	114

##### Demographics and Economics Information:

Table 14 - Demographic and Economic Statistics	115
Table 15 - Principal Employers	116

##### Operating Information:

Table 16 – Full and Part Time Equivalent City Government Employees by Function/Program	117-118
Table 17 - Operating Indicators by Function/Program	119-120
Table 18 - Capital Asset Statistics by Function/Program	121-122

## City of Lighthouse Point, Florida

### Table of Contents

---

#### 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 <i>Government Auditing Standards</i>	123-124
Independent Auditor's Report to City Management	125-126
Independent Auditor's Report on Compliance with Section 218.415 Florida Statutes	127

## INTRODUCTORY SECTION





March 27, 2020

Honorable Mayor and Commissioners

**Re: City's Comprehensive Annual Financial Report -  
For the Year Ended September 30, 2019**

Dear Mayor and Commissioners:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Lighthouse Point, Florida (the "City"), for the fiscal year ended September 30, 2019. 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, public library, building and land development regulation, refuse collection, stormwater management, and a community bus service. Water and sanitary sewer services are provided by other jurisdictions and so those revenues and costs are not included in this report.

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

## **Economic Condition and Outlook**

Lighthouse Point is a developed community that is bordered by Federal Highway on the west and the Intracoastal Waterway on the east. The City is comprised of 2.5 square miles in the northeast section of the County, and surrounded by the municipalities of Pompano Beach, Deerfield Beach, and Hillsboro Beach. The City’s tax base is primarily residential, and although it was heavily impacted by the economic downturn of 2008-09, taxable values have recovered. Continued sustainable growth is anticipated for the foreseeable future; however, it is not known what impact COVID-19 will have on property values or the City’s Fire/Police Pension funds. For the fiscal year ended September 30, 2019, which is the focus of this financial report, the final taxable real and personal property values increased by 6.7 percent to \$ 2.38 billion, marking the eighth 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 2018/2019 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 garage and renovation of the existing building, and renovation of the Library. Due to the economic conditions of the City and its strong financial management practices, the City received a credit rating of AA+ from Standard and Poor’s (S&P). The commercial sector continues to attract new business and retail establishments, including redevelopment of several plazas along Federal Highway.

## **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:

- Drainage improvements along N.E. 30<sup>th</sup> Avenue.
- Recreation improvements that included a new batting cage and fence system for the athletic fields at Dan Witt Park.
- Improvements to Ash Mills Pavilion including pavers and patio furniture.
- Updates to the City's irrigation, drainage, and landscaping infrastructure including the areas surrounding the Tennis Center and Ash Mills Pavilion.
- Lined approximately 800 linear feet of stormwater pipe.

### **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, 2019.

#### **Financial Policies:**

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for FY 2018/2019. 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 employee group, as well as the Florida Retirement System for all newly hired Firefighters and Police Officers. 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. There is also a defined benefit plan for Firefighters and Police Officers that was implemented on October 1, 2003 and that is now closed. The City offers a deferred compensation plan (457) and Roth IRA to all employees who wish to contribute, as well as a retirement health savings plan to certain eligible groups of employees. The defined contribution plans require fixed contributions from both the City and the participating employee based upon union contracts and City Commission resolutions. The defined benefit plan also requires City and employee contributions that are based upon the initial adoption resolution and modified by annual actuarial valuations. Going forward only City contributions will be required for the defined benefit plan since all Police and Fire employees have left the plan as of September 30, 2019. The FRS requires both City and employee contributions, and the Florida State Legislature determines plan structure, benefit levels, and funding. The deferred compensation, Roth IRA, and retirement health savings plans are funded exclusively through employee contributions. More information on the retirement plans is provided in the financial section of this report.

### **Major Initiatives**

The City's major initiatives for FY 2019 included the following:

- Issued \$ 16.5 million in General Obligation Bonds, to construct and renovate much needed capital facilities; approved by over 65% of voters in the November 2018 election.
- Selected an architectural firm and construction manager through competitive bid process for the GO Bond projects.
- Transitioned from the City's defined benefit pension to the Florida Retirement System (FRS) for newly hired police and fire employees and current police and fire employees that elected to switch.
- Implemented closed captioning for City Commission and board video recordings.
- Installed additional surveillance system equipment at City parks to provide enhanced coverage.
- Implemented online reservation system for the Tennis Center.
- Significant upgrades to the City's IT infrastructure.

### **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, 2018. This was the twenty-fifth consecutive year that the City has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

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

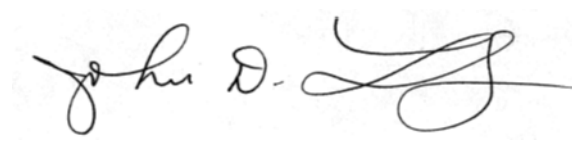
A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the requirements of this peer review program and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

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

Cori Olympio  
Finance Director

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

John D. Lavisky  
City Administrator



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lighthouse Point  
Florida**

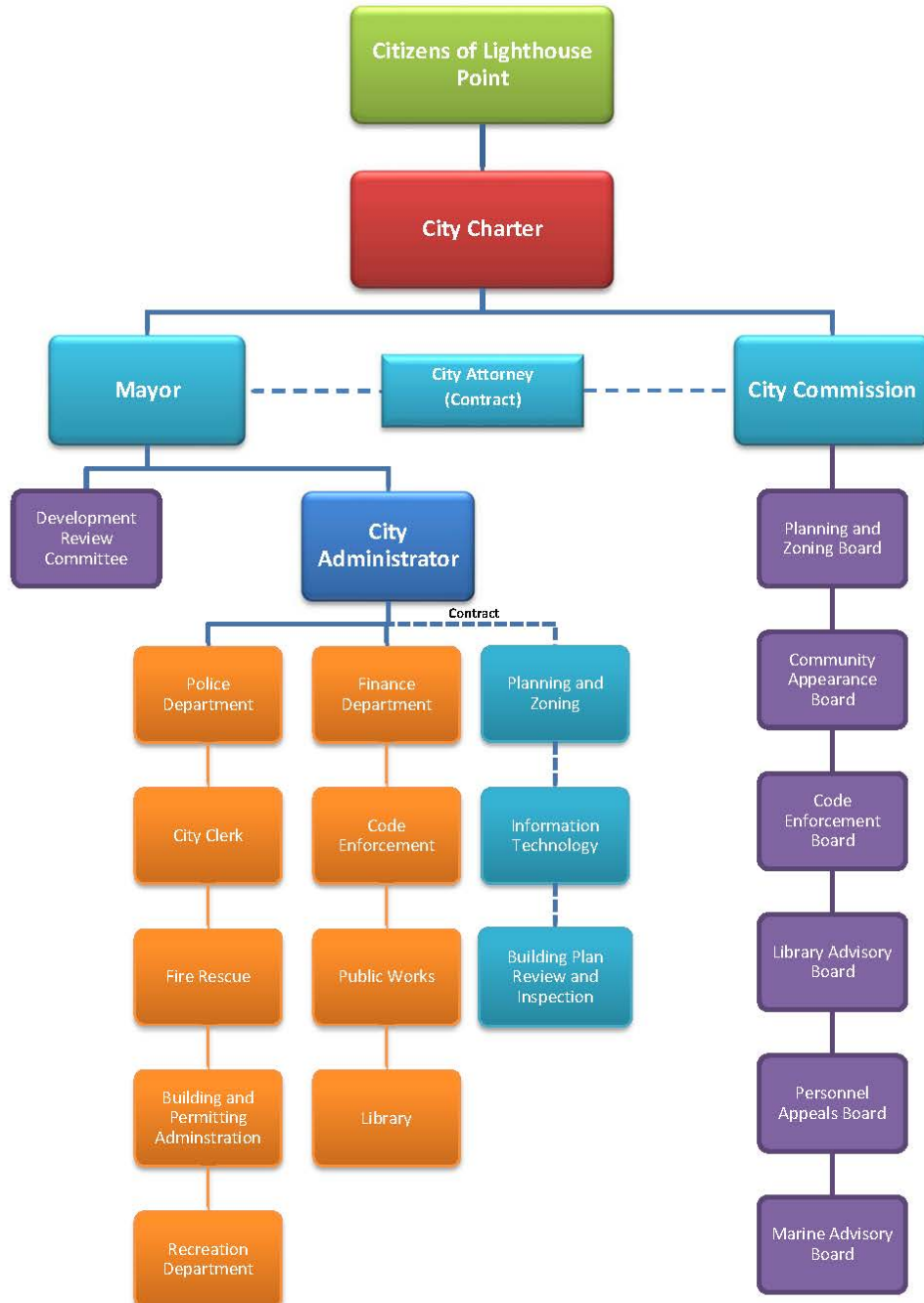
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**City of Lighthouse Point  
City Governmental Structure  
September 30, 2019**



**City of Lighthouse Point, Florida**  
**List of Principal Officials**  
**September 30, 2019**

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

## FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida, as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Garbage and Trash Fund - a major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 20 and 71 through 78, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

City of Lighthouse Point, Florida

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020, on our consideration of the City of Lighthouse Point, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lighthouse Point, Florida's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 27, 2020

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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, 2019. 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, 2019:

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$ 32,798,408 (net position). The entire amount was derived from governmental fund activities. Of this amount, \$ 10,541,565 (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 \$ 19,680,224, including \$ 5,502,858 for program related services. Expenditures for all governmental activities were \$ 16,484,896.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 26,161,669, an increase of \$ 18,349,386. The General Fund increased by \$ 2,559,422.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 6,405,133 including \$ 90,932 Nonspendable; \$ 233,996 Restricted; \$ 1,416,224 Committed; \$ 3,750,000 Assigned; and \$ 913,981 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2019 was \$ 26,650,800. The City's balances of cash were up \$ 1,525,116 and invested funds were up \$ 16,955,073.

### **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.

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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon after; capital assets are not included	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the fiscal year; expenses when goods/services have been received and payment is due, during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

### **Government-wide financial statements**

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

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

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



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

### **Fund financial statements**

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

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

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

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

The City adopts an annual appropriation for the General Fund, the Garbage and Trash Fund, the Tennis Center Fund, the Stormwater Fund, and the 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 33 of this report.

### **Other information**

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

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

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

### **Government-Wide Financial Analysis**

#### **Summary of Net Position**

As noted earlier, net position may serve over time as a useful indicator of the City's financial health or position. For the City of Lighthouse Point, assets exceeded liabilities by \$ 32,798,408 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2019 compared to September 30, 2018.

Net Position September 30		
	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 29,662,239	\$ 9,436,907
Capital assets, net	23,161,271	23,479,113
Total assets	<u>52,823,510</u>	<u>32,916,020</u>
Total deferred outflows of resources	<u>10,129,836</u>	<u>7,208,858</u>
Current liabilities	2,007,772	2,068,847
Long-term liabilities outstanding	27,491,157	6,597,847
Total liabilities	<u>29,498,929</u>	<u>8,666,694</u>
Total deferred inflows of resources	<u>656,009</u>	<u>1,855,104</u>
Net position:		
Net investment in capital assets	19,483,620	21,228,328
Restricted	2,773,223	2,595,822
Unrestricted	10,541,565	5,778,930
Total net position	<u>\$ 32,798,408</u>	<u>\$ 29,603,080</u>

The overall financial position of the City increased in total by \$ 3,195,328 during FY 2019. Factors that contributed to the increase included the defined benefit pension asset/liability and normal fluctuations in revenue and expenses.

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

The majority of the City's total net position (\$ 19,483,620 or 60%) 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 \$ 19.5 million) that is still outstanding. The City's portion of net assets invested in capital, net of related debt decreased by \$ 1,744,708 due to the net effect of the acquisition of capital items and scheduled repayment of debt service, offset by the issuance of a capital lease and general obligation bond payable. The City of Lighthouse Point uses its capital assets to provide services to its residents; consequently, these assets are not available for future spending or liquidation. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position (\$ 2,773,223 or 8%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2019 balance in restricted net position increased by \$ 177,401.

The remaining balance of \$ 10,541,565 reflects unrestricted net position (32%) increased by \$ 4,762,635, 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 2019 Statement of Activities with comparative information for FY 2018:

		Change in Net Position	
		For the Year Ended September 30, 2019	2018
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$	4,973,772	\$ 4,666,173
Operating grants and contributions		529,086	244,468
General revenues:			
Ad valorem taxes		8,711,785	8,147,243
Other taxes		3,251,876	3,181,152
Intergovernmental revenues		1,290,317	1,274,422
Miscellaneous		923,388	650,330
Total revenues		<u>19,680,224</u>	<u>18,163,788</u>

	For the Year Ended September 30,	
	2019	2018
<b>Expenses:</b>		
General government	1,902,050	1,823,307
Public safety	8,581,339	10,696,943
Physical environment	4,090,349	4,046,490
Transportation	50,423	48,582
Culture and recreation	1,416,800	1,329,199
Debt service	443,935	49,127
Total expenses	16,484,896	17,993,648
Change in net position	3,195,328	170,140
<b>Net Position, Beginning of Year</b>	<u>29,603,080</u>	<u>29,432,940</u>
<b>Net Position, End of Year</b>	<u>\$ 32,798,408</u>	<u>\$ 29,603,080</u>

Revenues increased from prior year total by \$ 1,516,436 (8.3%), and expenses came in lower than the prior year total by \$ 1,508,752 (8.4%). Net position for the current fiscal year increased by \$ 3,195,328. The primary driver of the increase in revenue was an increase in Ad Valorem Taxes collection. Most of the functions of government experienced an increase in expenses due to higher payroll costs.

Net investment in capital assets decreased by \$ 1,744,708 due to the net effect of the acquisition of capital items and scheduled repayment of debt service, offset by the issuance of a capital lease and general obligation bond payable.

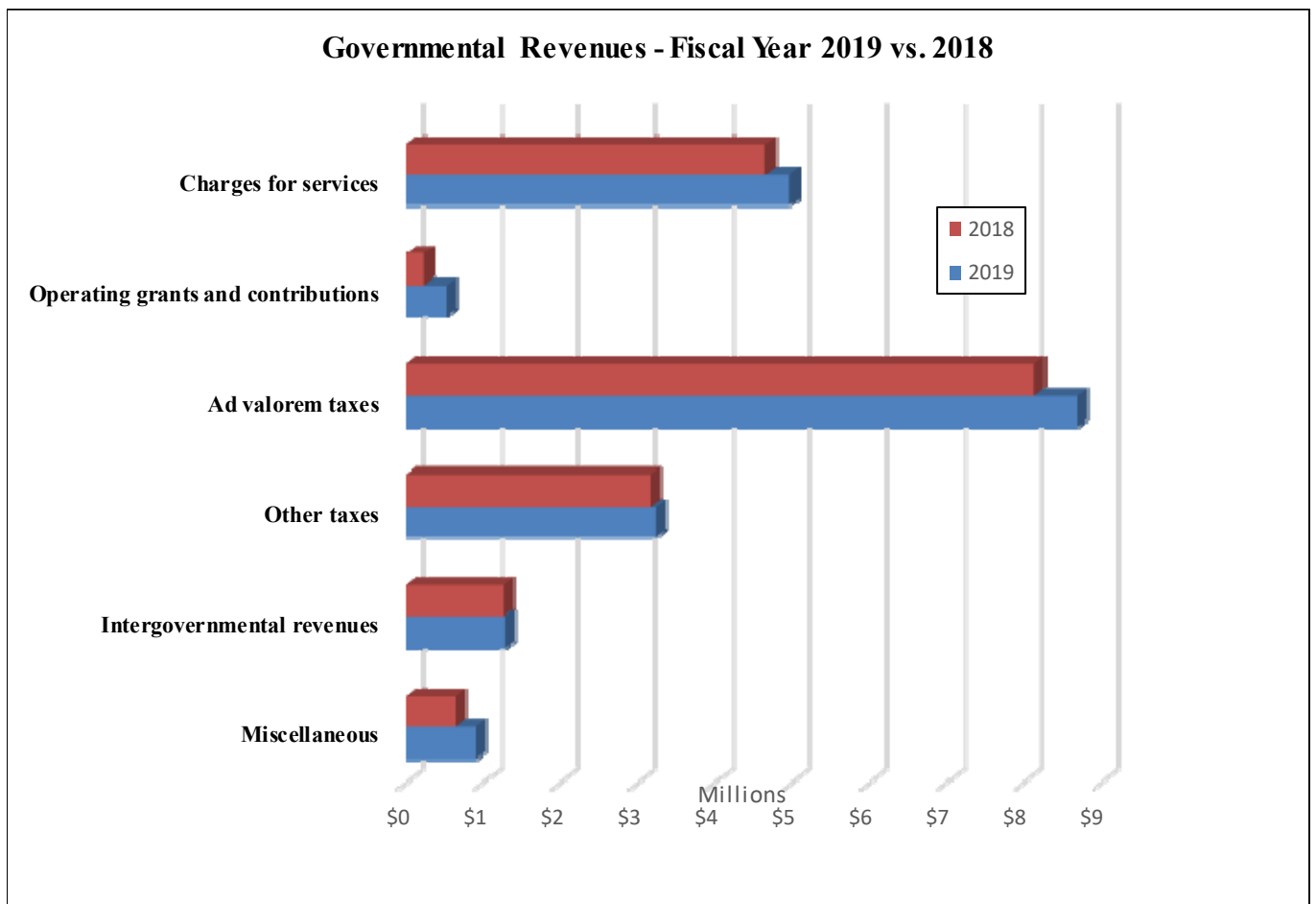
The City reported a Net Pension Asset for fiscal year 2018/2019 in the amount of \$ 1,832,291. This represents a reduction of approximately \$ 3.38 million from the 2017/2018 reported liability for the City's defined benefit plan, and was mainly due to changes in benefit terms.

The City also reported a Net Pension Liability for fiscal year 2018/2019 in the amount of \$ 6,730,696. This represents the City's share of the Florida Retirement System's Pension and Health Insurance Subsidy (HIS) plan liability.

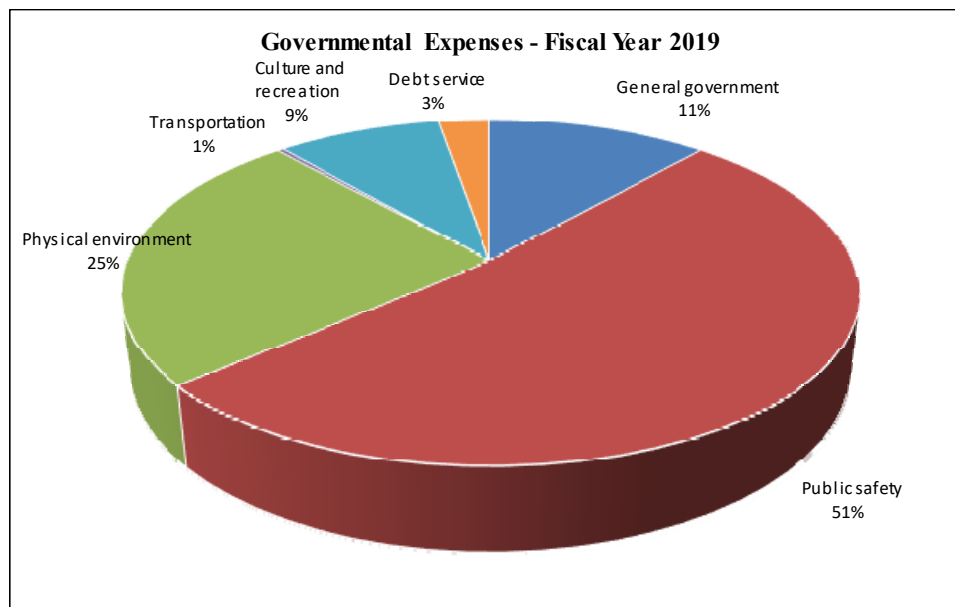
Total revenues were higher by 8.3% in fiscal year 2018/2019. Ad Valorem taxes increased due to an increase in assessed property values. Operating Grants and Contributions increased due to the Federal grant received by Public Works and Hurricane Irma reimbursements. Other taxes, which includes Franchise Fees and Utility Service Taxes, increased slightly. Charges for Services, Intergovernmental Revenues, and Miscellaneous Revenues also increased.

Total expenses for the year decreased by 8.4%. The Public safety expenditures decreased due to the net effect of the pension income for the City's defined benefit plan and the FRS pension expense.

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 2019:



### **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 2019, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 26,161,669.

Approximately 2% of the fund balance constitutes nonspendable fund balance, or \$ 590,932 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 (\$ 18,003,305 or 69%), comprised of General Fund building department earnings, unspent debt proceeds of the General Fund and Debt Service Fund, Bond Construction Fund amounts for future capital improvement projects, Public Safety Fund Federal and State fines and forfeitures, Stormwater Fund special assessments, and Walt and Mary Barker Library Fund library resources;
- Committed by the City Commission (\$ 2,931,131 or 11%) for minimum contingency balance, and use for purposes other than those restricted or nonspendable, including the balance of the Garbage and Trash Fund and the special purpose funds;
- Assigned by the Mayor (\$ 3,750,000 or 14%) for emergency recovery purposes;
- Unassigned (\$ 886,301 or 4%) is available for spending with no restrictions.

The following is a summary of changes and the breakdown of fund balances as of September 30, 2019:

	<b>General Fund</b>	<b>Garbage and Trash Fund</b>	<b>Public Safety Fund</b>	<b>Bond Construction Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Fund balances, September 30, 2018	\$ 3,845,711	\$ 419,870	\$ 1,688,447	\$ -	\$ 1,858,255	\$ 7,812,283
Revenues	16,163,567	2,090,548	16,612	126,736	1,341,560	19,739,023
Expenditures	(15,583,557)	(2,067,071)	(140,954)	(370,641)	(1,163,045)	(19,325,268)
Other financing sources (uses)	<u>1,979,412</u>	<u>(65,000)</u>	<u>-</u>	<u>15,931,486</u>	<u>89,733</u>	<u>17,935,631</u>
Fund balances, September 30, 2019	<u>\$ 6,405,133</u>	<u>\$ 378,347</u>	<u>\$ 1,564,105</u>	<u>\$ 15,687,581</u>	<u>\$ 2,126,503</u>	<u>\$ 26,161,669</u>
Fund balances are represented as follows:						
Nonspendable	\$ 90,932	\$ -	\$ -	\$ -	\$ 500,000	\$ 590,932
Restricted	233,996	-	1,564,105	15,687,581	517,623	18,003,305
Committed	1,416,224	378,347	-	-	1,136,560	2,931,131
Assigned	3,750,000	-	-	-	-	3,750,000
Unassigned (deficit)	<u>913,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,680)</u>	<u>886,301</u>
Fund balances, September 30, 2019	<u>\$ 6,405,133</u>	<u>\$ 378,347</u>	<u>\$ 1,564,105</u>	<u>\$ 15,687,581</u>	<u>\$ 2,126,503</u>	<u>\$ 26,161,669</u>

### General Fund

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of FY 2019, total nonspendable and spendable fund balance of the General Fund was \$ 6,405,133. 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 30% of the total general fund expenditures.

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

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Ad Valorem	\$ 8,311,060	\$ 7,735,604	\$ 575,456	7.4%
Franchise taxes	899,319	869,133	30,186	3.5%
Utility service taxes	2,496,561	2,448,572	47,989	2.0%
Licenses and permits	973,488	1,093,785	(120,297)	-11.0%
Intergovernmental revenues	1,684,464	1,496,896	187,568	12.5%
Charges for services	538,279	506,348	31,931	6.3%
Non ad valorem assessments	925,903	822,756	103,147	12.5%
Fines and forfeitures	149,073	201,115	(52,042)	-25.9%
Miscellaneous	185,420	267,139	(81,719)	-30.6%
Transfers in and other sources	2,139,618	229,509	1,910,109	832.3%
	<u>\$ 18,303,185</u>	<u>\$ 15,670,857</u>	<u>\$ 2,632,328</u>	16.8%

General Fund operating revenue totaled \$ 18,303,185, reflecting a net increase of \$ 2,632,328 when compared with 2018. The main drivers of this increase were ad valorem taxes, non ad valorem assessments, and transfers in from the Bond Construction fund. The City's property tax base increased by over 6.7% in FY 2019 and the City Commission approved the same millage rate as the prior year, resulting in an increase in Ad Valorem revenue. Non ad valorem assessments revenue increased, since the City Commission raised the Fire Assessment to pay for increased in Fire Rescue Costs.

Most of the other revenue categories also saw increases compared to the prior fiscal year. Intergovernmental revenue increased due to receipt of a Federal grant for the N.E. 53<sup>rd</sup> Court Waterway and Hurricane Irma reimbursements from FEMA and the State of Florida. Utility service taxes were higher due to an increase in the underlying energy consumption and rates charged for usage. Miscellaneous revenues decreased since FY 2018 had significantly more donated assets and contributions. Fines and forfeitures decreased significantly since the prior year saw receipt of a few large fines. Transfers in and other sources was increased due to a transfer from the Bond Construction Fund for the purchase of land that took place in FY 2018 that is being reimbursed from Bond proceeds for the construction of a new Fire Station on the property. The remainder of the categories saw minimal changes from the prior fiscal year.

**City of Lighthouse Point, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2019**

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

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Expenditures:</b>				
General government	\$ 1,881,519	\$ 3,716,724	\$ (1,835,205)	-49.4%
Public safety	10,903,275	10,633,561	269,714	2.5%
Physical environment	1,528,248	1,846,597	(318,349)	-17.2%
Transportation	50,423	48,582	1,841	3.8%
Culture/recreation	963,863	988,950	(25,087)	-2.5%
Debt service	256,229	236,330	19,899	8.4%
Transfers out	160,206	160,405	(199)	-0.1%
	<u>\$ 15,743,763</u>	<u>\$ 17,631,149</u>	<u>\$ (1,887,386)</u>	-10.7%

General Fund expenditures were down \$ 1,887,386 from FY 2018, or about 10.7%. General Government was lower than the prior year due to the purchase of land in FY 2018 for \$ 1.8 million. Physical environment was lower, as the majority of Hurricane Irma recovery costs were recorded in FY 2018. Public Safety expenditures also rose, primarily due to an increase in salary and benefit costs. Recreation costs were slightly lower due to an increase in salary and benefit costs offset by lower capital outlay expenditures than FY 2018.

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Ad Valorem	\$ 8,220,000	\$ 8,311,614	\$ 91,614	1.1%
Franchise taxes	910,000	910,000	-	0.0%
Utility service taxes	2,473,445	2,573,445	100,000	3.9%
Licenses and permits	1,030,800	962,400	(68,400)	-7.1%
Intergovernmental revenues	1,444,109	1,658,633	214,524	12.9%
Charges for services	479,325	538,065	58,740	10.9%
Non ad valorem assessments	915,000	915,000	-	0.0%
Fines and forfeitures	92,250	150,160	57,910	38.6%
Miscellaneous	136,500	136,500	-	0.0%
Allocation of fund balance	83,694	-	(83,694)	-100.0%
Transfers in and other sources	392,769	2,129,145	1,736,376	81.6%
	<u>\$ 16,177,892</u>	<u>\$ 18,284,962</u>	<u>\$ 2,107,070</u>	11.5%

Ad valorem taxes were higher than anticipated due to the collection of delinquent tax levies. Licenses and permits were lower due to a decrease in the total value of building permits. Utility service taxes were amended to reflect additional collections by the City. Intergovernmental revenues were increased because of the NRCS 53<sup>rd</sup> Court Waterway Grant and Hurricane Irma reimbursements. Charges for services was increased to reflect actual ambulance fee collections and rental fees received by the City. Fines and forfeitures were higher than budget due to the receipt of additional violation fines and settlement payments. Transfers in and other sources were increased to reflect the actual lease amount financed and the reimbursement for the land purchase from the bond construction fund.



**City of Lighthouse Point, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2019**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Expenditures:</b>				
General government	\$ 1,831,521	\$ 1,865,749	\$ 34,228	1.9%
Public safety	11,273,530	10,872,442	(401,088)	-3.6%
Physical environment	1,612,899	1,550,943	(61,956)	-3.8%
Transportation	47,629	50,970	3,341.00	7.0%
Culture/recreation	967,116	964,446	(2,670)	-0.3%
Debt service	284,991	256,231	(28,760)	-10.1%
Transfers out	160,206	160,206	-	0.0%
	<u>\$ 16,177,892</u>	<u>\$ 15,720,987</u>	<u>\$ (456,905)</u>	-2.8%

General government appropriations were increased due to costs associated with legal services. The budget for Public Safety expenditures was lowered due to capital items that were not completed during the current fiscal year and the retirement contribution that did not have to be made based on the valuation. Physical environment was decreased due to capital items not being received and being rolled forward to FY 2020. Culture/recreation was decreased slightly due to lower part time hours in the Library and additional grant writing services in Recreation. Finally, the budget for debt service was lowered as the timing of the FY 2019 capital lease resulted in lower costs.

**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:

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Charges for services	\$ 6,314	\$ -	\$ 6,314	100.0%
Non ad valorem assessments	1,999,557	1,665,015	334,542	20.1%
Miscellaneous	84,677	29,177	55,500	190.2%
	<u>\$ 2,090,548</u>	<u>\$ 1,694,192</u>	<u>\$ 396,356</u>	23.4%
<b>Expenditures:</b>				
Physical environment	\$ 2,067,071	\$ 1,834,072	\$ 232,999	12.7%
Transfers out	65,000	55,000	10,000	18.2%
	<u>\$ 2,132,071</u>	<u>\$ 1,889,072</u>	<u>\$ 242,999</u>	12.9%

The Garbage and Trash Fund currently has a healthy reserve balance, committed to continued viable operation of the City's trash disposal function, as well as keeping assessment rates as low as possible. Fund balance as of September 30, 2019 is \$ 378,347.

Miscellaneous revenues were higher than the prior year due to timing differences with the recycling revenue payments received from Waste Management. The increase in non ad valorem assessment revenue and physical environment expenditures directly correlate to an increase in fees from Waste Management.

**Public Safety Fund:**

The Public Safety Fund records the inflow and outflow of Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City's other operating funds. There are external restrictions on the use of these monies, and accordingly, balances are shown in the financial statements as restricted. The funds may be utilized to supplement operational needs, including capital purchases, training and certain overtime expenditures. In FY 2019, revenues decreased slightly. Total expenditures were higher in FY 2019, there were purchases for portable computers, a software upgrade, and increased education courses.

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

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Fines and forfeitures	\$ 722	\$ 2,227	\$ (1,505)	-67.6%
Miscellaneous	15,890	16,131	(241)	-1.5%
	<u>\$ 16,612</u>	<u>\$ 18,358</u>	<u>\$ (1,746)</u>	-9.5%
<b>Expenditures:</b>				
Public safety	\$ 94,667	\$ 78,179	\$ 16,488	21.1%
Capital outlay	46,287	48,413	(2,126)	-4.4%
	<u>\$ 140,954</u>	<u>\$ 126,592</u>	<u>\$ 14,362</u>	11.3%

All expenditures in the Public Safety Fund were approved by the City Commission. The Public Safety Fund balance as of September 30, 2019 is \$ 1,564,105, restricted for future public safety costs and initiatives.

**Bond Construction Fund:**

During FY 2019, the City created the Bond Construction Fund, a capital improvement fund to account for the proceeds of the General Obligation Bonds approved by voters and sold during 2019 to provide for the acquisition of land and construction of a new Fire Station/Emergency Operations Center, a new Recreation Community Center, a new Public Works garage and renovation of the existing building, and renovation of the Library. Since this is the Bond Construction Fund's first year of operations, prior year comparative information is not available. Comparative information will be provided in future years.

The following table summarizes the Bond Construction Fund current year activity:

	<b>Fiscal Year 2019</b>
<b>Revenues:</b>	
Miscellaneous	\$ 126,736
Issuance of bond	16,500,000
Bond premium	<u>1,219,631</u>
	<u>\$ 17,846,367</u>
<b>Expenditures:</b>	
Capital outlay	\$ 142,400
Bond issuance costs and other fiscal charges	228,241
Transfers out	<u>1,788,145</u>
	<u>\$ 2,158,786</u>

As of September 30, 2019, the Bond Construction Fund had a balance of \$ 15,687,581 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:

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Charges for services	\$ 105,994	\$ 108,613	\$ (2,619)	-2.4%
Miscellaneous	1,000	1,000	-	0.0%
Transfers in	<u>136,206</u>	<u>136,405</u>	<u>(199)</u>	-0.1%
	<u>\$ 243,200</u>	<u>\$ 246,018</u>	<u>\$ (2,818)</u>	-1.1%
<b>Expenditures:</b>				
Culture/recreation	\$ <u>251,374</u>	\$ <u>236,608</u>	\$ <u>14,766</u>	6.2%
	<u>\$ 251,374</u>	<u>\$ 236,608</u>	<u>\$ 14,766</u>	6.2%

For the current fiscal year, the City kept the budgeted General Fund transfer relatively the same in order to support the ongoing costs of operating the Tennis Center. Revenues overall were lower due to the timing of the summer camp revenue sharing payment. Expenditures continue to rise due to contractual pay increases for employees, an increased cost of City insurance benefits, and the ongoing maintenance and rehabilitation of the clay courts. As of September 30, 2019, the Tennis Center Fund had a balance of (\$ 27,680) and is shown as unassigned fund balance in the financial statements.

#### Debt Service Fund:

The Debt Service Fund accounts for the repayment of long term debt issued by the City. 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 Debt Service Fund activity compared with the prior year:

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 400,725	\$ 411,639	\$ (10,914)	-2.7%
Interest income	<u>1,421</u>	<u>207</u>	<u>1,214</u>	586.5%
	<u>\$ 402,146</u>	<u>\$ 411,846</u>	<u>\$ (9,700)</u>	-2.4%
<b>Expenditures:</b>				
Principal	\$ 378,807	\$ 371,452	\$ 7,355	2.0%
Interest and other	<u>28,912</u>	<u>36,267</u>	<u>(7,355)</u>	-20.3%
	<u>\$ 407,719</u>	<u>\$ 407,719</u>	<u>\$ -</u>	0.0%

The Debt Service Fund Balance as of September 30, 2019 is \$ 9,379, restricted for repayment of debt service obligations.

#### Stormwater Fund

The Stormwater Fund was established in FY 2010. The purpose of the fund is to provide resources for capital improvements and significant maintenance of the City's stormwater management infrastructure. Although much of this had been funded by grants in the past, these grant dollars have diminished over time and are now insufficient to meet the City's needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill. A consultant study was used to determine the benefit for individual properties of the City's stormwater management program. The stormwater management and collection system is aging, and the City continues to assess property owners each year as a way to build a fund balance for probable major stormwater improvements in the future. The Stormwater Fund Balance as of September 30, 2019 is \$ 415,341, restricted to future maintenance and capital improvement projects in the stormwater system.

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

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Non ad valorem assessments	\$ 271,442	\$ 271,093	\$ 349	0.1%
Miscellaneous	229,123	3,438	225,685	6564.4%
	<u>\$ 500,565</u>	<u>\$ 274,531</u>	<u>\$ 226,034</u>	82.3%
<b>Expenditures:</b>				
General government	\$ 4,011	\$ 3,904	\$ 107	2.7%
Physical environment	227,346	139,195	88,151	63.3%
Capital outlay	89,386	125,651	(36,265)	100.0%
Transfers out	60,000	55,000	5,000	9.1%
	<u>\$ 380,743</u>	<u>\$ 323,750</u>	<u>\$ 56,993</u>	17.6%

There was no change in the assessment rate, and stormwater assessment collections were slightly higher than the prior year. Miscellaneous revenues were significantly higher due to a property agreement that covered stormwater improvement costs. There was one capital project during the current year to provide stormwater improvements for N.E. 30<sup>th</sup> Avenue. Other 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.

#### 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, 2019 is \$ 661,406, committed to future capital improvement projects.

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

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Miscellaneous	\$ 180,886	\$ 118,637	\$ 62,249	52.5%
	<u>\$ 180,886</u>	<u>\$ 118,637</u>	<u>\$ 62,249</u>	52.5%
<b>Expenditures:</b>				
Physical environment	\$ 72,066	\$ 13,421	\$ 58,645	437.0%
	<u>\$ 72,066</u>	<u>\$ 13,421</u>	<u>\$ 58,645</u>	437.0%

Appropriations are approved typically on a project by project basis. There were no one-time transfers to the Infrastructure Fund in FY 2019 and revenues increased due to a higher administrative fee payment received by the City. Current year expenditures were higher and included a landscaping project at the Tennis Center and Ash Mills Pavilion.

## **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, 2019 amounts to \$ 23,161,271 (net of accumulated depreciation). This investment includes land, construction in progress, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset acquisitions or improvements during the fiscal year include the following:

- City Hall – purchased closed captioning hardware; replaced the A/C in the server room; replaced one administrative vehicle.
- Fire Department – replaced a battery charger for medical equipment; replaced an ice machine; purchased a new LifePak 15 defibrillator.
- Police Department – replaced three patrol vehicles and one administrative vehicle; purchased a digital speed display sign and one mobile radar unit; and replaced a firewall.
- Recreation – replaced two Tennis court covers; replaced a fence at Frank McDonough Park; purchased new athletic field fencing for Dan Witt Park; completed installation of batting cage and turf at Dan Witt Park.
- Public Works – completed a Stormwater drainage project at N.E. 30<sup>th</sup> Avenue; purchased a landscaping trailer and utility vehicle.
- Technology – installed additional locations to the City-wide security surveillance system.

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

	<u>2019</u>	<u>2018</u>
Land	\$ 8,826,588	\$ 8,826,588
Construction in progress	142,400	-
Infrastructure	6,477,168	6,545,346
Buildings and land improvements	5,875,116	6,060,047
Vehicles	1,031,124	1,079,355
Equipment and fixtures	<u>808,875</u>	<u>967,777</u>
Total capital assets	<u>\$ 23,161,271</u>	<u>\$ 23,479,113</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 \$ 28,323,032. 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.

**City of Lighthouse Point, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2019**

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The following table summarizes the City's long-term debt and other long-term liability balances and activity for the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
General obligation bonds	\$ -	\$ 16,500,000	\$ -	\$ 16,500,000
Premium on general obligation bonds	-	1,219,631	-	1,219,631
Notes payable	1,561,043	-	378,807	1,182,236
Capital leases	674,805	216,000	242,539	648,266
Compensated absences	1,494,939	57,675	35,950	1,516,664
Net pension liability	3,338,265	3,392,431	-	6,730,696
Other postemployment benefit liability	282,281	243,258	-	525,539
	<u>\$ 7,351,333</u>	<u>\$ 21,628,995</u>	<u>\$ 657,296</u>	<u>\$ 28,323,032</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 2020 was approved at \$ 16,324,470 which represents a decrease of \$ 1,960,492 (approximately 10.7%) below the amended FY 2019 budget. The operating millage was adopted at 3.5893, equal to the millage rate for the prior fiscal year. Since taxable values increased, using the same millage resulted in an increase in the ad valorem levy for FY 2020.

#### **Requests for Information**

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

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# BASIC FINANCIAL STATEMENTS



**City of Lighthouse Point, Florida**  
**Statement of Net Position**  
**September 30, 2019**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash, cash equivalents, and investments	\$ 26,650,800
Accounts receivable	451,935
Due from other governments	636,281
Prepays and other assets	90,932
Net pension asset	1,832,291
Capital assets:	
Nondepreciable	8,968,988
Depreciable, net	14,192,283
Total assets	<u>52,823,510</u>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows, related to pensions	9,892,578
Deferred outflows, related to OPEB	237,258
Total deferred outflows of resources	<u>10,129,836</u>
<b>Liabilities:</b>	
Accounts payable	521,107
Accrued payroll and related taxes	372,174
Accrued interest payable	178,259
Deposits	29,800
Licenses collected in advance	55,788
Unearned revenues	18,769
Due within one year:	
Compensated absences payable	122,299
Bonds, notes and capital leases payable	709,576
Due in more than one year:	
Compensated absences payable	1,394,365
Bonds, notes and capital leases payable	18,840,557
Net pension liability	6,730,696
Other postemployment benefit (OPEB) liability	525,539
Total liabilities	<u>29,498,929</u>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows, related to pensions	615,714
Deferred inflows, related to OPEB	40,295
Total deferred inflows of resources	<u>656,009</u>
<b>Net Position:</b>	
Net investment in capital assets	19,483,620
Restricted for:	
Debt service	16,600
Law enforcement trust	1,564,105
Stormwater improvements	415,341
Building department	184,274
Walt and Mary Barker library fund:	
Nonexpendable	500,000
Expendable	92,903
Unrestricted	10,541,565
Total net position	<u>\$ 32,798,408</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, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
<b>Functions/Programs:</b>					
Governmental activities:					
General government	\$ 1,902,050	\$ 52,127	\$ -	\$ -	\$ (1,849,923)
Public safety	8,581,339	2,417,111	66,999	-	(6,097,229)
Physical environment	4,090,349	2,277,313	392,047	-	(1,420,989)
Transportation	50,423	-	35,798	-	(14,625)
Culture/recreation	1,416,800	227,221	34,242	-	(1,155,337)
Interest expense	443,935	-	-	-	(443,935)
Total governmental activities	\$ <u>16,484,896</u>	\$ <u>4,973,772</u>	\$ <u>529,086</u>	\$ <u>-</u>	<u>(10,982,038)</u>
General revenues:					
Taxes:					
Ad-valorem taxes					8,711,785
Franchise taxes					899,011
Utility service taxes					2,352,865
Intergovernmental revenues (unrestricted)					1,290,317
Miscellaneous					923,388
Total general revenues					<u>14,177,366</u>
Change in net position					3,195,328
<b>Net Position, Beginning of Year</b>					<u>29,603,080</u>
<b>Net Position, End of Year</b>					<u>\$ 32,798,408</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, 2019

	Major Governmental	
	General Fund	Garbage and Trash Fund
<b>Assets:</b>		
Cash, cash equivalents, restricted cash and investments	\$ 6,973,620	\$ 166,586
Due from other funds	-	383,542
Accounts receivable	444,608	-
Due from other governments	635,983	175
Prepaid expenditures	90,932	-
Total assets	\$ 8,145,143	\$ 550,303
<b>Liabilities:</b>		
Accounts payable	\$ 251,457	\$ 171,956
Accrued payroll and related taxes	367,085	-
Due to other funds	349,470	-
Deposits	29,800	-
Licenses collected in advance	55,788	-
Unearned revenue	18,769	-
Total liabilities	1,072,369	171,956
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue - utility service taxes	356,585	-
Unavailable revenue - franchise and other revenues	89,172	-
Unavailable revenue - intergovernmental	221,884	-
Unavailable revenue - summer camp fees	-	-
Total deferred inflows of resources	667,641	-
<b>Fund Balances:</b>		
Nonspendable	90,932	-
Restricted	233,996	-
Committed	1,416,224	378,347
Assigned	3,750,000	-
Unassigned (deficit)	913,981	-
Total fund balances	6,405,133	378,347
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,145,143	\$ 550,303

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

<b>Funds</b>			
<b>Public Safety Fund</b>	<b>Bond Construction Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,522,561	\$ 15,829,981	\$ 2,158,052	\$ 26,650,800
41,439	-	-	424,981
-	-	7,327	451,935
105	-	18	636,281
-	-	-	90,932
<u>\$ 1,564,105</u>	<u>\$ 15,829,981</u>	<u>\$ 2,165,397</u>	<u>\$ 28,254,929</u>
\$ -	\$ 83,824	\$ 13,870	\$ 521,107
-	-	5,089	372,174
-	58,576	16,935	424,981
-	-	-	29,800
-	-	-	55,788
-	-	-	18,769
<u>-</u>	<u>142,400</u>	<u>35,894</u>	<u>1,422,619</u>
-	-	-	356,585
-	-	-	89,172
-	-	-	221,884
-	-	3,000	3,000
<u>-</u>	<u>-</u>	<u>3,000</u>	<u>670,641</u>
-	-	500,000	590,932
1,564,105	15,687,581	517,623	18,003,305
-	-	1,136,560	2,931,131
-	-	-	3,750,000
-	-	(27,680)	886,301
<u>1,564,105</u>	<u>15,687,581</u>	<u>2,126,503</u>	<u>26,161,669</u>
<u>\$ 1,564,105</u>	<u>\$ 15,829,981</u>	<u>\$ 2,165,397</u>	<u>\$ 28,254,929</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, 2019**

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**Fund balances - total governmental funds** **\$ 26,161,669**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

The cost of capital assets is	\$	33,601,541		
Accumulated depreciation is		<u>(10,440,270)</u>		23,161,271

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.				670,641
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Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.

Net pension asset	\$	1,832,291		
Net pension liability		(6,730,696)		
Deferred outflows, related to pensions		9,892,578		
Deferred inflows, related to pensions		<u>(615,714)</u>		4,378,459

OPEB obligation and deferred amounts attributable to retiree benefits are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.

Other postemployment benefit (OPEB) liability	\$	(525,539)		
Deferred outflows, related to OPEB		237,258		
Deferred inflows, related to OPEB		<u>(40,295)</u>		(328,576)

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

Bonds, notes and capital leases payable	\$	(19,550,133)		
Compensated absences payable		(1,516,664)		
Accrued interest payable		<u>(178,259)</u>		<u>(21,245,056)</u>

**Net position of governmental activities** **\$ 32,798,408**

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, 2019**

	<b>Major Governmental</b>	
	<b>General Fund</b>	<b>Garbage and Trash Fund</b>
<b>Revenues:</b>		
Ad valorem taxes	\$ 8,311,060	\$ -
Franchise taxes	899,319	-
Utility service taxes	2,496,561	-
Licenses and permits	973,488	-
Intergovernmental revenues	1,684,464	-
Charges for services	538,279	6,314
Non advalorem assessments	925,903	1,999,557
Fines and forfeitures	149,073	-
Miscellaneous	185,420	84,677
Total revenues	<u>16,163,567</u>	<u>2,090,548</u>
<b>Expenditures:</b>		
Current:		
General government	1,822,177	-
Public safety	10,755,529	-
Physical environment	1,517,424	2,067,071
Transportation	50,423	-
Culture/recreation	922,311	-
Capital outlay	259,464	-
Debt service:		
Principal	242,539	-
Interest and other	13,690	-
Bond issuance costs and other fiscal charges	-	-
Total expenditures	<u>15,583,557</u>	<u>2,067,071</u>
Excess (deficiency) of revenues over expenditures	<u>580,010</u>	<u>23,477</u>
<b>Other Financing Sources (Uses):</b>		
Issuance of bond	-	-
Premium of bond	-	-
Capital lease	216,000	-
Transfers in	1,923,618	-
Transfers out	(160,206)	(65,000)
Total other financing sources (uses)	<u>1,979,412</u>	<u>(65,000)</u>
Net change in fund balance	2,559,422	(41,523)
<b>Fund Balances, Beginning of Year</b>	<u>3,845,711</u>	<u>419,870</u>
<b>Fund Balances, End of Year</b>	<u>\$ 6,405,133</u>	<u>\$ 378,347</u>

<b>Funds</b>			
<b>Public Safety Fund</b>	<b>Bond Construction Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 400,725	\$ 8,711,785
-	-	-	899,319
-	-	-	2,496,561
-	-	-	973,488
-	-	-	1,684,464
-	-	105,994	650,587
-	-	271,442	3,196,902
722	-	-	149,795
15,890	126,736	563,399	976,122
<u>16,612</u>	<u>126,736</u>	<u>1,341,560</u>	<u>19,739,023</u>
-	-	4,011	1,826,188
94,667	-	-	10,850,196
-	-	304,649	3,889,144
-	-	-	50,423
-	-	345,870	1,268,181
46,287	142,400	100,796	548,947
-	-	378,807	621,346
-	-	28,912	42,602
-	228,241	-	228,241
<u>140,954</u>	<u>370,641</u>	<u>1,163,045</u>	<u>19,325,268</u>
<u>(124,342)</u>	<u>(243,905)</u>	<u>178,515</u>	<u>413,755</u>
-	16,500,000	-	16,500,000
-	1,219,631	-	1,219,631
-	-	-	216,000
-	-	160,206	2,083,824
-	(1,788,145)	(70,473)	(2,083,824)
<u>-</u>	<u>15,931,486</u>	<u>89,733</u>	<u>17,935,631</u>
(124,342)	15,687,581	268,248	18,349,386
1,688,447	-	1,858,255	7,812,283
<u>\$ 1,564,105</u>	<u>\$ 15,687,581</u>	<u>\$ 2,126,503</u>	<u>\$ 26,161,669</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, 2019**

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**Net change in fund balances - total governmental funds** **\$ 18,349,386**

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	\$ 548,947	
Less: current year provision for depreciation	<u>(866,789)</u>	(317,842)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(58,799)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Issuance of bond and bond premium	\$ (17,719,631)	
Capital lease	<u>(216,000)</u>	(17,935,631)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		621,346
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in net pension asset	\$ 1,832,291	
Change in accrued interest payable	(173,092)	
Change in accrued payroll and related taxes	415,010	
Change in compensated absences payable	(21,725)	
Change net pension liability	(3,392,431)	
Change in other postemployment benefit (OPEB) liability	<u>(243,258)</u>	<u>(1,583,205)</u>

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	\$ 2,683,720	
Change in deferred outflows, related to OPEB	237,258	
Change in deferred inflows, related to pensions	1,239,390	
Change in deferred inflows, related to OPEB	<u>(40,295)</u>	<u>4,120,073</u>

**Change in net position of governmental activities** **\$ 3,195,328**

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, 2019**

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 8,220,000	\$ 8,311,614	\$ 8,311,060	\$ (554)
Franchise fees	910,000	910,000	899,319	(10,681)
Utility service taxes	2,473,445	2,573,445	2,496,561	(76,884)
Licenses and permits	1,030,800	962,400	973,488	11,088
Intergovernmental revenues	1,444,109	1,658,633	1,684,464	25,831
Charges for services	479,325	538,065	538,279	214
Non ad valorem assessments	915,000	915,000	925,903	10,903
Fines and forfeitures	92,250	150,160	149,073	(1,087)
Miscellaneous	136,500	136,500	185,420	48,920
Allocation of fund balance	83,694	-	-	-
Total revenues	<u>15,785,123</u>	<u>16,155,817</u>	<u>16,163,567</u>	<u>7,750</u>
<b>Expenditures:</b>				
Current:				
General government	1,741,021	1,800,588	1,822,177	(21,589)
Public safety	11,062,781	10,705,617	10,755,529	(49,912)
Physical environment	1,513,899	1,500,120	1,517,424	(17,304)
Transportation	47,629	50,970	50,423	547
Culture/recreation	853,516	857,126	922,311	(65,185)
Capital outlay	513,849	390,129	259,464	130,665
Debt service:				
Principal	267,717	242,538	242,539	(1)
Interest and other	17,274	13,693	13,690	3
Total expenditures	<u>16,017,686</u>	<u>15,560,781</u>	<u>15,583,557</u>	<u>(22,776)</u>
Excess of revenues over expenditures	<u>(232,563)</u>	<u>595,036</u>	<u>580,010</u>	<u>(15,026)</u>
<b>Other Financing Sources (Uses):</b>				
Capital lease issuance	267,769	216,000	216,000	-
Transfers in	125,000	1,913,145	1,923,618	10,473
Transfers out	<u>(160,206)</u>	<u>(160,206)</u>	<u>(160,206)</u>	<u>-</u>
Total other financing sources (uses)	<u>232,563</u>	<u>1,968,939</u>	<u>1,979,412</u>	<u>10,473</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>2,563,975</u>	2,559,422	\$ <u>(4,553)</u>
<b>Fund Balance, Beginning of Year</b>			<u>3,845,711</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 6,405,133</u>	

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

**City of Lighthouse Point, Florida**  
**Special Revenue - Garbage and Trash Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Charges for services:			
Solid waste fees	\$ <u>-</u>	\$ <u>6,314</u>	\$ <u>6,314</u>
Non advalorem assessments:			
Solid waste fees	<u>1,980,000</u>	<u>1,999,557</u>	<u>19,557</u>
Miscellaneous:			
Recycling proceeds	60,000	57,159	(2,841)
Other	21,300	16,447	(4,853)
Interest income	<u>4,200</u>	<u>11,071</u>	<u>6,871</u>
Total miscellaneous	<u>85,500</u>	<u>84,677</u>	<u>(823)</u>
Total revenues	<u>2,065,500</u>	<u>2,090,548</u>	<u>25,048</u>
<b>Expenditures:</b>			
Trash collection:			
Operating expenditures	<u>2,042,500</u>	<u>2,067,071</u>	<u>(24,571)</u>
Total expenditures	<u>2,042,500</u>	<u>2,067,071</u>	<u>(24,571)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(65,000)	(65,000)	-
Allocation of fund balance	<u>42,000</u>	<u>-</u>	<u>42,000</u>
Total other financing sources (uses)	<u>(23,000)</u>	<u>(65,000)</u>	<u>42,000</u>
Net change in fund balance	\$ <u><u>-</u></u>	<u>(41,523)</u>	\$ <u><u>(41,523)</u></u>
<b>Fund Balance, Beginning of Year</b>		<u>419,870</u>	
<b>Fund Balance, End of Year</b>		\$ <u><u>378,347</u></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, 2019**

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**Assets:**

Investments:	
U.S. stock funds	\$ 20,866,782
Balanced funds	8,489,218
Bond funds	8,256,781
Money market funds and other deposits	7,324,633
International stock funds	4,229,209
Core real estate funds	2,574,580
Specialty funds	<u>624,786</u>
Total investments	52,365,989
Participant loans receivable	<u>343,900</u>
Total assets	52,709,889

**Liabilities:**

-

**Net Position:**

Restricted for pensions	42,690,724
Restricted for other employee benefits	<u>10,019,165</u>
Total net position	\$ <u><u>52,709,889</u></u>

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, 2019**

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**Additions:**

Contributions:

City	\$	363,655
Employees		<u>1,186,915</u>

Total contributions		<u>1,550,570</u>
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Investment earnings and expenses:

Interest, dividends and investment value changes		2,154,429
Less investment expense		<u>257,198</u>

Net investment earnings		<u>1,897,231</u>
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Total additions		<u>3,447,801</u>
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**Deductions:**

Benefits paid		2,819,286
Refund of contributions		<u>759,265</u>

Total deductions		<u>3,578,551</u>
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Change in net position		(130,750)
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**Net Position Restricted for Pensions  
and Other Employee Benefits:**

At Beginning of Year		<u>52,840,639</u>
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At End of Year	\$	<u><u>52,709,889</u></u>
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The accompanying notes to financial statements are an integral part of these statements.



## Note A - Summary of Significant Accounting Policies

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

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

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

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

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

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City has only governmental activities for the fiscal year ended September 30, 2019.

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

**Note A - Summary of Significant Accounting Policies (continued)**

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The City has only governmental and fiduciary funds for the fiscal year ended September 30, 2019.

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

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

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

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

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

**Note A - Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

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

**Assets, liabilities, and net position or fund balance:**

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

**Note A - Summary of Significant Accounting Policies (continued)**

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

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

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age in accordance with City Commission resolution and City policy. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net position. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences payable from expendable available financial resources and only if they have matured.
6. Unearned revenue: Inflows that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.
7. Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists of notes and capital leases payable, as well as accrued compensated absences payable, net pension liability and OPEB liability. In the fund financial statements, debt proceeds are reported as other financing sources. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.
8. Deferred outflows/inflows of resources: In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. As required by GASB Statements 68 and 75, the City reports deferred outflows of resources for pension-related and OPEB amounts. At September 30, 2019, the City reported deferred outflows of \$ 10,129,836 in the government-wide statements.

**Note A - Summary of Significant Accounting Policies (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that are deferred inflows of resources. The first type, unavailable revenue, arises only under a modified accrual basis of accounting, and is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from utility service taxes, franchise and other revenues, intergovernmental revenues, and summer camp fees that were earned but not received within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At September 30, 2019, the City reported deferred inflows of \$ 670,641 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, 2019, the City reported deferred inflows of \$ 656,009 in the government-wide statements.

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

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

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

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

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

**Note A - Summary of Significant Accounting Policies (continued)**

For the year ended September 30, 2019, the City had the following restricted fund balances:

Major Funds:	
General fund:	
Building department	\$ 184,274
Unspent debt proceeds	49,722
Public safety fund:	
Federal and state fines and forfeitures	1,564,105
Bond construction fund:	
Unspent bond proceeds	<u>15,687,581</u>
Total major funds	<u>17,485,682</u>
Nonmajor Funds:	
Stormwater fund:	
Special assessments	415,341
Walt and Mary Barker library fund:	
Library resources	92,903
Debt service fund:	
Unspent debt proceeds	<u>9,379</u>
Total nonmajor funds	<u>517,623</u>
Total restricted fund balance	\$ <u><u>18,003,305</u></u>

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

Within the committed fund balance of \$ 2,931,131 there is an amount of \$ 1,416,224 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 his designee. The City Commission has delegated this authority to the Mayor by resolution and includes \$ 3.75 million for emergency disaster recovery within the City.

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

**Note A - Summary of Significant Accounting Policies (continued)**

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

**Other policies:**

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. However, encumbrances are also utilized in other funds, where appropriations are approved by the City Commission on an as needed basis, to formally recognize commitments of City resources. Encumbrances outstanding at year end are reported as committed fund balance and they do not constitute expenditures or liabilities. At September 30, 2019, encumbrances outstanding are as follows:

General Fund	\$	206,866
Bond Construction Fund		928,644
Infrastructure Fund		10,000
Stormwater Fund		<u>26,685</u>
Total	\$	<u><u>1,172,195</u></u>

**Subsequent events:** These include events have been evaluated by management through March 27, 2020, 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 1<sup>st</sup>, when the assessed values have been released by the Property Appraiser, the Mayor, as the City's Chief Executive Officer, submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of financing.

**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 ordinance. 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 and 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 \$ 2,563,975 of supplemental appropriations, which includes the \$ 24,494 in encumbrances automatically added to the FY 2018/2019 appropriations. A significant portion of the budget increase was to reflect the \$ 1.78 million reimbursement for the property that was purchased in FY 2018, where the City's new Fire Station/Emergency Operations Center will be constructed. Additional funding came from utility service taxes, fines and forfeitures, Federal Grant proceeds, and ambulance fees.

**Note C - Property Tax**

Assessed property values are established by the Broward County Property Appraiser at just values, and the valuation date is January 1<sup>st</sup> 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 lien 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.



**Note C - Property Tax (continued)**

The assessed value of property at January 1, 2018, upon which the 2018-2019 levy was based, was approximately \$ 2,395,081,000. 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, 2019 was \$ 3.5893 per \$ 1,000 and \$ 0.1730 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, 2019, 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, 2019, the carrying amount of the City's deposits was \$ 3,262,555 and the combined bank balances totaled \$ 3,047,706.

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

As of September 30, 2019, the City had the following governmental investments:

Investment Type	Fair Value
State Board of Administration - Florida PRIME	\$ 7,847
Money market funds	6,179,679
Certificates of deposit	787,968
Mutual funds	<u>16,412,751</u>
	<u>\$ 23,388,245</u>

**Note D - Deposits and Investments (continued)**

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

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

**Disclosure by Investment Type:**

The table below summarizes the City's Governmental Investment Funds scheduled maturities (in years) for investments held as of September 30, 2019:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Money market funds	\$ 6,179,679	\$ 6,179,679	\$ -	\$ -
Certificates of deposit	787,968	787,968	-	-
Mutual funds	<u>16,412,751</u>	<u>16,412,751</u>	<u>-</u>	<u>-</u>
Total	\$ <u>23,380,398</u>	\$ <u>23,380,398</u>	\$ <u>-</u>	\$ <u>-</u>

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

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7 pool. The City's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2019, the City's fair value of its investment in Florida PRIME was \$ 7,847.

At September 30, 2019, the City had invested in a certificate of deposit (CD) and a public depository money market account with BankUnited. The CD amount, interest rate, and maturity date are as follows: \$ 787,968 with a fixed interest rate of 1.60% annually and maturing on April 12, 2020. The City's money market account with Bank United, which pays 1.5% annually, had a balance of \$ 2,585,588 at September 30, 2019. Interest rates fluctuate based upon market and economic conditions.

**Note D - Deposits and Investments (continued)**

The City also has public depository money market accounts with the following banks as of September 30, 2019:

	<u>Fair Value</u>	<u>Interest Rate</u>
Centennial Bank	\$ 1,927,829	2.11% annually
Capital Bank	\$ 1,083,905	0.31% annually
Synovus	\$ 530,031	1.50% annually
US Bancorp	\$ 49,414	0.15% annually

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

The City also holds mutual funds with BNY Mellon, which had a balance of \$ 15,822,760 at September 30, 2019. 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 \$ 592,903 at September 30, 2019. Of this amount, \$ 589,991 was invested in mutual funds which have a Morningstar rating range of 1 to 5 stars. In addition, the portfolio contains \$ 2,912 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.

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.

**Note D - Deposits and Investments (continued)**

Investments classified as Level 3 in the fiduciary funds, in the table on page 45 are valued based on significant unobservable outputs based on all information available in the circumstances to the extent observable inputs are not available. The fair value of classified level 3 funds represents the value of unit positions in funds that are not publicly traded on an exchange. The fair value of the funds can be impacted by redemption restrictions imposed by the fund managers.

Fair values of investments held by the City's Governmental Investment Funds are classified at September 30, 2019 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
Mutual funds	\$ 16,412,751	\$ 16,412,751	\$ -	\$ -	-
Total investments measured at fair value	16,412,751	\$ 16,412,751	\$ -	\$ -	\$ -
Investments measured at amortized cost:					
Florida PRIME	7,847				
Money market funds and certificates of deposit	6,967,647				
	\$ 23,388,245				

**Fiduciary Funds**

The City has seven different pension plans included in the fiduciary funds. Of these plans, six are administered by the International City/County Management Association Retirement Corporation (ICMA-RC), and the other is managed by the Florida League of Cities through the Florida Municipal Pension Trust (FMPT). Four of the ICMA-RC plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City's IRS 457 deferred compensation plan, and one is a retirement health savings plan. Employees select from a diverse group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who chose to convert from the 401a plan at that time. This plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board. As of September 30, 2019, the City had the following Fiduciary investments:

Investment Type	Fair Value
U.S. stock funds	\$ 20,866,782
Balanced funds	8,489,218
Bond funds	8,256,781
Money market funds and other deposits	7,324,633
International stock funds	4,229,209
Core real estate funds	2,574,580
Specialty funds	624,786
	\$ 52,365,989

**Note D - Deposits and Investments (continued)**

The table below summarizes the City's Fiduciary Investment Funds scheduled maturities (in years) of the investments held as of September 30, 2019:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Stock funds	\$ 20,866,782	\$ 20,866,782	\$ -	\$ -	\$ -
Balanced funds	8,489,218	-	8,489,218	-	-
Bond funds	8,256,781	-	639,210	7,617,571	-
Money market funds and other deposits	7,324,633	7,324,633	-	-	-
International stock funds	4,229,209	4,229,209	-	-	-
Core real estate funds	2,574,580	2,574,580	-	-	-
Specialty funds	624,786	624,786	-	-	-
Total	\$ 52,365,989	\$ 35,619,990	\$ 9,128,428	\$ 7,617,571	\$ -

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

**Credit risk:** Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, retirement health savings plan, and Roth IRA. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. The fixed income portion is invested in two separate bond funds: the Broad Market High Quality bond fund, with a Fitch rating of AAf/S4 and a weighted average maturity of 6.43 years, and the Core Plus Fixed Income fund (Not rated) with a weighted average maturity of 5.16 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, 2019.

**Foreign currency risk:** The ICMA-RC and FMPT funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds which has a balance of \$ 4,229,209 at September 30, 2019. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

**Note D - Deposits and Investments (continued)**

Fair values of investments held by the City's Fiduciary Investment Funds are classified at September 30, 2019 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
U.S. stock funds	\$ 20,866,782	\$ 8,604,349	\$ 12,262,433	\$ -	\$ -
Balanced funds	8,489,218	8,489,218	-	-	-
Bond funds	8,256,781	639,210	3,822,057	3,795,514	-
Money market funds and other deposits	7,324,633	7,324,633	-	-	-
International stock funds	4,229,209	380,610	3,848,599	-	-
Core real estate funds	2,574,580	-	-	2,574,580	-
Specialty funds	624,786	624,786	-	-	-
Total investments measured at fair value	\$ <u>52,365,989</u>	\$ <u>26,062,806</u>	\$ <u>19,933,089</u>	\$ <u>6,370,094</u>	\$ <u>-</u>

**Note E - Interfund Transactions**

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

Interfund receivables and payables at September 30, 2019 were as follows:

Fund	Receivable	Payable
Major Funds:		
General fund	\$ -	\$ 349,470
Garbage and trash fund	383,542	-
Public safety fund	41,439	-
Bond construction fund	-	58,576
Nonmajor Funds:		
Tennis center fund	-	16,935
Total	\$ <u>424,981</u>	\$ <u>424,981</u>

**Note E - Interfund Transactions (continued)**

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Major Funds:		
General fund	\$ 1,923,618	\$ 160,206
Garbage and trash fund	-	65,000
Bond construction fund	-	1,788,145
	<u>1,923,618</u>	<u>2,013,351</u>
Total major funds		
Nonmajor Funds:		
Tennis center fund	136,206	-
Stormwater fund	-	60,000
Special purpose fund	24,000	10,473
	<u>160,206</u>	<u>70,473</u>
Total nonmajor funds		
Total	\$ <u>2,083,824</u>	\$ <u>2,083,824</u>

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

In FY 2019, the General Fund transferred \$ 160,206 to other funds including, \$ 136,206 for the Tennis Center budgeted subsidy for facility operations, and \$ 24,000 to the Special Purpose Fund for the City's Keeper Day and Lighthouse A'Glow celebrations. Additionally, the General fund received a total of \$ 1,923,618 for reimbursement from the Bond Construction Fund for \$ 1,788,145 of land purchased during the previous fiscal year, \$ 10,473 from the Special Purpose Fund for reimbursement of capital outlay expenditures, and an allocation of administrative expenses from other funds in the amount of \$ 65,000 from the Garbage and Trash Fund and \$ 60,000 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 Tennis Center Fund is budgeted and accounts for the operation of the City's recreational facility at Frank McDonough Park. The Public Safety Fund is appropriated as needed and accounts for Federal forfeitures, State forfeitures and other fine revenues restricted by law. The Infrastructure Fund is also appropriated as needed and accounts for capital improvement projects that are funded with transfers from the General Fund or occasionally grant dollars. The Stormwater Fund provides for funding of stormwater management projects, is budgeted, and is funded by a special assessment to benefiting properties.

**Note F - Special Revenue Funds (continued)**

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

As of September 30, 2019, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

Recreational support:		
Sponsor fees for recreation programs	\$	15,393
Keeper Days for annual City anniversary		13,805
LHP A'Glow for annual holiday celebration		<u>1,444</u>
Total		<u>30,642</u>
Environmental:		
Waterway cleanup and protection		364,373
Beautification improvements in the City		<u>14,067</u>
Total		<u>378,440</u>
Cultural support:		
Library		56,394
Cultural arts committee		6,673
Senior outreach		1,607
Historical committee		<u>127</u>
Total		<u>64,801</u>
Bond fund		<u>-</u>
Capital projects fund		<u>1,271</u>
Total special purpose fund	\$	<u><u>475,154</u></u>



**City of Lighthouse Point, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2019**

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**Note G - Capital Assets**

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

	Balance October 1, 2018	Additions	Retirements	Balance September 30, 2019
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,826,588	\$ -	\$ -	\$ 8,826,588
Construction in progress	-	142,400	-	142,400
Total capital assets, not being depreciated	<u>8,826,588</u>	<u>142,400</u>	<u>-</u>	<u>8,968,988</u>
Capital assets, being depreciated				
Buildings and land improvements	10,932,160	52,962	2,113	10,983,009
Equipment and fixtures	2,997,036	81,208	34,423	3,043,821
Infrastructure	7,841,030	89,387	-	7,930,417
Vehicles	<u>2,578,457</u>	<u>182,990</u>	<u>86,141</u>	<u>2,675,306</u>
Total capital assets being depreciated	<u>24,348,683</u>	<u>406,547</u>	<u>122,677</u>	<u>24,632,553</u>
Less accumulated depreciation for:				
Buildings and land improvements	4,872,113	237,893	2,113	5,107,893
Equipment and fixtures	2,029,259	240,110	34,423	2,234,946
Infrastructure	1,295,684	157,565	-	1,453,249
Vehicles	<u>1,499,102</u>	<u>231,221</u>	<u>86,141</u>	<u>1,644,182</u>
Total accumulated depreciation	<u>9,696,158</u>	<u>866,789</u>	<u>122,677</u>	<u>10,440,270</u>
Total capital assets, being depreciated, net	<u>14,652,525</u>	<u>(460,242)</u>	<u>-</u>	<u>14,192,283</u>
Governmental activities, capital assets, net	<u>\$ 23,479,113</u>	<u>\$ (317,842)</u>	<u>\$ -</u>	<u>\$ 23,161,271</u>

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

Governmental activities:	
General government	\$ 58,102
Public safety	475,905
Physical environment	191,107
Culture and recreation	<u>141,675</u>
Total depreciation expense - governmental activities	<u>\$ 866,789</u>

## 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, 2019:

	Balance October 1, 2018	Additions	Deletions	Balance September 30, 2019	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ -	\$ 16,500,000	\$ -	\$ 16,500,000	\$ 110,000
Premium on general obligation bonds	-	1,219,631	-	1,219,631	-
Total bonds payable	-	17,719,631	-	17,719,631	110,000
Notes and capital leases payable:					
Note payable *	1,561,043	-	378,807	1,182,236	386,257
Capital leases	674,805	216,000	242,539	648,266	213,319
Total notes and capital leases payable	2,235,848	216,000	621,346	1,830,502	599,576
Total bonds, notes and capital leases payable	\$ 2,235,848	\$ 17,935,631	\$ 621,346	\$ 19,550,133	\$ 709,576
Other liabilities:					
Compensated absences payable	\$ 1,494,939	\$ 57,675	\$ 35,950	\$ 1,516,664	\$ 122,299
Net pension liability	3,338,265	3,392,431	-	6,730,696	-
Net OPEB liability	282,281	243,258	-	525,539	-
Total long-term liabilities	\$ 5,115,485	\$ 3,693,364	\$ 35,950	\$ 8,772,899	\$ 122,299

\* Amount represents direct borrowings and private placements.

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

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

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

**Note H - Long-Term Liabilities (continued)**

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 110,000	\$ 855,714	\$ 965,714
2021	305,000	659,850	964,850
2022	320,000	644,600	964,600
2023	335,000	628,600	963,600
2024	355,000	611,850	966,850
2025-2029	2,050,000	2,775,500	4,825,500
2030-2034	2,580,000	2,440,062	5,020,062
2035-2039	3,095,000	1,737,163	4,832,163
2040-2044	3,755,000	1,092,588	4,847,588
2045-2048	3,595,000	296,725	3,891,725
	<u>\$ 16,500,000</u>	<u>\$ 11,742,652</u>	<u>\$ 28,242,652</u>

**Note Payable:** The City's Series 2002 General Obligation Bonds were refunded during FY 2011-2012 and covered in detail by previous year's report. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022. The outstanding principal balance as of September 30, 2019 is \$ 1,182,236. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2018-19 was 0.1730.

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

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 386,257	\$ 21,461	\$ 407,718
2021	393,958	13,761	407,719
2022	402,021	5,962	407,983
	<u>\$ 1,182,236</u>	<u>\$ 41,184</u>	<u>\$ 1,223,420</u>

**Capital leases:** As of September 30, 2019, the City had obligations under six separate lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Annual debt service payments are funded by General Fund revenues. The carrying value of these assets is approximately \$ 826,000.

Series 2014: lease purchase in the amount of \$ 470,192 funded the replacement of the frontline fire engine.

**Note H - Long-Term Liabilities (continued)**

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

Series 2016: lease purchase in the amount of \$ 98,000 funded the acquisition of vehicles for recreation, police administration and public works.

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

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

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

The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2019:

<u>Year Ending September 30,</u>	<u>Series 2014</u>	<u>Series 2015</u>	<u>Series 2016</u>	<u>Series 2017</u>	<u>Series 2018</u>	<u>Series 2019</u>	<u>Total</u>
2020	\$ 20,750	\$ 26,423	\$ 19,038	\$ 88,431	\$ 26,133	\$ 45,868	\$ 226,643
2021	-	13,196	-	88,431	26,133	45,868	173,628
2022	-	-	-	88,431	26,133	45,868	160,432
2023	-	-	-	-	26,133	45,868	72,001
2024	-	-	-	-	-	45,858	45,858
Total minimum lease payments	20,750	39,619	19,038	265,293	104,532	229,330	678,562
Less: amount representing interest	<u>103</u>	<u>981</u>	<u>157</u>	<u>8,422</u>	<u>7,303</u>	<u>13,330</u>	<u>30,296</u>
Present value of future minimum lease payments	<u>\$ 20,647</u>	<u>\$ 38,638</u>	<u>\$ 18,881</u>	<u>\$ 256,871</u>	<u>\$ 97,229</u>	<u>\$ 216,000</u>	<u>\$ 648,266</u>

**Note I - Receivables and Payables**

Receivables at September 30, 2019 were as follows:

	<u>Accounts</u>	<u>Inter- governmental</u>	<u>Total</u>
Governmental activities:			
General fund	\$ 444,608	\$ 635,983	\$ 1,080,591
Garbage and trash fund	-	175	175
Public safety fund	-	105	105
Tennis center fund	7,327	-	7,327
Stormwater fund	-	18	18
	<u>\$ 451,935</u>	<u>\$ 636,281</u>	<u>\$ 1,088,216</u>

**Note I - Receivables and Payables (continued)**

Payables at September 30, 2019 were as follows:

	<u>Total</u>
Governmental activities:	
General fund	\$ 251,457
Garbage and trash fund	171,956
Bond construction fund	83,824
Tennis center fund	10,083
Stormwater fund	2,201
Special purpose fund	<u>1,586</u>
Total governmental activities	<u>\$ 521,107</u>

All amounts at September 30, 2019 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 91-94. The City acts as a trustee for these plan resources, however, there are no separately audited financial statements of these plans.

During the year ended September 30, 2019, the City began offering pension benefits through the Florida Retirement System ("FRS") plan to its public safety employees. The FRS plan is intended to replace the current Police and Fire Defined Benefit Plan offered through the FL League of Cities. The City is a sponsor of the FRS plan, not a trustee, and, accordingly, there is no fiduciary fund on the City's records. All provisions in relation to the City's portion of FRS are recorded in the government wide statements on pages 21-22. 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](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Basis of Accounting**

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

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

**Note J - Pension Plans (continued)**

**Municipal Employees' Retirement Fund - Defined Contribution**

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later in this section. For the year 2019, the City made biweekly contributions to the defined contribution plan equal to 13% for general employees and 14% for fire, police and management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the defined contribution plan: 3% of base salary for general employees, 8% of base salary for fire employees, and 6% of base salary for all other police and management employees.

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

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

Contributions made by the City for the fiscal year ended September 30, 2019 are as follows:

Employee Classification	Covered Payroll	Required Contribution Amount			Percentage of Contributions to Total Covered Payroll
		City	Employee	Total	
General	\$ 1,647,670	\$ 213,972	\$ 49,430	\$ 263,402	15.99%
Fire *	-	-	-	-	0.00%
Police	80,241	11,234	4,814	16,048	20.00%
Management	988,918	138,449	59,335	197,784	20.00%
Total	\$ 2,716,829	\$ 363,655	\$ 113,579	\$ 477,234	17.57%

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

Plan membership at September 30, 2019 consisted of the following:

	General	Fire	Police	Management
Retirees and beneficiaries currently receiving benefits	6	7	3	8
Terminated members entitled to but not yet receiving benefits	7	-	-	1
Current employees:				
Fully vested	18	6	7	7
Partially vested	10	-	-	3
Nonvested	4	-	-	-
Total current employees	32	6	7	10
Total membership	45	13	10	19

**Note J - Pension Plans (continued)**

Investment summaries at September 30, 2019, are as follows:

Investment Type	General Employees	Firefighters	Police Officers	Management Employees
Money Market Funds	24%	21%	46%	46%
Balanced Funds	69%	10%	18%	26%
U.S. Stock Funds	5%	56%	33%	22%
Bond Funds	2%	1%	1%	4%
International Stock Funds	0%	2%	2%	1%
Specialty Funds	0%	10%	0%	1%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Fair Value of Investments	\$ <u>4,513,452</u>	\$ <u>4,343,154</u>	\$ <u>2,217,871</u>	\$ <u>4,730,285</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, 2019, participant loans outstanding amounted to \$ 343,900.

**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 is 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 is frozen due to public safety employees transitioning to the Florida Retirement System Plan. All investments, totaling \$ 26,542,062 at September 30, 2019, are managed by the Florida League of Cities, Inc. through the Florida Municipal Pension Trust. The plan has no past service costs because any employees who opt to purchase past service credits were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in FY 2009. As of September 30, 2019, the membership in the plan consists of 48 active participants, eight former employees who are either vested or entitled to a refund of employee contributions, and 19 retirees/beneficiaries receiving a benefit.

**Net Pension (Asset) Liability:**

The City's Police and Fire Defined Benefit Plan net pension (asset) liability as measured as of September 30, 2019 and the total pension liability (asset) used to calculate the net pension (asset) liability was determined by an actuarial valuation as of October 1, 2018.

*Actuarial assumptions.* The total net pension (asset) liability in the October 1, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**Note J - Pension Plans (continued)**

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

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

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

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

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

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

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

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

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

*Rate of Return* – For the year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 5.40%. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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



**Note J - Pension Plans (continued)**

Changes in the Net Pension (Asset) Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances, beginning	\$ 29,842,619	\$ (26,504,354)	\$ 3,338,265
Changes for the year:			
Service cost	11,959	-	11,959
Expected interest growth	2,051,009	(1,808,579)	242,430
Unexpected investment income	-	412,891	412,891
Demographic experience	(636,834)	-	(636,834)
Contributions - employer	-	-	-
Contributions - member	-	(111,254)	(111,254)
Benefit payments, including refunds of member contributions	(1,404,551)	1,404,551	-
Administrative expense	-	64,683	64,683
Changes in benefit terms	(5,154,431)	-	(5,154,431)
Net changes	(5,132,848)	(37,708)	(5,170,556)
Balances, ending	\$ 24,709,771	\$ (26,542,062)	\$ (1,832,291)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 28,336,723	\$ 24,709,771	\$ 21,833,312
Less: fiduciary net position	(26,542,062)	(26,542,062)	(26,542,062)
Net pension (asset) liability	\$ 1,794,661	\$ (1,832,291)	\$ (4,708,750)

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

For the year ended September 30, 2019 the City recognized pension income of \$ 3,679,986. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Police and Fire Defined Benefit Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual investment gain/loss	\$ -	\$ 288,227
Change of assumptions	2,763,627	-
Demographic gain/loss	1,387,784	-
Total	\$ 4,151,411	\$ 288,227

**Note J - Pension Plans (continued)**

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

<u>Year ended September 30:</u>	<u>Amount</u>
2020	\$ 954,234
2021	\$ 1,336,118
2022	\$ 1,477,354
2023	\$ 325,127
2024	\$ (81,437)
Thereafter	\$ (148,212)

**Deferred Compensation Plan**

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

**Retirement Health Savings Plan**

As a voluntary supplement to the employees' required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$ 608,291 at September 30, 2019 and is invested by ICMA-RC per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations. Should funds not be expended, they revert back to the City plan, however the City's policy is to distribute any remaining proceeds upon death of a participant to their beneficiaries as they have provided in writing. Based upon employee group commitments, the plan currently includes Fire Captains, Police Department non-union employees, Administrative Secretaries, the Chief Clerk of the Police Department, Fire Driver-Engineers, and Fire Rescue Supervisors.

## Note J - Pension Plans (continued)

### Roth IRA

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

### Florida Retirement System

#### General Information:

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

#### Pension Plan:

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

*Benefits Provided* - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of creditable service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary.

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

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

**Note J - Pension Plans (continued)**

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

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

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

*Contributions* - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular - 8.26% and 8.47%; Special Risk Administrative Support - 34.98% and 38.59%; Special Risk - 24.50% and 25.48%; Senior Management Service - 24.06% and 25.41%; Elected Officers' - 48.70% and 48.82%; and DROP participants - 14.03% and 14.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2018 through September 30, 2019.

**HIS Plan:**

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

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

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

**Note J - Pension Plans (continued)**

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

At September 30, 2019, the City reported liabilities of \$ 5,919,313 for its proportionate share of the Pension Plan's net pension liability and \$ 811,383 for the HIS Plan's net pension liability for a total pension liability of \$ 6,730,696. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. At June 30, 2019, the City's proportionate share was .017188014 percent for the Pension Plan and .007251617 percent for the HIS Plan.

For the year ended September 30, 2019, the City recognized pension expense of \$ 1,990,244 for the Pension Plan and \$ 166,731 for the HIS Plan for a total pension expense of \$ 2,156,975. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 347,419	\$ 8,861	\$ 356,280
Changes of assumptions	1,520,334	27,635	1,547,969
Net difference between projected and actual earnings on pension plan investments	-	524	524
Changes in proportion and differences between City contributions and proportionate share of contributions	2,921,756	647,900	3,569,656
City contributions subsequent to the measurement date	248,926	17,812	266,738
	<u>\$ 5,038,435</u>	<u>\$ 702,732</u>	<u>\$ 5,741,167</u>
Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Net difference between projected and actual earnings on pension plan investments	\$ 327,487	\$ -	\$ 327,487
	<u>\$ 327,487</u>	<u>\$ -</u>	<u>\$ 327,487</u>

**Note J - Pension Plans (continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2020. 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
2020	\$ 1,099,658	\$ 120,276	\$ 1,219,934
2021	709,576	117,126	826,702
2022	948,202	111,412	1,059,614
2023	848,194	99,481	947,675
2024	620,273	105,412	725,685
Thereafter	236,119	131,213	367,332
	<u>\$ 4,462,022</u>	<u>\$ 684,920</u>	<u>\$ 5,146,942</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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	Pension Plan	HIS Plan
Inflation	2.60%	2.60%
Salary increases	3.25% average, including inflation	3.25% average, including inflation
Investment rate of return	6.90%, 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	Generational RP-2000 with Projection Scale BB tables

Long-term Expected Rate of Return:

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

**Note J - Pension Plans (continued)**

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Rel estate	10.0%	6.7%	6.1%	11.7%
Private equity	11.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
	<u>100.0%</u>			
Assumed inflation - Mean			2.6%	1.7%

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

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.90% 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 3.50% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.50% 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, 2019.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability for Pension Plan	\$ <u>10,232,521</u>	\$ <u>5,919,313</u>	\$ <u>2,317,055</u>

**Note J - Pension Plans (continued)**

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
City's proportionate share of the net pension liability for HIS Plan	\$ <u>926,236</u>	\$ <u>811,383</u>	\$ <u>715,724</u>

**Investment Plan:**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2018-2019 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.



## Note J - Pension Plans (continued)

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

The City's pension expense for the Investment Plan totaled \$ 39,808 for the fiscal year ended September 30, 2019.

### Aggregate Amounts For All Plans

	Police and Fire Defined Benefit Plan	Florida Retirement System		
		Pension Plan	HIS Plan	Total
Net pension asset	\$ 1,832,291	\$ -	\$ -	\$ 1,832,291
Net pension liability	\$ -	\$ 5,919,313	\$ 811,383	\$ 6,730,696
Deferred outflows of resources	\$ 4,151,411	\$ 5,038,435	\$ 702,732	\$ 9,892,578
Deferred inflows of resources	\$ 288,227	\$ 327,487	\$ -	\$ 615,714
Pension expense (income)	\$ (3,679,986)	\$ 1,990,244	\$ 166,731	\$ (1,523,011)

## 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, 2019, the City did not have any financial assistance that met the "single audit" threshold.

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

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

**Plan Description and Funding Policy:** The City's only post-retirement benefit is offering 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, 2018 and reflects the most current estimate of the other post-employment benefit obligation liability. As of September 30, 2019, the net obligation was \$ 525,539. Consequently, the Statement of Net Position reflects this amount.

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

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	78
Total plan members	84

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

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

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

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

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

The total OPEB liability at September 30, 2019 was based on an actuarial valuation dated October 1, 2018 with a measurement date of September 30, 2019, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal.
Discount Rate	3.58% per annum.
Salary Increases	3.00% per annum.
Cost-of-living Increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare Cost Trend Rates	Increases in healthcare costs are assumed to be 7.50% for the 2018/19 fiscal year graded down by 0.50% per year to 5.00% for the 2023/2024 and later fiscal years.
Age-related Morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Implied Subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, implied monthly subsidies of \$ 325 for the high-deductible plan and \$ 600 for the POS plan have been assumed at age 62 for the 2018/19 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.
Mortality Basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017.
Retirement Age	For police officers and firefighters, retirement is assumed to occur at age 60 with eight years of service, at age 55 with 10 years of service, or at age 50 with 25 years of service; for general employees, retirement is assumed to occur at age 62 with eight years of service or at age 55 with 10 years of service.
Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for police officers and firefighters).

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

Coverage Election	25% of eligible employees who are not entitled to an explicit subsidy and 100% of eligible employees who are entitled to an explicit subsidy are assumed to elect medical coverage upon retirement or disability for life in accordance with their current health plan and coverage election; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Since the prior measurement date (September 30, 2018), the discount rate was decreased from 3.64% per annum to 3.58% per annum, the monthly implied subsidy for the 2018/19 fiscal year for the high-deductible plan was decreased from \$ 378.00 to \$ 325.00, the monthly subsidy for the 2018/19 fiscal year for the POS plan was decreased from \$ 648.00 to \$ 600.00, and the mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scale BB to the PUB-2010 Mortality Table with generational improvements using Scale MP-2017.

**Discount Rate:** The discount rate used to measure the total OPEB liability at September 30, 2019 was 3.58%. 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, 2019, are as follows:

Total OPEB liability	\$	525,539
OPEB Plan fiduciary net position		<u>-</u>
City's net OPEB liability	\$	<u><u>525,539</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability		<u><u>0%</u></u>
Total OPEB liability:		
Service cost	\$	37,544
Interest on total OPEB liability		10,932
Demographic experience		269,804
Assumption changes		(45,822)
Benefit payments		<u>(29,200)</u>
Net change in total OPEB liability		243,258
Total OPEB liability, beginning		<u>282,281</u>
Total OPEB liability, ending	\$	<u><u>525,539</u></u>

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following table presents the total OPEB liability, calculated using the discount rate of 3.58%, 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 (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ <u>588,437</u>	\$ <u>525,539</u>	\$ <u>472,326</u>

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

	1% Trend Decrease 6.50% Decreasing to 4.00%	Trend Rate Assumption 7.50% Decreasing to 5.00%	1% Trend Increase 8.50% Decreasing to 6.00%
Total OPEB liability	\$ <u>458,429</u>	\$ <u>525,539</u>	\$ <u>606,798</u>

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB:** For the year ended September 30, 2019, the City recognized OPEB expense of \$ 46,295. At September 30, 2019, 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	\$ 237,258	\$ -
Assumption changes	-	40,295
Total	\$ <u>237,258</u>	\$ <u>40,295</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,	Deferred Outflows of Resources
2020	\$ 27,019
2021	\$ 27,019
2022	\$ 27,019
2023	\$ 27,019
2024	\$ 27,019
Thereafter	\$ 61,868

**Note M - Individual Fund Disclosures**

At September 30, 2019, the Tennis Center Fund has a deficit fund balance of \$ 27,680. The City expects to reduce this deficit through transfers from the General Fund in Fiscal Year 2019-2020.

**Note N - Subsequent Events**

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing significant declines and creating economic uncertainties. At this time, it is unknown how this negative outlook will impact the City's financial statements. No adjustments have been made to the accompanying financial statements as a result of the current events.

## REQUIRED SUPPLEMENTARY INFORMATION





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

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

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

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

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	<u><b>2019</b></u>
City of Lighthouse Point, Florida's proportion of the net pension liability	0.007251617%
City of Lighthouse Point, Florida's proportionate share of the net pension liability	\$ 811,383
City of Lighthouse Point, Florida's covered payroll	\$ 2,425,248
City of Lighthouse Point, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	33.46%
Plan fiduciary net position as a percentage of total pension liability	2.63%

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

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

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

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

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

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

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

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

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ -	\$ 1,372,607	\$ 991,535	\$ 815,761	\$ 776,750	\$ 812,593	\$ 1,194,863	\$ 791,670	\$ 761,846	\$ 624,251
Actual contribution	<u>-</u>	<u>957,596</u>	<u>991,535</u>	<u>815,761</u>	<u>776,750</u>	<u>812,593</u>	<u>1,194,863</u>	<u>791,670</u>	<u>761,846</u>	<u>624,251</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 415,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 222,581	\$ 3,261,638	\$ 3,261,638	\$ 3,011,289	\$ 3,043,337	\$ 3,125,632	\$ 3,108,447	N/A	\$ 2,718,225	\$ 2,572,144
Contributions as a percentage of covered payroll	0.00%	29.36%	30.40%	27.09%	25.52%	26.00%	38.44%	N/A	28.03%	24.27%

Covered payroll for the 2012 year is not available.

**Valuation date: October 1, 2017**

**Methods and assumptions used to determine contribution rates:**

Discount rate	7.00% per annum (2.92% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
Salary increases	7.00% per annum for employees less than age 35, 6.00% per annum for employees age 35 to age 45 5.00% per annum for employees age 45 to age 55, and 4.00% per annum for employees at least age 55
Cost-of-living increases	3.00% as of each October 1 at least five years after retirement
Mortality basis	Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB
Retirement age	4.30% at ages 50 and 54, 4.20% at age 52, 4.40% at age 55, 4.50% at age 56, 4.70% at age 57, or 100% at normal retirement age.
Other decrements	Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55. Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.
Future contributions	Contributions from the employer and employees are assumed to be made as legally required.
Changes	Since the prior measurement date, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

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

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	<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	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)**

<b>Fiscal Year:</b>	<b>2019</b>	<b>2018</b>
<b>Measurement Date:</b>	<b>9/30/2019</b>	<b>9/30/2018</b>
<b>Total OPEB liability</b>		
Service cost	\$ 37,544	\$ 29,429
Interest on total OPEB liability	10,932	10,007
Demographic experience	269,804	-
Assumption changes	(45,822)	-
Benefits payments	(29,200)	(5,255)
<b>Net change in total OPEB liability</b>	<b>243,258</b>	<b>34,181</b>
<b>Total OPEB liability - beginning</b>	<b>282,281</b>	<b>248,100</b>
<b>Total OPEB liability - ending</b>	<b>\$ 525,539</b>	<b>\$ 282,281</b>
<b>Covered payroll</b>	<b>\$ 5,845,659</b>	<b>\$ 4,992,342</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>8.99%</b>	<b>5.65%</b>

**Notes to Schedule:**

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

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



## OTHER SUPPLEMENTARY INFORMATION



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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
<b>Revenues:</b>				
Ad valorem taxes:				
Current	\$ 8,220,000	\$ 8,123,195	\$ 8,123,195	\$ -
Delinquent	-	188,419	187,865	(554)
	<u>8,220,000</u>	<u>8,311,614</u>	<u>8,311,060</u>	<u>(554)</u>
Franchise taxes:				
Electricity	860,000	860,000	842,952	(17,048)
Solid waste	50,000	50,000	56,367	6,367
	<u>910,000</u>	<u>910,000</u>	<u>899,319</u>	<u>(10,681)</u>
Utility service taxes:				
Electricity	1,205,000	1,205,000	1,203,279	(1,721)
Water	537,500	637,500	596,913	(40,587)
Gas	1,500	1,500	280	(1,220)
Propane	54,445	54,445	47,609	(6,836)
Communications services	675,000	675,000	648,480	(26,520)
	<u>2,473,445</u>	<u>2,573,445</u>	<u>2,496,561</u>	<u>(76,884)</u>
Licenses and permits:				
Business license tax	74,000	74,000	-	(74,000)
Building permits	400,000	330,000	325,282	(4,718)
Plumbing permits	80,000	80,000	80,927	927
Electrical permits	135,000	105,000	100,606	(4,394)
Other	341,800	373,400	466,673	93,273
	<u>1,030,800</u>	<u>962,400</u>	<u>973,488</u>	<u>11,088</u>
Intergovernmental revenues:				
State revenue sharing	320,901	320,901	325,133	4,232
Other state revenue sharing	54,600	54,600	54,311	(289)
Alcoholic beverage license	7,500	7,500	8,785	1,285
Gasoline tax	193,000	193,000	192,861	(139)
Half cent sales tax	741,555	741,555	720,617	(20,938)
Firefighters supplemental	14,453	14,453	12,020	(2,433)
Motor fuel rebate	4,300	4,300	5,227	927
County occupational license	11,000	11,000	11,638	638
Federal grants	30,000	229,055	255,175	26,120
State grants	1,800	17,269	15,469	(1,800)
Local grants	65,000	65,000	83,228	18,228
	<u>1,444,109</u>	<u>1,658,633</u>	<u>1,684,464</u>	<u>25,831</u>

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**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
<b>Revenues (continued)</b>				<b>Budget</b>
Charges for services:				
Lien search fees	37,000	37,000	32,550	(4,450)
Zoning fees	17,500	17,500	17,950	450
Merchandise sales	-	-	1	1
Certification, copying, research	500	500	1,026	526
City commission appeals	125	125	300	175
Other fees - city clerk	1,000	1,000	300	(700)
Accident reports	800	800	2,171	1,371
Fingerprinting fees	5,000	5,000	5,670	670
Alarm fees	9,000	9,000	5,625	(3,375)
Special detail fees	30,000	30,000	29,253	(747)
Fire inspection fees	25,000	25,000	26,110	1,110
Construction inspection fees	2,250	2,250	2,517	267
Other fees - fire	750	750	845	95
Ambulance fees	250,000	295,000	295,734	734
Library fees	1,400	1,400	1,317	(83)
Photostat and other fees	1,500	1,500	2,205	705
Registration - recreation	34,000	34,000	39,950	5,950
Summer recreation fees	56,000	56,000	56,750	750
Other fees - city administration	-	13,740	13,742	2
Other recreation fees	7,500	7,500	4,263	(3,237)
	<u>479,325</u>	<u>538,065</u>	<u>538,279</u>	<u>214</u>
Non ad valorem assessments:				
Special assessments - fire	<u>915,000</u>	<u>915,000</u>	<u>925,903</u>	<u>10,903</u>
	<u>915,000</u>	<u>915,000</u>	<u>925,903</u>	<u>10,903</u>
Fines and forfeitures:				
Court fines	10,000	10,000	8,858	(1,142)
Library fines	750	750	380	(370)
Parking citations	1,500	1,500	1,925	425
Code enforcement fines	<u>80,000</u>	<u>137,910</u>	<u>137,910</u>	<u>-</u>
	<u>92,250</u>	<u>150,160</u>	<u>149,073</u>	<u>(1,087)</u>
Miscellaneous income:				
Interest income	61,500	61,500	76,899	15,399
Other	<u>75,000</u>	<u>75,000</u>	<u>108,521</u>	<u>33,521</u>
	<u>136,500</u>	<u>136,500</u>	<u>185,420</u>	<u>48,920</u>
Allocation of fund balance	<u>83,694</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>15,785,123</u>	<u>16,155,817</u>	<u>16,163,567</u>	<u>7,750</u>

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**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget</b>
<b>Expenditures:</b>				
General government:				
Legislative - commission				
Personal services	45,655	45,655	45,419	236
Operating expenditures	64,017	64,017	66,508	(2,491)
Capital outlay	-	4,375	4,375	-
Grants and aids	10,593	10,593	11,195	(602)
	<u>120,265</u>	<u>124,640</u>	<u>127,497</u>	<u>(2,857)</u>
Executive - Mayor:				
Personal services	30,740	30,740	29,737	1,003
Operating expenditures	16,902	7,852	7,172	680
Capital outlay	-	-	-	-
	<u>47,642</u>	<u>38,592</u>	<u>36,909</u>	<u>1,683</u>
Administration/finance:				
Personal services	659,556	659,556	658,275	1,281
Operating expenditures	164,629	137,754	138,541	(787)
Capital outlay	40,500	40,500	37,377	3,123
	<u>864,685</u>	<u>837,810</u>	<u>834,193</u>	<u>3,617</u>
City attorney:				
Operating expenditures	<u>159,480</u>	<u>268,818</u>	<u>280,771</u>	<u>(11,953)</u>
Support services:				
Personal services	66,049	66,049	63,241	2,808
Operating expenditures	523,400	509,554	521,318	(11,764)
Capital outlay	50,000	20,286	17,590	2,696
	<u>639,449</u>	<u>595,889</u>	<u>602,149</u>	<u>(6,260)</u>
Total general government	<u>1,831,521</u>	<u>1,865,749</u>	<u>1,881,519</u>	<u>(15,770)</u>
Public safety:				
Police department:				
Personal services	5,532,762	5,244,120	5,193,898	50,222
Operating expenditures	279,474	302,376	301,356	1,020
Capital outlay	148,749	109,245	105,663	3,582
	<u>5,960,985</u>	<u>5,655,741</u>	<u>5,600,917</u>	<u>54,824</u>

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**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
Public safety (continued)				
Fire department:				
Personal services	3,895,870	3,838,062	3,886,710	(48,648)
Operating expenditures	217,505	243,189	266,427	(23,238)
Capital outlay	54,500	54,500	39,003	15,497
	<u>4,167,875</u>	<u>4,135,751</u>	<u>4,192,140</u>	<u>(56,389)</u>
Building department:				
Personal services	239,494	239,494	239,685	(191)
Operating expenditures	583,135	533,910	560,821	(26,911)
Capital outlay	7,500	-	-	-
	<u>830,129</u>	<u>773,404</u>	<u>800,506</u>	<u>(27,102)</u>
Code enforcement:				
Personal services	291,876	276,844	277,062	(218)
Operating expenditures	22,665	27,622	29,570	(1,948)
Capital outlay	-	3,080	3,080	-
	<u>314,541</u>	<u>307,546</u>	<u>309,712</u>	<u>(2,166)</u>
Total public safety	<u>11,273,530</u>	<u>10,872,442</u>	<u>10,903,275</u>	<u>(30,833)</u>
Physical environment:				
Public works:				
Personal services	1,038,149	1,036,370	1,042,563	(6,193)
Operating expenditures	475,750	463,750	474,861	(11,111)
Capital outlay	99,000	50,823	10,824	39,999
Total physical environment	<u>1,612,899</u>	<u>1,550,943</u>	<u>1,528,248</u>	<u>22,695</u>
Transportation:				
Community bus:				
Personal services	36,899	40,240	40,457	(217)
Operating expenditures	10,730	10,730	9,966	764
Total transportation	<u>47,629</u>	<u>50,970</u>	<u>50,423</u>	<u>547</u>

continued on next page

**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget</b>
Culture/recreation:				
Library:				
Personal services	333,811	313,040	313,841	(801)
Operating expenditures	36,265	44,673	86,348	(41,675)
Capital outlay	52,600	45,000	-	45,000
	<u>422,676</u>	<u>402,713</u>	<u>400,189</u>	<u>2,524</u>
Recreation department:				
Personal services	288,570	288,570	285,545	3,025
Operating expenditures	194,870	210,843	236,577	(25,734)
Capital outlay	61,000	62,320	41,552	20,768
	<u>544,440</u>	<u>561,733</u>	<u>563,674</u>	<u>(1,941)</u>
Total culture/recreation	<u>967,116</u>	<u>964,446</u>	<u>963,863</u>	<u>583</u>
Debt service:				
Principal	267,717	242,538	242,539	(1)
Interest	16,274	13,693	13,690	3
Other debt service	1,000	-	-	-
Total debt service	<u>284,991</u>	<u>256,231</u>	<u>256,229</u>	<u>2</u>
Total expenditures	<u>16,017,686</u>	<u>15,560,781</u>	<u>15,583,557</u>	<u>(22,776)</u>
Excess of revenues over expenditures	<u>(232,563)</u>	<u>595,036</u>	<u>580,010</u>	<u>(15,026)</u>
<b>Other financing sources (uses):</b>				
Transfers in	125,000	1,913,145	1,923,618	10,473
Transfers out	(160,206)	(160,206)	(160,206)	-
Capital lease issuance	267,769	216,000	216,000	-
Total other financing sources (uses)	<u>232,563</u>	<u>1,968,939</u>	<u>1,979,412</u>	<u>10,473</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,563,975</u>	2,559,422	<u>\$ (4,553)</u>
Fund Balance, Beginning of Year			<u>3,845,711</u>	
Fund Balance, End of Year			<u>\$ 6,405,133</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, 2019**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Charges for services:			
Membership fees	\$ 60,000	\$ 62,673	\$ 2,673
Daily use fees	17,000	18,325	1,325
Revenue sharing	25,000	24,996	(4)
Summer camp fees	3,000	-	(3,000)
	<u>105,000</u>	<u>105,994</u>	<u>994</u>
Miscellaneous:			
Other	<u>1,000</u>	<u>1,000</u>	<u>-</u>
	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total revenues	<u>106,000</u>	<u>106,994</u>	<u>994</u>
<b>Expenditures:</b>			
Culture/recreation:			
Personal services	197,286	193,200	4,086
Operating expenditures	<u>44,920</u>	<u>58,174</u>	<u>(13,254)</u>
Total expenditures	<u>242,206</u>	<u>251,374</u>	<u>(9,168)</u>
Excess (deficiency) of revenues over expenditures	(136,206)	(144,380)	(8,174)
<b>Other Financing Sources:</b>			
Transfers in	<u>136,206</u>	<u>136,206</u>	<u>-</u>
Total other financing sources	<u>136,206</u>	<u>136,206</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	(8,174)	\$ <u>(8,174)</u>
<b>Fund Balance (Deficit), Beginning of Year</b>		<u>(19,506)</u>	
<b>Fund Balance (Deficit), End of Year</b>		\$ <u>(27,680)</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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
<b>Revenues:</b>				
Non ad valorem assessments:				
Stormwater fees	\$ 268,000	\$ 271,400	\$ 271,442	\$ 42
	268,000	271,400	271,442	42
Miscellaneous:				
Contributions	-	225,000	225,000	-
Interest income	2,000	4,100	4,123	23
	2,000	229,100	229,123	23
Allocation of fund balance	420,500	-	-	-
Total revenues	690,500	500,500	500,565	65
<b>Expenditures:</b>				
Finance/administration:				
Operating expenditures	8,500	8,500	4,011	4,489
	8,500	8,500	4,011	4,489
Physical environment:				
Operating expenditures	57,000	221,600	227,346	(5,746)
Capital outlay	565,000	89,386	89,386	-
	622,000	310,986	316,732	(5,746)
Total expenditures	630,500	319,486	320,743	(1,257)
Excess (deficiency) of				
revenues over expenditures	60,000	181,014	179,822	1,322
<b>Other Financing sources (uses):</b>				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing				
sources (uses)	(60,000)	(60,000)	(60,000)	-
Net change in				
fund balance	\$ -	\$ 121,014	119,822	\$ 1,322
<b>Fund Balance, Beginning of Year</b>			295,519	
<b>Fund Balance, End of Year</b>			\$ 415,341	

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

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	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 397,469	\$ 400,725	\$ 3,256
Miscellaneous:			
Interest income	250	1,421	1,171
Allocation of fund balance	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total revenues	<u>407,719</u>	<u>402,146</u>	<u>(5,573)</u>
<b>Expenditures:</b>			
Debt service:			
Principal	378,812	378,807	5
Interest	<u>28,907</u>	<u>28,912</u>	<u>(5)</u>
Total expenditures	<u>407,719</u>	<u>407,719</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>(5,573)</u>	<u>(5,573)</u>
Net change in fund balance	\$ <u>-</u>	(5,573)	\$ <u>(5,573)</u>
<b>Fund Balance, Beginning of Year</b>		<u>14,952</u>	
<b>Fund Balance, End of Year</b>		\$ <u>9,379</u>	

OTHER  
FINANCIAL INFORMATION



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

### **Permanent Fund**

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

### **Debt Service Fund**

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

City of Lighthouse Point, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2019

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
<b>Assets:</b>			
Cash and cash equivalents, and investments	\$ 100	\$ 661,406	\$ 417,524
Accounts receivable	7,327	-	-
Due from other governments	-	-	18
Total assets	\$ <u>7,427</u>	\$ <u>661,406</u>	\$ <u>417,542</u>
<b>Liabilities:</b>			
Accounts payable	\$ 10,083	\$ -	\$ 2,201
Accrued payroll and related taxes	5,089	-	-
Due to other funds	16,935	-	-
Total liabilities	<u>32,107</u>	<u>-</u>	<u>2,201</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - summer camp fees	<u>3,000</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,000</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit):</b>			
Nonspendable	-	-	-
Restricted	-	-	415,341
Committed	-	661,406	-
Unassigned	(27,680)	-	-
Total fund balances (deficit)	<u>(27,680)</u>	<u>661,406</u>	<u>415,341</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>7,427</u>	\$ <u>661,406</u>	\$ <u>417,542</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 476,740	\$ 1,555,770	\$ 592,903	\$ 9,379	\$ 2,158,052
-	7,327	-	-	7,327
-	18	-	-	18
<u>\$ 476,740</u>	<u>\$ 1,563,115</u>	<u>592,903</u>	<u>\$ 9,379</u>	<u>\$ 2,165,397</u>
\$ 1,586	\$ 13,870	\$ -	\$ -	\$ 13,870
-	5,089	-	-	5,089
-	16,935	-	-	16,935
<u>1,586</u>	<u>35,894</u>	<u>-</u>	<u>-</u>	<u>35,894</u>
<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
-	-	500,000	-	500,000
-	415,341	92,903	9,379	517,623
475,154	1,136,560	-	-	1,136,560
-	(27,680)	-	-	(27,680)
<u>475,154</u>	<u>1,524,221</u>	<u>592,903</u>	<u>9,379</u>	<u>2,126,503</u>
<u>\$ 476,740</u>	<u>\$ 1,563,115</u>	<u>\$ 592,903</u>	<u>\$ 9,379</u>	<u>\$ 2,165,397</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, 2019**

	<b>Special Revenue</b>		
	<b>Tennis Center Fund</b>	<b>Infrastructure Fund</b>	<b>Stormwater Fund</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ -	\$ -
Charges for services	105,994	-	-
Non ad valorem assessments	-	-	271,442
Miscellaneous	1,000	180,886	229,123
<b>Total revenues</b>	<b>106,994</b>	<b>180,886</b>	<b>500,565</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	4,011
Physical environment	-	72,066	227,346
Culture/recreation	251,374	-	-
Capital outlay	-	-	89,386
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>251,374</b>	<b>72,066</b>	<b>320,743</b>
Excess (deficiency) of revenues over expenditures	(144,380)	108,820	179,822
<b>Other Financing Sources (Uses):</b>			
Transfers in	136,206	-	-
Transfers out	-	-	(60,000)
<b>Total other financing sources (uses)</b>	<b>136,206</b>	<b>-</b>	<b>(60,000)</b>
<b>Net change in fund balance</b>	<b>(8,174)</b>	<b>108,820</b>	<b>119,822</b>
<b>Fund Balance (Deficit), Beginning of Year</b>	<b>(19,506)</b>	<b>552,586</b>	<b>295,519</b>
<b>Fund Balance (Deficit), End of Year</b>	<b>\$ (27,680)</b>	<b>\$ 661,406</b>	<b>\$ 415,341</b>



<u>Special Purpose Fund</u>	<u>Total</u>	<u>Permanent Walt and Mary Barker Library Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 400,725	\$ 400,725
-	105,994	-	-	105,994
-	271,442	-	-	271,442
<u>141,911</u>	<u>552,920</u>	<u>9,058</u>	<u>1,421</u>	<u>563,399</u>
<u>141,911</u>	<u>930,356</u>	<u>9,058</u>	<u>402,146</u>	<u>1,341,560</u>
-	4,011	-	-	4,011
5,237	304,649	-	-	304,649
81,437	332,811	13,059	-	345,870
11,410	100,796	-	-	100,796
-	-	-	378,807	378,807
-	-	-	<u>28,912</u>	<u>28,912</u>
<u>98,084</u>	<u>742,267</u>	<u>13,059</u>	<u>407,719</u>	<u>1,163,045</u>
<u>43,827</u>	<u>188,089</u>	<u>(4,001)</u>	<u>(5,573)</u>	<u>178,515</u>
24,000	160,206	-	-	160,206
<u>(10,473)</u>	<u>(70,473)</u>	<u>-</u>	<u>-</u>	<u>(70,473)</u>
<u>13,527</u>	<u>89,733</u>	<u>-</u>	<u>-</u>	<u>89,733</u>
57,354	277,822	(4,001)	(5,573)	268,248
<u>417,800</u>	<u>1,246,399</u>	<u>596,904</u>	<u>14,952</u>	<u>1,858,255</u>
\$ <u><u>475,154</u></u>	\$ <u><u>1,524,221</u></u>	\$ <u><u>592,903</u></u>	\$ <u><u>9,379</u></u>	\$ <u><u>2,126,503</u></u>

City of Lighthouse Point, Florida  
Combining Statement of Fiduciary Net Position  
September 30, 2019

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	Defined Contribution Pension Plans				
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	<u>Total</u>
<b>Assets:</b>					
Investments	\$ 4,513,452	\$ 4,343,154	\$ 2,217,871	\$ 4,730,285	\$ 15,804,762
Participant loans receivable	<u>198,864</u>	<u>61,511</u>	<u>53,519</u>	<u>30,006</u>	<u>343,900</u>
Total assets	4,712,316	4,404,665	2,271,390	4,760,291	16,148,662
<b>Liabilities:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>					
Restricted for pensions	4,712,316	4,404,665	2,271,390	4,760,291	16,148,662
Restricted for other employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 4,712,316</u>	<u>\$ 4,404,665</u>	<u>\$ 2,271,390</u>	<u>\$ 4,760,291</u>	<u>\$ 16,148,662</u>

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<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 26,542,062	\$ 9,410,874	\$ 608,291	\$ 52,365,989
<u>-</u>	<u>-</u>	<u>-</u>	<u>343,900</u>
26,542,062	9,410,874	608,291	52,709,889
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26,542,062	-	-	42,690,724
<u>-</u>	<u>9,410,874</u>	<u>608,291</u>	<u>10,019,165</u>
\$ <u><u>26,542,062</u></u>	\$ <u><u>9,410,874</u></u>	\$ <u><u>608,291</u></u>	\$ <u><u>52,709,889</u></u>

**City of Lighthouse Point, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2019**

	<b>Defined Contribution Pension Plans</b>				
	<b>General</b>	<b>Fire</b>	<b>Police</b>	<b>Management</b>	<b>Total</b>
<b>Additions:</b>					
Contributions					
City	\$ 213,972	\$ -	\$ 11,234	\$ 138,449	\$ 363,655
Employees	<u>49,430</u>	<u>-</u>	<u>4,814</u>	<u>59,335</u>	<u>113,579</u>
Total contributions	<u>263,402</u>	<u>-</u>	<u>16,048</u>	<u>197,784</u>	<u>477,234</u>
Investment earnings and expenses:					
Interest, dividend and investment value changes	148,454	144,550	59,548	106,338	458,890
Less investment expense	<u>34,413</u>	<u>32,166</u>	<u>16,588</u>	<u>34,766</u>	<u>117,933</u>
Net investment earnings	<u>114,041</u>	<u>112,384</u>	<u>42,960</u>	<u>71,572</u>	<u>340,957</u>
Total additions	<u>377,443</u>	<u>112,384</u>	<u>59,008</u>	<u>269,356</u>	<u>818,191</u>
<b>Deductions:</b>					
Benefits paid	<u>46,412</u>	<u>140,934</u>	<u>102,319</u>	<u>1,013,032</u>	<u>1,302,697</u>
Refund of contributions:					
City	19,106	-	-	-	19,106
Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>65,518</u>	<u>140,934</u>	<u>102,319</u>	<u>1,013,032</u>	<u>1,321,803</u>
Change in net position	311,925	(28,550)	(43,311)	(743,676)	(503,612)
<b>Net Position Restricted for Pensions and Other Employee Benefits:</b>					
Beginning of Year	<u>4,400,391</u>	<u>4,433,215</u>	<u>2,314,701</u>	<u>5,503,967</u>	<u>16,652,274</u>
End of Year	<u>\$ 4,712,316</u>	<u>\$ 4,404,665</u>	<u>\$ 2,271,390</u>	<u>\$ 4,760,291</u>	<u>\$ 16,148,662</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 363,655
<u>111,254</u>	<u>925,104</u>	<u>36,978</u>	<u>1,186,915</u>
<u>111,254</u>	<u>925,104</u>	<u>36,978</u>	<u>1,550,570</u>
1,395,688	279,011	20,840	2,154,429
<u>64,683</u>	<u>67,712</u>	<u>6,870</u>	<u>257,198</u>
<u>1,331,005</u>	<u>211,299</u>	<u>13,970</u>	<u>1,897,231</u>
<u>1,442,259</u>	<u>1,136,403</u>	<u>50,948</u>	<u>3,447,801</u>
<u>664,392</u>	<u>828,342</u>	<u>23,855</u>	<u>2,819,286</u>
-	-	-	19,106
<u>740,159</u>	<u>-</u>	<u>-</u>	<u>740,159</u>
<u>1,404,551</u>	<u>828,342</u>	<u>23,855</u>	<u>3,578,551</u>
37,708	308,061	27,093	(130,750)
<u>26,504,354</u>	<u>9,102,813</u>	<u>581,198</u>	<u>52,840,639</u>
\$ <u><u>26,542,062</u></u>	\$ <u><u>9,410,874</u></u>	\$ <u><u>608,291</u></u>	\$ <u><u>52,709,889</u></u>

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# STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)





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

Contents	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	95-102
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	103-109
<b>Debt Capacity</b> 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.	110-114
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	115-116
<b>Operating Information</b> 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.	117-122

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

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

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	<b>Fiscal</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ <b>19,483,620</b>	\$ 21,228,328	\$ 18,960,079	\$ 19,261,328
Restricted	<b>2,773,223</b>	2,595,822	2,951,222	2,680,004
Unrestricted	<b>10,541,565</b>	5,778,930	7,480,739	7,603,373
Total governmental activities net position	\$ <b><u>32,798,408</u></b>	\$ <u>29,603,080</u>	\$ <u>29,392,040</u>	\$ <u>29,544,705</u>

Notes: The City has no business-type activities.

Table 1

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Year					
2015	2014	2013	2012	2011	2010
\$ 17,949,228	\$ 16,691,679	\$ 16,705,644	\$ 15,540,755	\$ 15,392,168	\$ 15,316,538
3,995,702	3,250,412	3,191,909	3,331,058	3,410,406	4,048,277
<u>7,469,821</u>	<u>5,899,447</u>	<u>6,421,799</u>	<u>6,339,706</u>	<u>6,237,128</u>	<u>6,110,724</u>
 \$ <u><u>29,414,751</u></u>	 \$ <u><u>25,841,538</u></u>	 \$ <u><u>26,319,352</u></u>	 \$ <u><u>25,211,519</u></u>	 \$ <u><u>25,039,702</u></u>	 \$ <u><u>25,475,539</u></u>

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

	Fiscal			
	2019	2018	2017	2016
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 1,902,050	\$ 1,823,307	\$ 1,781,048	\$ 1,717,475
Public safety	8,581,339	10,696,943	10,120,375	9,827,589
Physical environment	4,090,349	4,046,490	4,380,588	4,054,749
Transportation	50,423	48,582	44,246	42,655
Culture/recreation	1,416,800	1,329,199	1,286,251	1,262,675
Interest expense	443,935	49,127	50,790	60,161
Total governmental activities expenses	<u>16,484,896</u>	<u>\$ 17,993,648</u>	<u>\$ 17,663,298</u>	<u>\$ 16,965,304</u>
<b>Program Revenues:</b>				
Charges for services:				
General government	\$ 52,127	\$ 67,505	\$ 48,203	\$ 53,324
Public safety	2,417,111	2,452,535	2,477,037	2,423,816
Physical environment	2,277,313	1,931,329	1,936,657	2,133,587
Culture/recreation	227,221	214,804	189,145	184,524
Operating grants and contributions	529,086	244,468	130,980	129,830
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>\$ 5,502,858</u>	<u>\$ 4,910,641</u>	<u>\$ 4,782,022</u>	<u>\$ 4,925,081</u>
Total governmental activities net expense	<u>\$ 10,982,038</u>	<u>\$ 13,083,007</u>	<u>\$ 12,881,276</u>	<u>\$ 12,040,223</u>
<b>General Revenues and Change in Net Position:</b>				
Taxes:				
Ad valorem taxes	\$ 8,711,785	\$ 8,147,243	\$ 7,652,001	\$ 7,270,669
Franchise taxes	899,011	865,160	873,192	850,214
Utility service taxes	2,352,865	2,315,992	2,264,796	2,212,221
Intergovernmental revenues	1,290,317	1,274,422	1,297,569	1,209,109
Miscellaneous	923,388	650,330	641,053	627,964
Total general revenues	<u>\$ 14,177,366</u>	<u>\$ 13,253,147</u>	<u>\$ 12,728,611</u>	<u>\$ 12,170,177</u>
<b>Change in net position</b>	<u>\$ 3,195,328</u>	<u>\$ 170,140</u>	<u>\$ (152,665)</u>	<u>\$ 129,954</u>

Table 2

Year					
2015	2014	2013	2012	2011	2010
\$ 1,624,496	\$ 1,465,093	\$ 1,415,364	\$ 1,320,586	\$ 1,370,967	\$ 1,363,611
8,684,687	9,134,305	8,686,485	8,903,618	8,569,761	8,428,182
3,550,580	3,506,609	3,854,194	3,284,930	3,989,844	4,413,816
43,471	46,027	44,667	40,788	40,474	39,679
1,196,903	1,122,567	1,156,366	1,115,321	1,201,806	1,166,238
65,540	71,369	77,180	206,131	197,849	215,231
<u>\$ 15,165,677</u>	<u>\$ 15,345,970</u>	<u>\$ 15,234,256</u>	<u>\$ 14,871,374</u>	<u>\$ 15,370,701</u>	<u>\$ 15,626,757</u>
\$ 51,423	\$ 34,564	\$ 27,335	\$ 30,614	\$ 22,940	\$ 13,861
2,040,455	1,891,940	1,603,627	1,858,897	1,609,068	1,363,035
2,100,378	2,068,101	2,236,065	2,264,373	2,369,597	2,487,291
161,164	150,725	125,904	136,784	142,928	139,700
162,097	119,455	153,494	93,412	222,371	188,259
1,202,548	-	-	155,985	102,386	261,156
<u>\$ 5,718,065</u>	<u>\$ 4,264,785</u>	<u>\$ 4,146,425</u>	<u>\$ 4,540,065</u>	<u>\$ 4,469,290</u>	<u>\$ 4,453,302</u>
<u>\$ 9,447,612</u>	<u>\$ 11,081,185</u>	<u>\$ 11,087,831</u>	<u>\$ 10,331,309</u>	<u>\$ 10,901,411</u>	<u>\$ 11,173,455</u>
\$ 6,928,063	\$ 6,583,961	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909	\$ 6,945,061
864,725	869,058	862,148	825,196	929,559	970,558
2,256,338	3,124,968	2,195,295	2,184,080	2,135,681	2,116,737
1,166,306	1,153,978	1,288,713	1,089,223	1,073,390	1,352,185
1,805,393	416,655	537,573	284,239	188,035	404,863
<u>\$ 13,020,825</u>	<u>\$ 12,148,620</u>	<u>\$ 11,276,730</u>	<u>\$ 10,503,126</u>	<u>\$ 10,465,574</u>	<u>\$ 11,789,404</u>
<u>\$ 3,573,213</u>	<u>\$ 1,067,435</u>	<u>\$ 188,899</u>	<u>\$ 171,817</u>	<u>\$ (435,837)</u>	<u>\$ 615,949</u>

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

	Fiscal			
	2019	2018	2017	2016
<b>General Fund:</b>				
Nonspendable	\$ 90,932	\$ 81,542	\$ 76,661	\$ 62,003
Restricted	233,996	-	-	-
Committed	1,416,224	1,492,589	1,598,527	1,365,837
Assigned	3,750,000	2,250,000	3,750,000	3,750,000
Unassigned	913,981	21,580	380,815	887,155
Total general fund	\$ <u>6,405,133</u>	\$ <u>3,845,711</u>	\$ <u>5,806,003</u>	\$ <u>6,064,995</u>
<b>All Other Governmental Funds:</b>				
Major Funds:				
Garbage and trash fund:				
Restricted	\$ -	\$ 26,543	\$ 221,423	\$ -
Committed	378,347	393,327	393,327	393,327
Public safety fund:				
Restricted	1,564,105	1,688,447	1,796,681	1,953,004
Committed	-	-	-	-
Bond construction fund:				
Restricted	15,687,581	-	-	-
Nonmajor Funds:				
Infrastructure fund:				
Committed	661,406	552,586	447,370	845,438
Debt service fund:				
Restricted	9,379	14,952	10,825	14,673
Walt and Mary Barker Library fund:				
Nonspendable	500,000	500,000	500,000	500,000
Restricted	92,903	96,904	77,555	19,579
Other nonmajor funds:				
Nonspendable	-	-	-	-
Restricted	415,341	295,519	344,738	192,748
Committed	475,154	417,800	353,133	322,932
Unassigned (deficit)	(27,680)	(19,506)	(28,916)	(11,078)
Total all other governmental funds	\$ <u>19,756,536</u>	\$ <u>3,966,572</u>	\$ <u>4,116,136</u>	\$ <u>4,230,623</u>

**Table 3**

Year					
2015	2014	2013	2012	2011	2010
\$ 59,549	\$ 57,923	\$ 550,156	\$ 64,938	\$ 89,064	\$ 414,244
-	-	-	-	-	-
1,379,797	1,560,813	1,665,151	1,889,680	2,245,350	2,028,184
3,750,000	3,750,000	3,250,000	3,750,000	3,750,000	3,823,043
349,186	158,139	174,354	249,129	125,363	142,563
<u>\$ 5,538,532</u>	<u>\$ 5,526,875</u>	<u>\$ 5,639,661</u>	<u>\$ 5,953,747</u>	<u>\$ 6,209,777</u>	<u>\$ 6,408,034</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
324,682	342,805	471,867	520,338	617,829	796,575
2,069,312	2,202,826	2,328,298	2,656,131	2,925,378	2,984,981
-	-	-	-	-	1,225
-	-	-	-	-	-
1,355,656	-	-	-	-	-
14,103	7,580	323	4,226	56,363	50,095
473,483	-	-	-	-	-
-	-	-	-	-	-
-	-	750	-	-	-
1,438,804	1,040,006	863,288	670,701	428,665	172,244
295,443	1,046,300	859,603	744,121	761,417	989,080
(8,826)	(9,641)	-	-	(6,522)	(1,847)
<u>\$ 5,962,657</u>	<u>\$ 4,629,876</u>	<u>\$ 4,524,129</u>	<u>\$ 4,595,517</u>	<u>\$ 4,783,130</u>	<u>\$ 4,992,353</u>

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

	Fiscal Year			
	2019	2018	2017	2016
<b>Revenues:</b>				
Ad valorem taxes	\$ 8,711,785	\$ 8,147,243	\$ 7,652,001	\$ 7,270,669
Franchise fees	899,319	869,133	867,349	847,516
Utility service taxes	2,496,561	2,448,572	2,397,754	2,360,010
Licenses and permits	973,488	1,093,785	953,071	1,083,509
Intergovernmental revenues	1,684,464	1,496,896	1,431,410	1,348,559
* Charges for services	650,587	614,961	565,855	2,423,630
* Nonadvalorem assessments	3,196,902	2,758,864	2,549,895	885,813
Fines and forfeitures	149,795	203,342	582,221	402,299
Interest income	256,726	104,127	91,912	65,359
Miscellaneous	719,396	492,786	586,528	566,985
Total revenues	<u>19,739,023</u>	<u>18,229,709</u>	<u>17,677,996</u>	<u>17,254,349</u>
<b>Expenditures:</b>				
General government	1,826,188	1,763,537	1,735,223	1,651,595
Public safety	10,850,196	10,350,349	10,355,168	9,650,329
Physical environment	3,889,144	3,832,573	4,176,377	3,887,800
Transportation	50,423	48,582	44,246	42,655
Culture/recreation	1,268,181	1,175,293	1,155,759	1,099,429
Capital outlay	548,947	2,644,692	449,298	1,680,540
Debt service:				
Principal	621,346	593,693	503,408	484,229
Interest	42,602	50,356	51,996	60,343
Other	228,241	-	-	1,000
Total expenditures	<u>19,325,268</u>	<u>20,459,075</u>	<u>18,471,475</u>	<u>18,557,920</u>
Excess of revenues over (under) expenditures	<u>413,755</u>	<u>(2,229,366)</u>	<u>(793,479)</u>	<u>(1,303,571)</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of bond	16,500,000	-	-	-
Premium of bond	1,219,631	-	-	-
Capital leases	216,000	119,509	420,000	98,000
Net proceeds of notes payable	-	-	-	-
Payment to fiscal agent	-	-	-	-
Transfers in	2,083,824	270,405	762,328	313,784
Transfers out	(2,083,824)	(270,405)	(762,328)	(313,784)
Total other financing sources (uses)	<u>17,935,631</u>	<u>119,509</u>	<u>420,000</u>	<u>98,000</u>
Net change in fund balances	\$ <u>18,349,386</u>	\$ <u>(2,109,857)</u>	\$ <u>(373,479)</u>	\$ <u>(1,205,571)</u>
Debt service as a % of noncapital expenditures	4.8%	3.6%	3.1%	3.2%

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



Table 4

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 6,928,063	\$ 6,583,961	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909	\$ 6,945,061
874,245	862,847	864,519	905,559	929,559	970,558
2,353,013	2,260,186	2,239,104	2,138,837	2,139,372	2,120,424
913,141	707,214	605,477	635,114	529,905	530,797
1,333,079	1,278,800	1,432,563	1,328,975	1,398,147	1,455,493
2,368,838	2,250,635	2,412,786	2,689,844	2,789,909	2,891,524
883,227	883,144	841,554	576,532	577,446	581,566
188,214	304,337	133,114	389,178	247,273	346,107
74,328	41,337	33,226	49,056	42,643	117,250
2,946,439	419,966	518,735	228,658	153,676	294,943
18,862,587	15,592,427	15,474,079	15,062,141	14,946,839	16,253,723
1,542,644	1,433,511	1,345,069	1,307,179	1,291,841	1,284,206
9,320,877	8,901,379	8,782,071	8,578,790	8,184,831	7,943,944
3,406,984	3,417,866	3,712,686	3,470,209	3,845,327	4,254,355
43,471	46,027	44,579	40,807	40,365	39,662
1,120,957	986,683	1,000,339	1,037,569	1,061,719	1,013,857
1,737,933	686,317	397,492	534,520	284,292	769,111
476,214	525,369	499,021	460,611	446,369	457,481
66,747	72,506	78,296	202,774	199,025	217,673
-	-	-	20,000	550	550
17,715,827	16,069,658	15,859,553	15,652,459	15,354,319	15,980,839
1,146,760	(477,231)	(385,474)	(590,318)	(407,480)	272,884
-	-	-	-	-	-
-	-	-	-	-	-
197,678	470,192	-	126,675	-	63,795
-	-	-	3,685,000	-	-
-	-	-	(3,665,000)	-	-
336,889	273,000	235,511	180,000	221,051	118,564
(336,889)	(273,000)	(235,511)	(180,000)	(221,051)	(118,564)
197,678	470,192	-	146,675	-	63,795
\$ 1,344,438	\$ (7,039)	\$ (385,474)	\$ (443,643)	\$ (407,480)	\$ 336,679
3.4%	3.9%	3.7%	4.5%	4.3%	4.4%

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

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<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Real Property</b>			<b>Personal Property</b>
		<b>Residential</b>	<b>Commercial</b>	<b>Other</b>	
2010	2009	2,269,144	161,598	22,154	24,775
2011	2010	1,853,180	151,486	23,355	22,922
2012	2011	1,897,551	144,278	22,972	23,332
2013	2012	1,994,093	143,483	24,009	21,967
2014	2013	2,109,780	140,854	28,578	24,317
2015	2014	2,370,635	140,326	29,413	25,995
2016	2015	2,630,639	141,754	30,113	26,671
2017	2016	2,780,511	155,879	30,118	27,196
2018	2017	2,973,368	167,257	30,789	28,922
<b>2019</b>	<b>2018</b>	<b>3,142,114</b>	<b>179,631</b>	<b>30,796</b>	<b>27,712</b>

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

Source: Broward County Property Appraiser

Table 5

Less: Exemptions		Total Taxable Assessed Value	City Direct Tax Rate	Estimated Actual Taxable Value	Net Assessed Value as a Percentage of Estimated Actual Value
Real Property	Personal Property				
617,028	4,568	1,856,075	3.8825	2,477,671	74.91%
406,911	4,075	1,639,957	3.8825	2,050,943	79.96%
435,107	4,230	1,648,796	3.8602	2,088,133	78.96%
472,386	3,996	1,707,170	3.8691	2,183,551	78.18%
523,322	3,946	1,776,261	3.8307	2,303,550	77.11%
679,481	4,978	1,881,910	3.8175	2,566,369	73.33%
844,533	4,979	1,979,665	3.8028	2,829,177	69.97%
896,758	5,305	2,091,641	3.7892	2,993,718	69.87%
950,577	5,350	2,244,409	3.7803	3,200,337	70.13%
<b>980,003</b>	<b>5,170</b>	<b>2,395,080</b>	<b>3.7623</b>	<b>3,380,254</b>	<b>70.86%</b>

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

Fiscal Year	City of Lighthouse Point			Broward County			School Board
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage
2009/10	3.6188	0.2637	3.8825	4.8889	0.4256	5.3145	7.4310
2010/11	3.6188	0.2637	3.8825	5.1021	0.4509	5.5530	7.6310
2011/12	3.5893	0.2709	3.8602	5.1860	0.3670	5.5530	7.4180
2012/13	3.5893	0.2798	3.8691	5.2576	0.2954	5.5530	7.4560
2013/14	3.5893	0.2414	3.8307	5.4400	0.2830	5.7230	7.4800
2015/14	3.5893	0.2282	3.8175	5.4584	0.2646	5.7230	7.4380
2016/15	3.5893	0.2135	3.8028	5.4741	0.2489	5.7230	7.2030
2017/16	3.5893	0.1999	3.7892	5.4474	0.2216	5.6690	6.8360
2018/17	3.5893	0.1910	3.7803	5.4623	0.2067	5.6690	6.4740
<b>2019/18</b>	<b>3.5893</b>	<b>0.1730</b>	<b>3.7623</b>	<b>5.4792</b>	<b>0.1898</b>	<b>5.6690</b>	<b>6.2750</b>

Source: Broward County Property Appraiser

Table 6

School Board		Overlapping Rates					Total Direct and Overlapping Rate
		Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet District	
-	7.4310	0.4243	0.6240	0.0345	1.7059	0.0860	19.5027
-	7.6310	0.4696	0.6240	0.0345	1.8750	0.0860	20.1556
-	7.4180	0.4789	0.4363	0.0345	1.8750	0.0860	19.7419
-	7.4560	0.4902	0.4289	0.0345	1.8564	0.0860	19.7741
-	7.4800	0.4882	0.4110	0.0345	1.7554	0.0860	19.8088
-	7.4380	0.4882	0.3842	0.0345	1.5939	0.0860	19.5653
0.0710	7.2740	0.4882	0.3551	0.0320	1.4425	0.0860	19.2036
0.0703	6.9063	0.4882	0.3307	0.0320	1.3462	0.0860	18.6476
0.0654	6.5394	0.4882	0.3100	0.0320	1.2483	0.0860	18.1532
<b>0.1279</b>	<b>6.4029</b>	<b>0.4882</b>	<b>0.2936</b>	<b>0.0320</b>	<b>1.0855</b>	<b>0.0860</b>	<b>17.8195</b>

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

**Table 7**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Centro Heritage Venetian Isle	\$ 22,400,510	1	1.00%	\$ 21,118,660	1	1.14%
Lighthouse Point Yacht Club Investments, LLC	14,862,600	2	0.66%	-	-	-
Beacon Light Partners LTD	9,893,490	3	0.44%	8,368,280	2	0.45%
Sheehan Buick GMC Inc (Pontiac)	9,387,488	4	0.42%	6,487,510	5	0.35%
Florida Power & Light Co	9,366,610	5	0.42%	-	-	-
Acheson, James C & Suzanne J	8,689,710	6	0.39%	6,998,360	4	0.38%
Lighthouse Point Auto Investors I Inc	6,796,550	7	0.30%	-	-	-
Lighthouse Point FL LLC	6,763,040	8	0.30%	-	-	-
Verrillo, James & Teresa	6,560,590	9	0.29%	7,452,420	3	0.40%
Wye, Jane & Thomas	6,112,910	10	0.27%	-	-	-
Silver Seas Hotel, Inc.	-	-	-	6,408,180	6	0.35%
Louis R. Bianculli	-	-	-	5,708,390	7	0.31%
Shawn and Susan Ryan	-	-	-	5,447,060	8	0.29%
First States Investors 5000A	-	-	-	5,153,400	9	0.28%
Grove Gateway LLC	-	-	-	4,908,620	10	0.26%
<b>Total</b>	<b>\$ 100,833,498</b>		<b>4.49%</b>	<b>\$ 78,050,880</b>		<b>4.21%</b>

Source: Broward County Revenue Collector

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

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<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>		
	<b>Gross Levy</b>	<b>Discount</b>	<b>Net Levy</b>
2010	\$ 7,208,468	\$ 309,283	\$ 6,899,185
2011	\$ 6,380,071	\$ 273,740	\$ 6,106,331
2012	\$ 6,382,448	\$ 273,944	\$ 6,108,504
2013	\$ 6,610,703	\$ 283,841	\$ 6,326,862
2014	\$ 6,812,658	\$ 340,039	\$ 6,472,619
2015	\$ 7,195,575	\$ 358,575	\$ 6,837,000
2016	\$ 7,535,473	\$ 372,364	\$ 7,163,109
2017	\$ 7,930,348	\$ 359,908	\$ 7,570,440
2018	\$ 8,495,187	\$ 372,468	\$ 8,122,719
<b>2019</b>	<b>\$ 9,023,277</b>	<b>\$ 395,808</b>	<b>\$ 8,627,469</b>

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

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

Source: Broward County Property Appraiser



Table 8

Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
Amount	Percentage of Gross Levy		Amount	Percentage of Gross Levy
\$ 6,846,662	94.98%	\$ 212,441	\$ 7,059,103	97.93%
\$ 5,926,606	92.89%	\$ 188,496	\$ 6,115,102	95.85%
\$ 5,931,892	92.94%	\$ 164,493	\$ 6,096,385	95.52%
\$ 6,228,508	94.22%	\$ 162,200	\$ 6,390,708	96.67%
\$ 6,421,761	94.26%	\$ 159,268	\$ 6,581,029	96.60%
\$ 6,768,795	94.07%	\$ 170,320	\$ 6,939,115	96.44%
\$ 7,100,350	94.23%	\$ 188,367	\$ 7,288,717	96.73%
\$ 7,463,634	94.11%	\$ 141,396	\$ 7,605,030	95.90%
\$ 8,005,847	94.24%	\$ 197,059	\$ 8,202,906	96.56%
<b>\$ 8,514,726</b>	<b>94.36%</b>	\$ -	<b>\$ 8,514,726</b>	<b>94.36%</b>

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

**Table 9**

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita Personal Income	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Notes Payable				
2010	\$ 4,235,000	\$ 537,755	\$ -	\$ 4,772,755	\$ 41,481	1.05%	\$ 436
2011	\$ 3,955,000	\$ 371,386	\$ -	\$ 4,326,386	\$ 42,194	0.99%	\$ 418
2012	\$ -	\$ 328,452	\$ 3,684,000	\$ 4,012,452	\$ 43,351	0.88%	\$ 381
2013	\$ -	\$ 166,208	\$ 3,347,222	\$ 3,513,430	\$ 43,792	0.77%	\$ 338
2014	\$ -	\$ 454,476	\$ 3,003,777	\$ 3,458,253	\$ 43,283	0.77%	\$ 333
2015	\$ -	\$ 526,137	\$ 2,653,532	\$ 3,179,669	\$ 44,909	0.68%	\$ 307
2016	\$ -	\$ 496,857	\$ 2,296,583	\$ 2,793,440	\$ 46,906	0.57%	\$ 266
2017	\$ -	\$ 777,537	\$ 1,932,495	\$ 2,710,032	\$ 48,680	0.53%	\$ 257
2018	\$ -	\$ 674,805	\$ 1,561,043	\$ 2,235,848	\$ 50,269	0.42%	\$ 212
<b>2019</b>	<b>\$ * 17,719,631</b>	<b>\$ 648,266</b>	<b>\$ 1,182,236</b>	<b>\$ 19,550,133</b>	<b>\$ N/A</b>	<b>N/A</b>	<b>\$ N/A</b>

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

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

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

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

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

Table 10

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$ 4,235,000	\$ 1,843,382,439	0.23%	\$ 387
2011	\$ 3,955,000	\$ 1,631,901,386	0.24%	\$ 382
2012	\$ -	\$ 1,648,795,869	0.00%	\$ -
2013	\$ -	\$ 1,707,169,924	0.00%	\$ -
2014	\$ -	\$ 1,776,261,097	0.00%	\$ -
2015	\$ -	\$ 1,881,909,580	0.00%	\$ -
2016	\$ -	\$ 1,979,665,674	0.00%	\$ -
2017	\$ -	\$ 2,091,641,994	0.00%	\$ -
2018	\$ -	\$ 2,244,395,332	0.00%	\$ -
<b>2019</b>	<b>\$ 17,719,631</b>	<b>\$ 2,395,081,376</b>	<b>0.74%</b>	<b>\$ 1,674</b>

Source: Broward County Property Appraiser's Office

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

**City of Lighthouse Point, Florida**  
**Direct and Overlapping Activities Debt**  
**As of September 30, 2019**

**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	\$ 127,315,000	1.27%	\$ 1,616,901
School Board of Broward County	1,745,118,000	1.17%	<u>20,417,881</u>
Subtotal, overlapping debt			22,034,781
City direct debt			<u>19,550,133</u>
Total direct and overlapping debt			\$ <u><u>41,584,914</u></u>

Sources: Debt outstanding data provided by each governmental unit.

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

The School Board of Broward County debt outstanding is as of June 30, 2019.

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

The City Charter does not set a debt margin.

The City does not have any pledged revenue.

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

Table 14

Calendar Year	Population	School Enrollment	Unemployment Rate	Personal Income	
				Total	Per Capita
2010	10,955	255,203	10.0%	\$ 72,712,604	\$ 41,481
2011	10,344	256,872	11.5%	\$ 75,315,293	\$ 42,194
2012	10,536	258,803	9.0%	\$ 78,687,882	\$ 43,351
2013	10,401	260,796	8.4%	\$ 80,525,783	\$ 43,792
2014	10,374	262,563	6.4%	\$ 80,905,552	\$ 43,283
2015	10,358	265,401	5.6%	\$ 85,167,498	\$ 44,909
2016	10,506	268,836	5.0%	\$ 89,572,271	\$ 46,906
2017	10,526	271,105	4.6%	\$ 94,239,400	\$ 48,680
2018	10,560	271,517	3.9%	\$ 98,087,689	\$ 50,269
<b>2019</b>	<b>10,587</b>	<b>270,550</b>	<b>3.3%</b>	<b>\$ N/A</b>	<b>\$ N/A</b>

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

Notes: School Enrollment data is County-wide.

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

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

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

**Table 15**

Employer	Type of Business	Fiscal Year 2019			Fiscal Year 2014		
		Employees	Rank	Total County	Employees	Rank	Total County
Publix Supermarkets	Retail	193	1	0.019%	275	1	0.027%
City of Lighthouse Point	Municipality	106	2	0.010%	103	2	0.010%
Hendrick Honda	Automotive	103	3	0.010%	99	3	0.010%
Sheehan Buick GMC, Inc.	Automotive	100	4	0.010%	*	*	*
Bonefish Mac's Sports Grille	Restaurant	100	4	0.010%	85	4	0.008%
Lighthouse Point Yacht Club	Restaurant	85	5	0.008%	84	5	0.008%
Papa's Raw Bar	Restaurant	63	6	0.006%	*	*	*
Phil Smith Kia	Automotive	52	7	0.005%	*	*	*
McDonald's	Restaurant	48	8	0.005%	*	*	*
The Nauti Dawg Marina Café	Restaurant	46	9	0.004%	48	6	0.005%
Wash Depot I, Inc.	Automotive	44	10	0.004%	*	*	*
<b>Total</b>		<u>940</u>		<u>0.092%</u>	<u>694</u>		<u>0.068%</u>

Source: Individual businesses upon payment of annual business tax.

\* Data not available for fiscal year 2014

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**

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
General government:				
Finance and Administration	<b>5.00</b>	5.00	5.00	5.00
Subtotal	<b>5.00</b>	5.00	5.00	5.00
Public Safety:				
Police	<b>42.05</b>	42.05	42.03	43.00
Fire	<b>27.00</b>	27.00	27.00	27.00
Building	<b>3.00</b>	3.00	3.50	3.50
Code Enforcement	<b>3.45</b>	3.00	3.00	3.00
Subtotal	<b>75.50</b>	75.05	75.53	76.50
Public Works	<b>12.00</b>	12.00	12.00	12.00
Transportation	<b>0.82</b>	0.82	0.82	0.88
Culture/Recreation:				
Library	<b>4.60</b>	4.10	4.10	3.90
Recreation	<b>8.38</b>	8.00	7.60	7.68
Subtotal	<b>12.98</b>	12.10	11.70	11.58
Total authorized employees	<b>106.30</b>	104.97	105.05	105.96

Source: City of Lighthouse Point departmental staff.

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

Table 16

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
43.00	42.50	42.50	42.50	41.50	43.00
27.00	27.00	27.00	27.00	27.00	27.00
3.00	3.00	2.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	2.50	3.07
76.00	75.50	74.50	75.50	74.00	76.07
12.00	12.00	12.00	12.00	14.00	15.00
0.88	0.88	0.88	0.88	0.88	0.88
3.90	3.90	3.45	4.45	4.45	3.45
6.04	6.04	6.04	6.04	6.04	6.04
9.94	9.94	9.49	10.49	10.49	9.49
103.82	103.32	101.87	103.87	104.37	106.44

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

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	8,277	6,855	8,379	8,640
Votes cast in last election	3,463	-	2,235	-
Lien searches processed	443	478	530	506
Business licenses issued	424	480	494	449
Ordinances prepared and adopted	8	16	9	16
Resolutions prepared and adopted	63	65	60	64
Commission minutes prepared adopted	26	30	19	21
Agenda packets prepared	26	25	17	19
Public safety:				
Police				
Stations	1	1	1	1
Uniformed employees	34	34	34	34
Calls-for-service handled	11,549	10,380	10,615	10,724
Traffic accidents handled	457	427	455	451
Traffic citations/warnings issued	3,424	2,354	2,231	3,070
Fire				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,510	1,460	1,704	1,397
Building				
Permits issued	2,974	3,149	3,070	3,297
Value of construction	\$ 37,838,490	\$ 50,925,434	\$ 41,555,309	\$ 42,754,614
Physical environment				
Miles of streets	41.12	41.12	41.12	41.12
Miles of waterways	18.00	18.00	18.00	18.00
Culture/Recreation				
Library				
Books in collection	42,963	40,688	42,593	41,761
Circulation	39,765	41,117	41,272	39,482
Volunteer hours	8,151	8,498	9,447	10,000
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

2015	2014	2013	2012	2011	2010
2.49	2.49	2.49	2.49	2.49	2.49
7,827	7,848	7,894	7,894	7,622	7,771
1,722	1,885	2,639	2,639	2,614	2,614
525	461	459	440	346	361
415	446	460	462	481	500
10	15	3	9	8	4
57	47	51	57	50	61
29	29	25	26	28	24
26	24	20	26	24	24
1	1	1	1	1	1
34	34	34	33	33	33
10,940	8,992	8,516	8,330	7,986	7,925
400	360	347	324	362	339
3,462	1,973	2,366	2,299	2,530	2,086
1	1	1	1	1	1
26	26	26	26	26	26
1,444	1,332	1,235	1,297	1,293	1,242
2,863	2,702	2,634	1,548	2,322	2,288
\$ 33,659,276	\$ 20,268,696	\$ 26,680,297	\$ 25,131,177	\$ 19,231,270	\$ 18,457,987
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
41,841	41,000	38,323	42,227	41,662	37,721
40,377	40,000	42,673	42,681	59,759	71,910
10,400	10,500	10,200	10,166	8,600	8,250
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**

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<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Governmental activities:				
General government				
Miles of streets	<b>41.12</b>	41.12	41.12	41.12
Square feet of buildings	<b>55,208</b>	55,208	55,208	55,208
Public safety:				
Number of police stations	<b>1</b>	1	1	1
Number of fire stations	<b>1</b>	1	1	1
Culture/Recreation:				
Libraries	<b>1</b>	1	1	1
Acres of parks	<b>31</b>	31	31	31
Number of parks	<b>5</b>	5	5	5

Source: City Departments

Table 18

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208
1 1	1 1	1 1	1 1	1 1	1 1
1 31 5	1 31 5	1 31 5	1 31 5	1 31 5	1 31 5

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## COMPLIANCE SECTION

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

Independent Auditor's Report to City Management

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated March 27, 2020.

**Internal Control over Financial Reporting**

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

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

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests 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 27, 2020

## INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

### Report on the Financial Statements

We have audited the basic financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 27, 2020.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in 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 27, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to 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 27, 2020

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

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

We have examined the City of Lighthouse Point, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. 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, 2019.

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

Fort Lauderdale, Florida  
March 27, 2020

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