

City of Margate, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



CITY OF
MARGATE
FLORIDA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY OF MARGATE, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

Prepared by the
Finance Department

Mary Beazley, Finance Director

ABOUT THE COVER

City of Margate Cover Photo: Veterans Memorial Park

Cover Design: Yarelis Martinez, City Manager's Office

City of Margate, Florida

Table of Contents

Introductory Section

Letter of Transmittal	i-ix
GFOA Certificate of Achievement	x
List of Elected and Appointed Officials	xi
Organizational Chart	xii

Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17-18
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20-21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	22
Statement of Net Position - Proprietary Funds	23-24
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26-27
Notes to Basic Financial Statements	28-66

City of Margate, Florida

Table of Contents (continued)

Required Supplementary Information

Budgetary Comparison Schedules:

General Fund	67-68
Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund	69
Notes to Budgetary Comparison Schedules	70
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	71
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan (Unaudited)	72
Schedule of Proportionate Share of Net Pension Liability - Retiree Health Insurance Subsidy Program (Unaudited)	73
Schedule of Contributions - Florida Retirement System Pension Plan (Unaudited)	74
Schedule of Contributions - Retiree Health Insurance Subsidy Program (Unaudited)	75

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	77
Combining Balance Sheet - Nonmajor Special Revenue Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	79
Combining Balance Sheet - Nonmajor Debt Service Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	81
Combining Balance Sheet - Nonmajor Capital Projects Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Special Revenue Fund - Road	84
Special Revenue Fund - Impact Fees	85

City of Margate, Florida

Table of Contents (continued)

Special Revenue Fund - Police Officers Training	86
Special Revenue Fund - Confiscated Properties	87
Special Revenue Fund - Building	88
Special Revenue Fund - Housing and Urban Development (HUD) Grant	89
Special Revenue Fund - Underground Utility Trust	90
Special Revenue Fund - Recreation Trust	91
Special Revenue Fund - Northwest Focal Point Senior Center	92
Special Revenue Fund - Transportation Surtax	93
Debt Service Fund - Margate Community Redevelopment Agency - Sinking	94
Debt Service Fund - Margate Community Redevelopment Agency - Escrow Account	95
Debt Service Fund - General Obligation Refunding Bonds, Series 2016	96
Debt Service Fund - General Obligation Bonds, Series 2019	97
Capital Projects Fund - General	98
Capital Projects Fund - General Obligation Bonds Proceeds 2019	99
Capital Projects Fund - Margate Community Redevelopment Agency - Capital Improvement	100
Capital Projects Fund - Margate Community Redevelopment Agency - Loan Proceeds	101

Statistical Section

Financial Trends:

Table 1 - Net Position by Component	102-103
Table 2 - Changes in Net Position	104-107
Table 3 - Governmental Activities Tax Revenues by Source	108
Table 4 - Fund Balances of Governmental Funds	109-110
Table 5 - Changes in Fund Balances of Governmental Funds	111-112

Revenue Capacity:

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property	113
Table 7 - Property Tax Rates - Direct and Overlapping Governments	114

City of Margate, Florida

Table of Contents (continued)

Table 8 - Principal Property Taxpayers	115
Table 9 - Property Tax Levies and Collections	116
Debt Capacity:	
Table 10 - Ratios of Outstanding Debt by Type	117
Table 11 - Ratios of General Bonded Debt Outstanding	118
Table 12 - Direct and Overlapping Governmental Activities Debt	119
Table 13 - Pledged Revenue Coverage - Water and Wastewater Enterprise Fund	120
Demographic and Economic Information:	
Table 14 - Demographic and Economic Statistics	121
Table 15 - Principal Employers	122
Operating Information:	
Table 16 - Full-Time Equivalent City Government Employees by Function/Program	123
Table 17 - Operating Indicators by Function/Program	124
Table 18 - Capital Asset Statistics by Function/Program	125
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	126-127
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	128-129
Independent Auditor's Report to City Management	130-132
Independent Accountant's Report on Compliance with Section 218.415 Florida Statutes	133
Schedule of Expenditures of Federal Awards	134-136
Notes to Schedule of Expenditures of Federal Awards	137
Schedule of Findings and Questioned Costs	138

INTRODUCTORY SECTION

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City Commission

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

City Manager

Cale Curtis

Interim City Attorney

Weiss Serota Helfman
Cole & Bierman

City Clerk

Joseph J. Kavanagh

February 23, 2022

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

We are pleased to present the City of Margate's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. State law requires that all general-purpose local governments publish a complete set of audited financial statements within nine months of the close of each fiscal year. The financial statements included in the report conform with generally accepted accounting principles (GAAP) and are audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

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

State statutes require an annual audit by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2021, are free of material misstatement. Keefe McCullough, a firm of licensed certified public accountants, have audited the City's financial statements and issued an unmodified ("clean") opinion for the fiscal year ended September 30, 2021. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

As a recipient of federal, state, and county financial assistance, the City is subject to annual single audits in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General of the State of Florida. Expenditures of federal awards were above the applicable threshold for the fiscal year ended September 30, 2021. Therefore, the City was required to have an audit in accordance with the Uniform Guidance.

Finance Department

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

The City of Margate, (the "City"), was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. In 1961, the Town of Margate was incorporated as a City. The City is located in southeastern Florida in Broward County. It encompasses an area of approximately 9 square miles with a population of approximately 59,400. The U.S. Census Bureau lists a median household income of \$45,594. The City operates under the City Commission/City Manager form of government. The City Commission consists of the Mayor, Vice Mayor, and three commissioners. The five commission members are elected at-large on a non-partisan basis for a four-year term. Effective with terms beginning November 2012, term limitations for City Commissioners are three consecutive four-year terms. The mayor is elected annually by the members of the City Commission for a one-year term, not to exceed two years in succession. The City Commission determines policy, adopts legislation, approves the City's annual budget, and hires the City Manager, City Attorney, City Clerk, Assistant City Manager, Police Chief, and Fire Chief. The City Manager is responsible for carrying out the policies of the City Commission, overseeing the daily management of the City, and for appointing the City's department directors.

The City provides a full range of services including police and fire protection, emergency medical, water and wastewater, stormwater, parks and recreation, public improvements, streets, planning and zoning, and general administrative. Internal services for the City which are accounted for on a cost reimbursement basis consist of workers' compensation, general liability, automobile, and various other types of insurance. This report includes all funds of the City. The City is financially accountable for two blended component units which consist of the City of Margate Community Redevelopment Agency (CRA) and the Northwest Focal Point Senior Center (Center). All component units are included as an integral part of the City's financial statements. Additional information on both of these legally separate entities can be found in the notes to the financial statements (see pages 28 and 29 of this report). In addition to being included in the City's financial statements and as required by amended Florida Statute 163.387(8), the CRA has produced its own separate stand-alone financial statements for fiscal year ended September 30, 2021.

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

Local economy

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

There are over 1,600 registered businesses in the City ranging from small local stores/service companies, to national and international corporate headquarters. It is home to some major employers including Northwest Medical Center, JM Lexus, Broward County Schools, and Walmart.

The local economy in Margate continues to show positive signs. Margate currently has a 2.0% homeowner vacancy rate and 7.2% rental vacancy rate. The City's total taxable assessed value provided by the Broward County Property Appraiser of \$3.5 billion for FY 2021 is an increase of 6.7% from FY 2020. According to the Broward County Property Appraiser, the average assessed value for single family homes in the City was \$171,062.

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

- A new residential development of fifteen townhouses is proposed for 508 Melaleuca Drive with construction anticipated in 2022. This project is pending applicant full submittal.
- A 900 square foot (sf) addition to the Lakewood Shopping Mall was recently completed.
- A 220-unit apartment complex is proposed at the northwest corner of Coconut Creek Parkway and Banks Road; the project is currently being processed for a site plan, replat, and a plat note amendment.
- Currently under review is a proposed new construction of a 131,680 sf warehouse and distribution center to be located at the northwest corner of Copans Road and Banks Road. Site work has begun and final review of construction plans is pending.
- A new 32,000 sf medical office building located at 3251 N State Road 7 has had the building shell completed with interior improvements now taking place.
- AutoNation has proposed a 10,534 sf expansion at 5355 NW 24 Street. The first phase has been completed and the second phase is currently under review.
- A new 32,760 sf self-storage building at 5600 NW 31 Street is currently under review for modifications to architectural elevations, pedestrian elements, and landscaping with construction beginning in 2021. The project is near completion.

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

The CRA continues to move forward in implementing programs and projects contained in the Community Redevelopment Plan. The CRA completed several projects during the year including the Sports Complex Covered Field and Restroom/Concession Building and Winfield Boulevard Calming and Streetscape Improvements. The CRA also has capital projects started or underway, but not completed in FY 2021 including construction of David Park Improvements, Chevy Chase Plaza Improvements, Atlantic Boulevard Streetscape, Serino Park Renovations, Margate Boulevard Improvements, SW 6th Street Improvements, Wayfinding Signage, and Stormwater Improvements.

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

Long-term financial planning and relevant financial policies

The City continued to respond to the Coronavirus Pandemic focusing on mitigating the impact of COVID-19 on staff, residents, and public. The pandemic affected both City revenues and expenditures. Staff analysis led to the determination that State Shared Revenues (Sales Tax and Half Cent Sales Tax), Recreation Fees, and Fines and Forfeitures experienced some of the largest impacts. The potential increase to expenditures will be absorbed into proposed budgets or handled with a budget amendment, as necessary, with an expected use of reserve funds to cover any deficits. The City submitted for reimbursement and has been reimbursed for COVID related costs when available, including from Broward County and FEMA. The City was also awarded American Rescue Plan Act (ARPA) monies totaling approximately \$11 million and is currently exploring opportunities to determine the best use of these monies.

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

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

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

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

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

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

Additionally, in FY 2015, the City Commission committed \$1,060,302 of fund balance to be used for Citizen Project Initiatives which will remain committed until all these monies are spent. In February 2017, the fund balance policy was amended to commit an additional \$20,030 from the Student Involvement fund balance and the Residents Projects fund balance. A separate investment account was also set up for these monies and any interest earned is added to committed fund balance. During FY 2019, the Commission passed a resolution to use some of the funds to pay for a weekly bulk trash pickup throughout the City. During FY 2020, the Commission passed a resolution to use committed fund balance monies to provide a sponsorship program for the registration, class, or session fees for children to participate in various recreation sports leagues for up to \$150 per child and not to exceed \$100,000. In addition, the Commission also passed a resolution to use committed funds to provide masks and hand sanitizer for senior citizen residents in the City to aid in the fight against COVID-19 in an amount not to exceed \$100,000. In FY 2021, the Commission passed a resolution to continue to use funds for registration, class, or session fees for children to participate in various recreation sports leagues for up to \$150 per child and not to exceed \$100,000 (reduced by amounts paid in FY 2020). The remaining committed fund balance at September 30, 2021 was \$860,323.

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

As of September 2021, the City's average unemployment rate was 4.6% which was lower than last year's rate of 8.0% primarily due to the COVID-19 pandemic. The City's unemployment rate was also above the County unemployment rates of 4.4%, but below the statewide unemployment rate of 4.8%. The economic climate in Margate has been impacted by the COVID-19 pandemic, but the availability of the COVID-19 vaccine has aided in keeping the economy growing. The City Commission/Administration continue working to have a well-planned City incorporating key components to ensure a positive quality of life for the residents, and an economically stimulating environment for businesses to prosper.

Tax reform legislation or Amendment 1, effective in October 2008, provided for an additional \$25,000 property tax exemption for homesteaded properties, portability of the Save Our Homes benefit, and a \$25,000 exemption on personal tangible property. Effective in November 2012, tax reform legislation or Amendment 2, provided that veterans disabled due to combat injury would receive a homestead property tax discount; Amendment 9, provided for the homestead property tax exemption for the surviving spouse of military veterans or first responders; and Amendment 11, provided for an additional homestead exemption to low-income seniors who maintain long-term residency. This legislation has affected the City's current and future property tax revenues and is described in detail in the notes to the financial statements beginning on page 39.

For fiscal year 2021, the City experienced an increase in municipal taxable property value of approximately \$221 million (6.7%). The City's total millage of 7.7383 in FY 2021 was lower than the FY 2020 (.0283 decrease) total millage. This decrease is reflective of a 0.6212 debt service millage for the voter approved parks bonds. The operating millage for FY 2021 of 7.1171 remained the same as the FY 2020 operating millage. The City continues to adjust to economic challenges, while managing resources effectively, to maintain a high quality of services that Margate's residents have come to expect and enjoy.

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

Major Initiatives and transitions

General government initiatives include:

- The City launched Everbridge (replaces Code Red), a citizen notification system designed to share information with the community, such as road closures, emergency and non-emergency related events, severe weather information and more. Residents, businesses, and interested parties can receive “Margate Cares ALERTS”.
- A Community Survey was completed to assess resident satisfaction with the delivery of City services resulting in most residents having a positive perception of the City. This survey was essential to help determine priorities as part of the City’s ongoing Strategic Plan.
- City communications were reorganized and now include a quarterly magazine, enhanced television channel content, employee newsletter, and added Spanish language content.
- The City advanced its initiative towards reducing risk management expenses by consolidating insurance vendors.
- The City launched Laserfiche, a new electronics records management platform which allows the expansion of the range of digital information technology governance and best practices.
- The Fire Department transitioned to a three-station department in September 2021 with the termination of the Coconut Creek service agreement. The department and vehicles began the re-branding process to reflect this change.
- In March 2021, the groundbreaking for new Fire Station 58 was held. The new modern, state of the art building that replaces a 47-year old station will be Florida Green Building Coalition certified and is expected to be completed in 2022.
- The Police Information Services expansion plan was completed in January 2021 and included a 24/7 operation of the Police Information window and the return of onsite Police teletype responsibilities that had been previously outsourced.
- The Police purchase of Body Worn Cameras in addition to upgraded tasers and report management software was approved. A program related to the cameras to manage equipment; records requests/retention and data storage requirements; and training components will be implemented.
- The City continued to implement ProjectDox electronic plan review software to process Building permits. In addition, an automated phone/text application software was purchased for inspection scheduling and results.
- The City continued to utilize Virtual Public Meetings to facilitate City business during the COVID pandemic by leveraging Communication Media Technology (CMT), such as Zoom and Facebook Live, to engage the public during this ever-changing environment.

- The 2019 General Obligation Bond proceeds were used to fund various projects throughout the year.
 - Construction on improvements to Vinson Park began in FY 2021 with renovations including installation of a new playground with shade and safety surfacing, a new water feature, upgrades to the existing concession building, installation of artificial turf for both baseball fields, replacement of the batting cages and dugouts and other general park improvements. A grand re-opening of the park is expected in FY 2022.
 - Design for Oriole and Centennial Park renovations is complete and construction is expected to begin in FY 2022.
- The City was awarded the GFOA Distinguished Budget Presentation Award for the fourth time for the FY 2021 Adopted Budget Book representing a major achievement for the City and the meeting of nationally recognized requirements for an effective budget presentation.
- The City completed the renovation of Southgate Park, a \$200,000 grant match project. The Park was re-opened in April with improvements including the resurfacing of basketball courts with backboards, playground with lights, exercise equipment, and walking trail with workout stations.
- The City installed a glued poured-in-place rubberized surfacing at Winfield Park, and synthetic playground grass at Coral Gate Park. Both projects received a \$50,000 grant, with no match requirements. These projects support the Parks and Recreation Master Plan guidance to remove all sand surfacing and replace it with modern safety surfacing material.
- Governmental capital projects completed in FY2021 consisted of Southgate Park Renovations, Southeast Park Improvements, Fire Administration Renovation, and Police TNT (Training) Facility Renovation. Ongoing capital projects included Fire Station #58, Vinson Park Improvements, Centennial Park Renovations, Oriole Park Renovations, Blueway Trail, Building Department and ProjectDox Software implementation.
- Department of Environmental and Engineering Services (DEES) continued to replace various water mains and wastewater gravity/force mains throughout the City. In addition, DEES projects completed in FY2021 included Sludge Dewatering Belt Press Rehabilitation project, a Raw Water Well Rehabilitation project and a Coagulant Feed System Installation Project. Ongoing capital projects include Water Main Improvements, Water Meter Installation/Replacement, Water Supply Well Rehabilitation, East Wastewater Treatment Plant Upgrade, and Water Main/Force Main Control Improvements.
- Over the past eleven years, the City has used reserves to help balance the budget. Although the budget may use monies from fund balance/net position to balance the budget, savings are typically realized in areas, such as vacant position personnel related costs, contracts, consultants, fees, and other cost control resources.

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 of Margate, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the thirty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Cale Curtis
City Manager



Mary Beazley
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Margate
Florida**

**For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended**

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MARGATE, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2021

ELECTED OFFICIALS

CITY COMMISSION

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

APPOINTED OFFICIALS

CITY MANAGER

Cale Curtis

ASSISTANT CITY MANAGER

Larry Vignola

INTERIM CITY ATTORNEY

Weiss Serota Helfman Cole & Bierman, P.L.

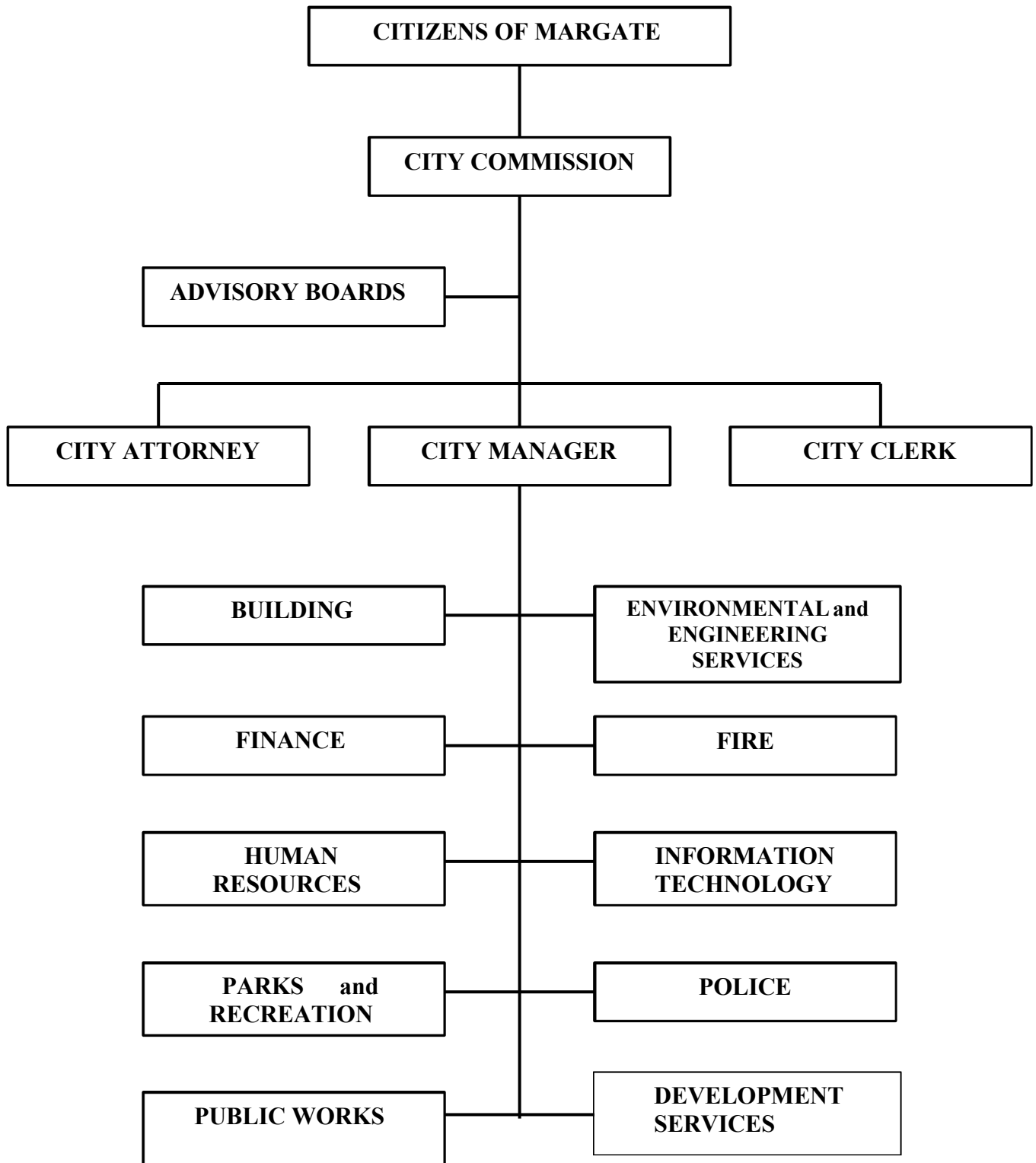
CITY CLERK

Joseph J. Kavanagh

DEPARTMENT DIRECTORS

Building, Director	Richard R. Nixon
Development Services, Director	Elizabeth Taschereau
Environmental and Engineering Services, Director	Curt Keyser
Finance, Director	Mary Beazley
Fire, Chief	Roberto Lorenzo
Human Resources, Director	Laurie Meyer
Information Technology, Director	Patrick Garmon
Parks and Recreation, Director	Michael Jones, CPRP
Police, Acting Chief	Joseph Galaska
Public Works, Director	Mark E. Collins
Northwest Focal Point Senior Center, Director	Karin Diaz
CRA, Director	Cale Curtis

CITY OF MARGATE, FLORIDA
ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida (the "City"), as of and for the year ended September 30, 2021, 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.

CPA's + Trusted Advisors

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 14 and 71 through 75, 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

City of Margate, 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 February 23, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 23, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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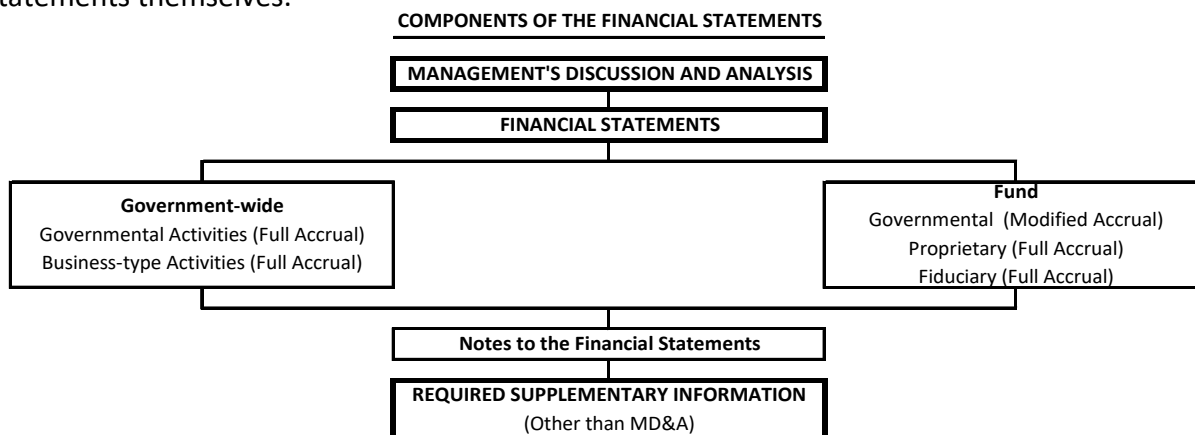
As management of the City of Margate, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Since the management's discussion and analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$ 190.4 million (*net position*). Of this amount, \$ 23.4 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's net position increased by approximately \$ 22.8 million in comparison to the prior year. The business-type activities' net position increased by \$ 8.5 million, while the net position of governmental activities increased by \$ 14.2 million.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 91.4 million, an increase of \$ 6.2 million in comparison with the prior year. Approximately 49.3% of this total amount, or \$45.0 million, is available for spending at the City's discretion (*assigned and unassigned fund balances*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 11.4 million, or 16.7% of total General Fund expenditures.
- The City's total debt (bonds and capital leases) decreased \$ 2.5 million, all in relation to the City's governmental activities. The City's business-type activities did not have any debt for the current or prior year.

Overview of the Financial Statements

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



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

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

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

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

The basic governmental fund financial statements can be found on pages 17 through 22 of this report.

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

The basic proprietary fund financial statements can be found on pages 23 through 27 of this report.

Notes to the Financial Statements are integral to a complete understanding of both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 66 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 76 of this report.

Government-wide Financial Analysis

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$ 190.4 million at the close of the most recent fiscal year.

City of Margate, Florida
Management's Discussion and Analysis
September 30, 2021

Net Position (in thousand dollars)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 110,417	\$ 101,136	\$ 76,824	\$ 70,398	\$ 187,241	\$ 171,534
Capital assets	93,066	91,038	57,740	56,090	150,806	147,128
Total assets	203,483	192,174	134,564	126,488	338,047	318,662
Pension related deferred outflows	15,246	27,204	1,329	2,495	16,575	29,699
OPEB related deferred outflows	6,035	4,555	1,249	1,011	7,284	5,566
Total deferred outflows of resources	21,281	31,759	2,578	3,506	23,859	35,265
Non-current liabilities	87,792	156,015	6,872	13,479	94,664	169,494
Other liabilities	11,447	6,705	4,081	3,946	15,528	10,651
Total liabilities	99,239	162,720	10,953	17,425	110,192	180,145
Pension related deferred inflows	47,983	1,532	4,692	165	52,675	1,697
OPEB related deferred inflows	7,228	3,611	1,371	790	8,599	4,401
Total deferred inflows of resources	55,211	5,143	6,063	955	61,274	6,098
Net Position:						
Net investment in capital assets	75,507	71,662	57,740	56,090	133,247	127,752
Restricted	33,240	30,819	500	500	33,740	31,319
Unrestricted (deficit)	(38,433)	(46,411)	61,886	55,024	23,453	8,613
Total net position	\$ 70,314	\$ 56,070	\$ 120,126	\$ 111,614	\$ 190,440	\$ 167,684

By far the largest portion of the City's net position (70.0%) reflects its investment in capital assets (for example, land, intangibles, improvements other than buildings, buildings, infrastructure, equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's net investment in capital assets increased by \$ 5.5 million during the year which is primarily due to additions to infrastructure in business-type activities, improvements other than buildings including general obligation bond parks projects in governmental activities, as well as construction in progress in both governmental and business-type activities.

An additional portion of the City's net position (17.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 23.4 million (12.3%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with its financial policies and strategies.

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

The City's overall net position increased approximately \$ 22.8 million, from the prior fiscal year primarily resulting from a decrease in the net pension liability in both governmental and business-type activities. In addition, reductions in the costs of direct operations in both the governmental activities and the business-type activities increased net position.

City of Margate, Florida
Management's Discussion and Analysis
September 30, 2021

Changes in Net Position

The following schedule is a summary of the City's operations for fiscal year 2021 with comparative information for fiscal year 2020:

	Changes in Net Position (in thousand dollars)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 29,325	\$ 27,257	\$ 28,726	\$ 28,061	\$ 58,051	\$ 55,318
Operating grants and contributions	3,126	2,140	41	177	3,167	2,317
Capital grants and contributions	-	1,000	1,336	608	1,336	1,608
General revenues:						
Ad valorem taxes	26,369	24,591	-	-	26,369	24,591
Tax incremental revenues	8,062	7,187	-	-	8,062	7,187
Other taxes	18,789	17,499	-	-	18,789	17,499
Intergovernmental	594	209	-	-	594	209
Investment income	172	1,880	120	1,746	292	3,626
Other	2,631	2,978	55	71	2,686	3,049
Total revenues	<u>89,068</u>	<u>84,741</u>	<u>30,278</u>	<u>30,663</u>	<u>119,346</u>	<u>115,404</u>
Expenses:						
Program Expenses:						
General government	17,628	18,652	-	-	17,628	18,652
Public safety	42,003	54,520	-	-	42,003	54,520
Economic and physical environment	2,202	1,997	-	-	2,202	1,997
Culture and recreation	6,484	6,089	-	-	6,484	6,089
Public works	7,455	5,594	-	-	7,455	5,594
Debt service	995	1,088	-	-	995	1,088
Water and wastewater utility	-	-	17,609	19,293	17,609	19,293
Stormwater utility	-	-	2,214	2,081	2,214	2,081
Total expenses	<u>76,767</u>	<u>87,940</u>	<u>19,823</u>	<u>21,374</u>	<u>96,590</u>	<u>109,314</u>
Increase (decrease) in net position before transfers	12,301	(3,199)	10,455	9,289	22,756	6,090
Transfers	1,943	1,905	(1,943)	(1,905)	-	-
Increase (decrease) in net position	14,244	(1,294)	8,512	7,384	22,756	6,090
Net position, October 1	56,070	57,364	111,614	104,230	167,684	161,594
Net position, September 30	<u>\$ 70,314</u>	<u>\$ 56,070</u>	<u>\$ 120,126</u>	<u>\$ 111,614</u>	<u>\$ 190,440</u>	<u>\$ 167,684</u>

Revenues: For fiscal year ended September 30, 2021, revenues from governmental activities totaled \$ 89.1 million. This was an increase of approximately \$ 4.3 million, or 5.1%, from the prior fiscal year. Additional details on the components of this change will be discussed below.

Governmental activities tax incremental revenues increased by approximately \$ 875,000, or 12.2%. This is the tax revenue that the CRA collects from the City, Broward County and the North Broward Hospital District. These taxes are based on the incremental increase of the real property value, are dedicated to the redevelopment of the designated CRA area and cannot be used for general governmental purposes.

The City's taxable value increased 6.1% from fiscal year 2020. The net increase in ad valorem taxes was approximately \$ 1.8 million or 7.2%.

Other changes in governmental activities resulted from the following:

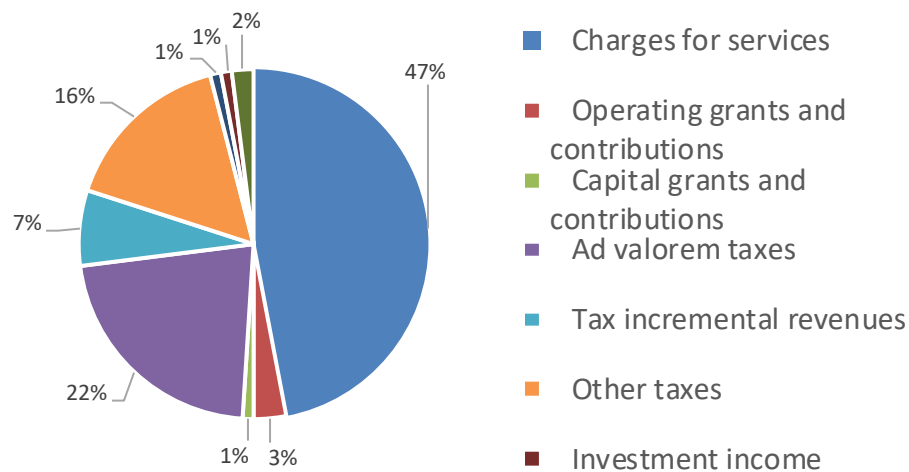
- Charges for services experienced an increase of approximately \$ 2.1 million (7.6%) over fiscal year 2020 due primarily to an increase in building permit fees and the interlocal agreement fee from the City of Coconut Creek for fire rescue services.

- Other taxes of the governmental activities, which include gas taxes, utility services taxes, franchise taxes and other taxes increased by approximately \$ 1.3 million or 7.4%. These taxes are tied to usage by the public.
- Intergovernmental revenues increased slightly by \$ 385,000.
- Investment income decreased by \$ 1.7 million (90.8%) primarily resulting from the weak economy and the effects of the COVID-19 pandemic on interest rates.
- Other revenues decreased by \$ 347,000 (11.6%) for the City.
- Capital grants and contributions decreased by \$ 1 million due primarily to a one-time award from a State of Florida grant for the purchase of the Fire Administration offices in the prior year.
- Operating grants and contributions increased by approximately \$ 986,000, a 46.0% increase from the previous year. This was largely due to reimbursement revenues resulting from Broward County for COVID related expenditures.

For fiscal year ended September 30, 2021, revenues from business-type activities totaled \$ 30.3 million. This was a decrease of \$ 385,000, or 1.3 % from the prior fiscal year. Additional details on the components of this change will be discussed below.

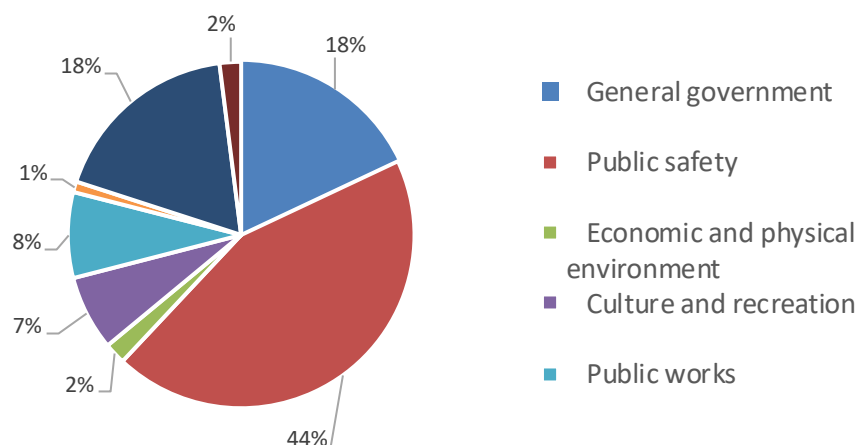
- Business-type charges for services increased slightly by \$ 665,000 to approximately \$ 28.7 million. This 2.4% increase is due to rate increases and increased consumption.
- Capital grants and contributions increased slightly by approximately \$ 728,000 in fiscal year 2021 mainly due to contributions from developers. In addition, operating grants decreased by \$ 136,000.
- Investment income decreased by \$ 1.6 million (93.1%) due to a weakening economy and reduced investment rates during the COVID-19 pandemic.
- Other revenues decreased by \$ 16,000 for the City.

Sources of Revenue: Government-wide for Fiscal Year 2021



Expenses: For fiscal year ended September 30, 2021, expenses for governmental activities totaled \$ 76.7 million, which was a decrease of approximately \$ 11.2 million from prior year expenses. For the fiscal year ended September 30, 2021, expenses for business-type activities totaled approximately \$ 19.8 million or a decrease of \$ 1.5 million from prior year expenses. This was due primarily from the decreased costs of operations and pension expenses.

Functional Expenses: Government-wide for Fiscal Year 2021



Financial Analysis of the City's Funds

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

Governmental Funds: The focus of the City's Governmental Funds is to provide information on near-term inflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Overall, governmental funds ended the year with \$ 91.4 million in fund balance, including \$ 11.4 million in unassigned fund balance.

The *General Fund* is the main operating fund of the City. At the end of the current fiscal year, fund balance totaled \$ 37.3 million of which approximately \$ 48,000 is nonspendable, \$ 28,000 is restricted, \$ 860,000 is committed, \$ 25 million is assigned for future obligations, and \$ 11.4 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance (\$ 11.4 million) represents 16.7% of total General Fund expenditures, while total fund balance represents 54.8% of that same amount.

The fund balance of the City's General Fund increased by approximately \$ 4.7 million. The increase included additional property taxes resulting from higher taxable assessed values in the City, increased cost allocation from the Water and Wastewater Fund, increased intergovernmental revenues, and additional amounts received from charges for services. Total expenditures increased in the General Fund due to an increase in required contributions to FRS, increase in health insurance costs, reclassification of positions in various departments, addition of six telecommunication specialists, and salary and benefit changes for personnel. In FY 2020, summer camp and various recreation programs were not held due to COVID which resulted in not hiring seasonal help and not incurring program expenditures.

The following Margate Community Redevelopment Agency (CRA) funds were reported as major funds: Trust Fund, Sinking Fund, Escrow Account Fund, Capital Improvement Fund, and Loan Proceeds Fund. The Trust Fund had a zero fund balance at the end of the current fiscal year end. This was the result of a transfer of monies to the CRA Capital Improvement Fund at year end as required by Florida Statutes. The Sinking Fund had an ending fund balance of \$ 10,000 which may be used to pay debt service. The Escrow Account Fund had a zero ending fund balance as a result of a transfer of monies to the CRA Capital Improvement Fund at year-end because FY 2022 is the final debt service payment and tax increment financing monies will be sufficient to make this payment. The CRA Capital Improvement Fund had a total fund balance of \$ 16.9 million at the end of the current fiscal year, all of which is restricted for future redevelopment projects. The increase of \$ 2.4 million in the fund balance of the Capital Improvement Fund was due to transfers from the Trust Fund and the Escrow Account Fund for on-going capital projects. The CRA Loan Proceeds Fund had a \$ 5.4 million fund balance at fiscal year-end, all of which is restricted for future development projects. The Fund balance of the CRA Loan Proceeds Fund decreased by \$ 22,0000 during the year primarily due to consulting or professional services related to the potential purchase of a property.

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

The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$ 59.1 million and \$ 2.7 million in the Stormwater Utility Fund. The Water and Wastewater Fund experienced a \$ 7.2 million increase in net position and the Stormwater Utility Fund reported a \$ 1.3 million increase in net position.

At the end of fiscal year 2021 the City's self-insurance fund, the General Insurance Fund, had assets of \$ 7.7 million, as well as liabilities of approximately \$ 6.1 million which represented estimated claims payable. Ending net position was \$ 1.6 million. This is a decrease of \$ 2.5 million from the prior year mainly due to an increase in estimated claims payable.

Original Budget Compared to Final Budget

During the year, there were several significant amendments (\$ 6.7 million) increasing the expenditures budget. These resulted primarily from:

1. transfer (\$ 500,000) from the Building Fund to the Capital Projects Fund for Building Department expansion,
2. recording of CARES Act Funding (\$ 559,000) for CDBG-CV spending,
3. transfer from fund balance remaining monies (\$ 3.7 million) in the 2019 General Obligation Bond Fund for bond projects, and
4. transfer from fund balance (\$ 1.0 million) in the Insurance Fund to cover increased workers' compensation program costs.

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

General Fund Budgetary Highlights

Final budget compared to actual results. General Fund revenues in total exceeded the final budget in all five of the major revenue categories. The final budget to actual revenues resulted in an increase of approximately \$ 4.2 million. This was primarily due to increases in intergovernmental revenues of \$ 2.7 million which included monies received from Broward County for reimbursement of CARES expenditures (\$ 1.6 million); miscellaneous income (\$ 605,000); utility service taxes (\$ 517,000); property taxes (\$ 242,000); and charges for services (\$ 202,000).

Total General Fund expenditures were less than final budgeted by approximately \$ 5.8 million. The majority of this favorable budget was recognized in the various operating cost line item expenditures throughout the General Fund due mainly from vacant budgeted positions, COVID-19 pandemic reduced expenditures of certain functions/operations, cost control measures, purchase orders encumbered to be expended in the following fiscal year, and dispatch expenditures were not incurred.

	Original Budget	Final Budget	Actual Amounts
Revenues:			
Property taxes	\$ 24,010,000	\$ 24,010,000	\$ 24,252,396
Permits, fees, and other taxes	10,970,519	10,970,519	11,572,991
Intergovernmental	5,377,166	5,565,559	8,315,335
Charges for services	24,159,084	24,159,084	24,361,133
Other	2,036,424	2,036,424	2,443,914
Total revenues	66,553,193	66,741,586	70,945,769
Total expenditures	73,133,730	73,987,486	68,135,541
Excess (deficiency) of revenues over (under) expenditures	(6,580,537)	(7,245,900)	2,810,228
Other Financing Sources (Uses):			
Transfers in	1,943,462	1,943,462	1,943,462
Capital leases	-	-	766,742
Proceeds from sale of capital assets	-	-	56,700
Transfers out	(840,000)	(840,000)	(840,000)
Total other financing sources (uses)	1,103,462	1,103,462	1,926,904
Net change in fund balances	\$ (5,477,075)	\$ (6,142,438)	\$ 4,737,132

City of Margate, Florida
Management's Discussion and Analysis
September 30, 2021

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2021, amount to \$ 150.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, machinery and equipment, intangibles, and construction in progress.

Capital Assets (net of accumulated depreciation) (in thousand dollars)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 28,952	\$ 28,952	\$ -	\$ -	\$ 28,952	\$ 28,952
Intangibles	4,908	5,377	-	-	4,908	5,377
Construction in progress	3,530	4,686	13,566	12,333	17,096	17,019
Infrastructure	31,451	30,173	39,360	39,205	70,811	69,378
Buildings	10,751	9,423	2,804	3,097	13,555	12,520
Machinery and equipment	5,688	5,959	2,010	1,455	7,698	7,414
Improvements other than buildings	7,786	6,468	-	-	7,786	6,468
Total	\$ 93,066	\$ 91,038	\$ 57,740	\$ 56,090	\$ 150,806	\$ 147,128

In the governmental funds, major additions included the acquisition of lease vehicles for Police, Parks and Recreation, and various other departments; renovations/improvements at Southgate Park, Winfield Park, Coral Gate Park, and Southeast Park; and the Police Training Facility renovation.

CRA additions included the completion of the Sports Complex Covered Field and Restroom/Concession Building and Winfield Boulevard Calming and Streetscape Improvements. Construction in progress projects include improvements for David Park, Chevy Chase Plaza, Atlantic Boulevard Streetscape, Serino Park Renovations, Margate Boulevard Improvements, SW 6th Street Improvements, Wayfinding Signage, and Stormwater Improvements.

Business-type additions included rehabilitation of generator systems, rehabilitation of raw water wells, coagulant feed system, and rehabilitation sludge dewatering belt press. In addition, major equipment purchases included various trucks and a chlorine analysis system.

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

Debt Administration: At the end of the fiscal year, the City had \$ 28.5 million in general obligation bonds (including \$ 3.9 million in bond premium), and \$ 426,000 in community redevelopment bonds, as well as \$ 854,000 outstanding in capital leases for a total outstanding debt of \$ 29.8 million.

Outstanding Debt (in thousand dollars)		
	Governmental Activities	
	2021	2020
General obligation bonds	\$ 24,580	\$ 25,530
Premium on general obligation bonds	3,951	4,197
Community redevelopment bonds	426	2,264
Capital leases	854	396
Total	\$ 29,811	\$ 32,387

More detailed information about the City's long-term liabilities is presented in Note 7 beginning on page 47 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors affected the development of the Fiscal Year 2021/2022 budget. The local economy continued to show positive signs; however, the COVID-19 pandemic continued to affect the budget development. Property taxes, which are 38.1% of the total General Fund revenue budget, are budgeted for no increase in the operating millage rate which remains at 7.1171, generating \$ 27.6 million, an increase of \$ 1.5 million higher than fiscal year 2020 amended budget due mainly to increased property values. The debt service millage reflects a decrease of 3.8% from .6212 to .5974 due to a decrease in the debt service payments for the outstanding General Obligation Refunding Bonds, Series 2016 and the General Obligation Bonds, Series 2019. The property taxes associated with the debt service millage are recorded in the respective debt service funds.

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

The water and wastewater rates increased beginning October 1, 2015 through FY 2021 based on the consumer price index stated in the rate ordinances. Stormwater rates increased beginning January 2020 and will continue to have a 5% increase annually each fiscal year beginning with October 1, 2020.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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City of Margate, Florida
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash, cash equivalents, and investments	\$ 105,542,198	\$ 70,389,526	\$ 175,931,724
Accounts receivable - net	4,735,689	3,720,384	8,456,073
Prepayments and other assets	139,147	-	139,147
Inventories	-	907,076	907,076
Restricted cash, cash equivalents, and investments	-	1,806,606	1,806,606
Capital assets:			
Land	28,952,497	-	28,952,497
Intangibles	4,908,567	-	4,908,567
Construction in progress	3,529,703	13,565,969	17,095,672
Infrastructure	94,382,377	106,093,023	200,475,400
Buildings	18,684,600	27,671,710	46,356,310
Machinery and equipment	20,808,207	7,800,280	28,608,487
Improvements other than buildings	14,474,746	-	14,474,746
Total capital assets	185,740,697	155,130,982	340,871,679
Less: accumulated depreciation	(92,674,209)	(97,390,692)	(190,064,901)
Total capital assets, net	93,066,488	57,740,290	150,806,778
Total assets	203,483,522	134,563,882	338,047,404
Deferred Outflows of Resources:			
Deferred outflows related to pensions	15,246,568	1,329,651	16,576,219
Deferred outflows related to OPEB	6,034,839	1,248,524	7,283,363
Total deferred outflows of resources	21,281,407	2,578,175	23,859,582
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,385,430	2,270,193	7,655,623
Deposits	55,964	1,810,811	1,866,775
Accrued interest payable	284,095	-	284,095
Unearned revenue	5,722,085	-	5,722,085
Noncurrent liabilities:			
Due within one year:			
Claims and judgements	1,936,475	-	1,936,475
Bonds payable	1,426,179	-	1,426,179
Compensated absences	1,213,106	115,622	1,328,728
Capital leases payable	156,882	-	156,882
Due in more than a year:			
Other post employment benefits (OPEB) liability	13,531,495	3,015,620	16,547,115
Claims and judgements	4,116,469	-	4,116,469
Bonds payable	27,531,978	-	27,531,978
Compensated absences	10,429,434	2,004,032	12,433,466
Capital leases payable	696,710	-	696,710
Net pension liability	26,753,522	1,736,675	28,490,197
Total liabilities	99,239,824	10,952,953	110,192,777
Deferred Inflows of Resources:			
Deferred inflows related to pensions	47,982,671	4,692,067	52,674,738
Deferred inflows related to OPEB	7,228,083	1,371,237	8,599,320
Total deferred inflows of resources	55,210,754	6,063,304	61,274,058
Net Position:			
Net investment in capital assets	75,507,061	57,740,290	133,247,351
Restricted for:			
Renewal and replacement	-	500,000	500,000
Debt service	67,746	-	67,746
Culture and recreation	990,811	-	990,811
Physical and economic redevelopment	530,609	-	530,609
Public safety	6,599,177	-	6,599,177
Highway and streets	8,140,886	-	8,140,886
Community redevelopment	16,911,142	-	16,911,142
Unrestricted (deficit)	(38,433,081)	61,885,510	23,452,429
Total net position	\$ 70,314,351	\$ 120,125,800	\$ 190,440,151

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

City of Margate, Florida
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 17,628,396	\$ 2,111,702	\$ 69,143	\$ -	\$ (15,447,551)	\$ -	\$ (15,447,551)	
Public safety	42,003,377	26,009,064	1,788,563	-	(14,205,750)	-	(14,205,750)	
Economic and physical environment	2,201,710	658,430	248,905	-	(1,294,375)	-	(1,294,375)	
Culture and recreation	6,483,972	349,315	1,019,467	-	(5,115,190)	-	(5,115,190)	
Public works	7,454,869	196,231	-	-	(7,258,638)	-	(7,258,638)	
Interest expense	995,383	-	-	-	(995,383)	-	(995,383)	
Total governmental activities	76,767,707	29,324,742	3,126,078	-	(44,316,887)	-	(44,316,887)	
Business-type activities:								
Water and wastewater	17,609,210	25,257,239	38,542	1,336,200	-	9,022,771	9,022,771	
Stormwater utility	2,213,950	3,469,136	2,037	-	-	1,257,223	1,257,223	
Total business-type activities	19,823,160	28,726,375	40,579	1,336,200	-	10,279,994	10,279,994	
Total primary government	\$ 96,590,867	\$ 58,051,117	\$ 3,166,657	\$ 1,336,200	(44,316,887)	10,279,994	(34,036,893)	
General revenues:								
Taxes:								
Property					26,368,626	-	26,368,626	
Franchise					4,341,404	-	4,341,404	
Utility service					6,704,297	-	6,704,297	
Sales					6,258,880	-	6,258,880	
Gas					1,484,478	-	1,484,478	
Tax incremental revenue					8,061,418	-	8,061,418	
Intergovernmental not restricted to specific program					594,641	-	594,641	
Investment income					172,117	120,276	292,393	
Miscellaneous					2,579,486	-	2,579,486	
Gain on disposal of capital assets					52,272	54,815	107,087	
Transfers					1,943,462	(1,943,462)	-	
Total general revenues and transfers					58,561,081	(1,768,371)	56,792,710	
Change in net position					14,244,194	8,511,623	22,755,817	
Net position, beginning					56,070,157	111,614,177	167,684,334	
Net position, ending					\$ 70,314,351	\$ 120,125,800	\$ 190,440,151	

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

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City of Margate, Florida
Balance Sheet - Governmental Funds
September 30, 2021

	Major Governmental Funds		
	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Sinking Fund
Assets:			
Cash, cash equivalents, and investments	\$ 43,464,927	\$ 191,145	\$ 10,178
Accounts receivable, net	4,092,154	426	-
Prepayments and other assets	48,416	-	-
Total assets	<u>\$ 47,605,497</u>	<u>\$ 191,571</u>	<u>\$ 10,178</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,533,655	\$ 73,598	\$ -
Tenant deposits	-	55,964	-
Unearned revenue	5,660,076	62,009	-
Total liabilities	<u>10,193,731</u>	<u>191,571</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenues	<u>67,563</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Prepayments and other assets	48,416	-	-
Restricted for:			
Public safety	-	-	-
Transportation	-	-	-
Building	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	10,178
Economic development	-	-	-
Tree preservation	28,606	-	-
Redevelopment projects	-	-	-
Streetlights	-	-	-
Utilities	-	-	-
Capital projects	-	-	-
Committed for:			
Citizen project initiatives	860,323	-	-
Assigned for:			
Subsequent year appropriation	8,245,811	-	-
Health insurance	750,000	-	-
Other insurance	200,000	-	-
Future employee payouts	1,200,000	-	-
Capital projects - parks and recreation	1,750,000	-	-
Technology	1,890,719	-	-
Capital projects	3,448,875	-	-
Emergency preparedness	2,750,000	-	-
Vehicle replacement	2,125,442	-	-
Communications	1,574,397	-	-
Public safety	1,000,000	-	-
Other	103,470	-	-
Unassigned	11,368,144	-	-
Total fund balances	<u>37,344,203</u>	<u>-</u>	<u>10,178</u>
Total liabilities and fund balances	<u>\$ 47,605,497</u>	<u>\$ 191,571</u>	<u>\$ 10,178</u>

Margate Community Redevelopment Agency Escrow Account Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Margate Community Redevelopment Agency Loan Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 17,017,482	\$ 5,392,773	\$ 31,752,809	\$ 97,829,314
-	36	-	641,730	4,734,346
-	-	15,000	68,050	131,466
<u>\$ -</u>	<u>\$ 17,017,518</u>	<u>\$ 5,407,773</u>	<u>\$ 32,462,589</u>	<u>\$ 102,695,126</u>
\$ -	\$ 106,376	\$ -	\$ 596,258	\$ 5,309,887
-	-	-	-	55,964
-	-	-	-	5,722,085
-	106,376	-	596,258	11,087,936
-	-	-	132,694	200,257
-	-	15,000	68,050	131,466
-	-	-	3,660,453	3,660,453
-	-	-	7,753,983	7,753,983
-	-	-	2,938,724	2,938,724
-	-	-	962,205	962,205
-	-	-	57,568	67,746
-	-	-	469,017	469,017
-	-	-	-	28,606
-	16,911,142	5,392,773	-	22,303,915
-	-	-	386,903	386,903
-	-	-	61,592	61,592
-	-	-	6,748,193	6,748,193
-	-	-	-	860,323
-	-	-	-	8,245,811
-	-	-	-	750,000
-	-	-	-	200,000
-	-	-	-	1,200,000
-	-	-	-	1,750,000
-	-	-	-	1,890,719
-	-	-	8,626,949	12,075,824
-	-	-	-	2,750,000
-	-	-	-	2,125,442
-	-	-	-	1,574,397
-	-	-	-	1,000,000
-	-	-	-	103,470
-	-	-	-	11,368,144
<u>-</u>	<u>16,911,142</u>	<u>5,407,773</u>	<u>31,733,637</u>	<u>91,406,933</u>
<u>\$ -</u>	<u>\$ 17,017,518</u>	<u>\$ 5,407,773</u>	<u>\$ 32,462,589</u>	<u>\$ 102,695,126</u>

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

City of Margate, Florida
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Funds
September 30, 2021

Fund Balances - Total Governmental Funds (Page 18) \$ 91,406,933

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

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

Governmental capital assets	\$ 185,740,697	
Less: accumulated depreciation	(92,674,209)	93,066,488

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

Governmental bonds payable	\$ (28,958,157)	
Capital leases	(853,592)	
Compensated absences payable	(11,642,540)	(41,454,289)

Bond interest payable not reported in the governmental funds.		(284,095)
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OPEB obligation and deferred amounts attributable to retiree benefits are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.

Other post employment benefits (OPEB) liability	\$ (13,531,495)	
Deferred outflows relating to OPEB	6,034,839	
Deferred inflows relating to OPEB	(7,228,083)	(14,724,739)

Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues.		200,257
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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 liability	\$ (26,753,522)	
Deferred outflows relating to pensions	15,246,568	
Deferred inflows relating to pensions	(47,982,671)	(59,489,625)

Internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,593,421

Net Position of Governmental Activities (Page 15)	\$	70,314,351

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

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City of Margate, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2021

	Major Governmental Funds			
	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Sinking Fund	Margate Community Redevelopment Agency Escrow Account Fund
Revenues:				
Property taxes	\$ 24,252,396	\$ -	\$ -	\$ -
Franchise taxes	4,341,404	-	-	-
Utility service taxes	6,704,297	-	-	-
Tax incremental	-	8,061,418	-	-
Licenses and permits	527,290	-	-	-
Intergovernmental	8,315,335	-	-	-
Investment income	91,307	4,712	29	301
Charges for services	24,361,133	-	-	-
Rental income	-	658,430	-	-
Fines and forfeitures	239,744	-	-	-
Impact fees	-	-	-	-
Miscellaneous	2,112,863	5,276	-	-
Total revenues	70,945,769	8,729,836	29	301
Expenditures:				
Current:				
General government	16,591,217	1,266,530	-	-
Public safety	42,973,007	-	-	-
Economic and physical environment	-	1,289,236	-	-
Culture and recreation	4,645,665	-	-	-
Public works	3,502,042	-	-	-
Debt service:				
Principal retirement	405,672	-	1,837,827	-
Interest and other charges	17,938	-	59,105	-
Total expenditures	68,135,541	2,555,766	1,896,932	-
Excess (deficiency) of revenues over (under) expenditures	2,810,228	6,174,070	(1,896,903)	301
Other Financing Sources (Uses):				
Transfers in	1,943,462	-	1,896,932	-
Proceeds from sale of capital assets	56,700	-	-	-
Capital leases	766,742	-	-	-
Transfers out	(840,000)	(6,174,070)	-	(993,039)
Total other financing sources (uses)	1,926,904	(6,174,070)	1,896,932	(993,039)
Net change in fund balances	4,737,132	-	29	(992,738)
Fund Balances, Beginning	32,607,071	-	10,149	992,738
Fund Balances, Ending	\$ 37,344,203	\$ -	\$ 10,178	\$ -

Margate Community Redevelopment Agency Capital Improvement Fund	Margate Community Redevelopment Agency Loan Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,116,230	\$ 26,368,626
-	-	-	4,341,404
-	-	-	6,704,297
-	-	-	8,061,418
-	-	3,278,187	3,805,477
-	-	3,351,821	11,667,156
16,154	1,417	58,197	172,117
-	-	6,125	24,367,258
-	-	-	658,430
-	-	352,743	592,487
-	-	255,987	255,987
-	-	732,150	2,850,289
16,154	1,417	10,151,440	89,844,946
-	-	-	17,857,747
-	-	4,206,555	47,179,562
2,924,121	23,227	346,705	4,583,289
-	-	2,647,277	7,292,942
-	-	1,700,911	5,202,953
-	-	954,917	3,198,416
-	-	1,187,858	1,264,901
2,924,121	23,227	11,044,223	86,579,810
(2,907,967)	(21,810)	(892,783)	3,265,136
5,270,177	-	1,685,000	10,795,571
-	-	98,625	155,325
-	-	101,119	867,861
-	-	(845,000)	(8,852,109)
5,270,177	-	1,039,744	2,966,648
2,362,210	(21,810)	146,961	6,231,784
14,548,932	5,429,583	31,586,676	85,175,149
\$ 16,911,142	\$ 5,407,773	\$ 31,733,637	\$ 91,406,933

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

City of Margate, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities - Governmental Funds
For the Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds (Page 21) \$ 6,231,784

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

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

Expenditures for capital assets	\$ 9,025,221	
Less: net book value of disposed capital assets	(1,766,264)	
Less: current year provision for depreciation	<u>(5,231,003)</u>	2,027,954

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

Principal repayments

General obligation bonds	\$ 950,000	
Community redevelopment bonds	1,837,827	
Capital leases	<u>410,589</u>	3,198,416

Proceeds from debt issuance

Capital lease financing	(867,861)
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Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item.	(828,779)
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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 the governmental funds.

Change in accrued compensated absences	\$ 357,945	
Amortization of bond premiums	245,031	
Change in accrued interest payable on bonds	24,487	
Change in net pension liability and other related deferral amounts	6,313,047	
Change in OPEB liability and other related deferral amounts	<u>108,014</u>	7,048,524

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net expense of certain activities in the internal service fund is reported with governmental activities.	<u>(2,565,844)</u>
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Change in Net Position of Governmental Activities (Page 16) \$ 14,244,194

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

City of Margate, Florida
Statement of Net Position - Proprietary Funds
September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Assets:				
Current assets:				
Cash, cash equivalents, and investments	\$ 66,913,210	\$ 3,476,316	\$ 70,389,526	\$ 7,712,884
Accounts receivable, net	3,469,277	251,107	3,720,384	1,343
Prepayments and other assets	-	-	-	7,681
Inventories	907,076	-	907,076	-
Restricted assets:				
Cash, cash equivalents and investments	1,806,606	-	1,806,606	-
Total current assets	73,096,169	3,727,423	76,823,592	7,721,908
Non-current assets:				
Capital assets:				
Construction in progress	13,565,969	-	13,565,969	-
Infrastructure	103,147,081	2,945,942	106,093,023	-
Buildings	27,671,710	-	27,671,710	-
Machinery and equipment	5,892,803	1,907,477	7,800,280	-
Total capital assets	150,277,563	4,853,419	155,130,982	-
Less: accumulated depreciation	(96,065,735)	(1,324,957)	(97,390,692)	-
Total capital assets, net	54,211,828	3,528,462	57,740,290	-
Total assets	127,307,997	7,255,885	134,563,882	7,721,908
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	1,258,438	71,213	1,329,651	-
Deferred outflows relating to OPEB	1,168,525	79,999	1,248,524	-
Total deferred outflows of resources	2,426,963	151,212	2,578,175	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	2,195,399	74,794	2,270,193	75,543
Customer deposits	4,205	-	4,205	-
Claims and judgements	-	-	-	1,936,475
Compensated absences payable	102,816	12,806	115,622	-
Payable from restricted assets:				
Customer deposits	1,806,606	-	1,806,606	-
Total current liabilities	4,109,026	87,600	4,196,626	2,012,018
Non-current liabilities:				
Other post employment benefits (OPEB) liability	2,765,103	250,517	3,015,620	-
Claims and judgements	-	-	-	4,116,469
Compensated absences payable	1,782,074	221,958	2,004,032	-
Net pension liability	1,631,746	104,929	1,736,675	-
Total non-current liabilities	6,178,923	577,404	6,756,327	4,116,469
Total liabilities	10,287,949	665,004	10,952,953	6,128,487

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

City of Margate, Florida
Statement of Net Position - Proprietary Funds
(Continued)
September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Deferred Inflows of Resources:				
Deferred inflows relating to pensions	4,343,383	348,684	4,692,067	-
Deferred inflows relating to OPEB	1,276,082	95,155	1,371,237	-
Total deferred inflows of resources	5,619,465	443,839	6,063,304	-
Net Position:				
Net investment in capital assets	54,211,828	3,528,462	57,740,290	-
Restricted for renewal and replacement	500,000	-	500,000	-
Unrestricted	59,115,718	2,769,792	61,885,510	1,593,421
Total net position	\$ 113,827,546	\$ 6,298,254	\$ 120,125,800	\$ 1,593,421

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

City of Margate, Florida
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major	Nonmajor	Total	Internal
	Water and	Stormwater	Enterprise	Service
	Wastewater	Utility	Funds	Fund -
	Fund	Fund		General
				Insurance
				Fund
Operating Revenues:				
Charges for services:				
Residential	\$ 11,769,259	\$ 1,327,375	\$ 13,096,634	\$ -
Commercial and multi-family	12,901,153	2,141,761	15,042,914	-
Costs billed to other funds	-	-	-	2,107,500
Other services	586,827	-	586,827	152,424
Total operating revenues	25,257,239	3,469,136	28,726,375	2,259,924
Operating and Administrative Expenses:				
Cost of sales, maintenance, and services	14,789,406	1,968,681	16,758,087	789,366
Depreciation	2,819,804	245,269	3,065,073	-
Administrative services	-	-	-	47,153
Claims	-	-	-	4,001,762
Total operating and administrative expenses	17,609,210	2,213,950	19,823,160	4,838,281
Operating income (loss)	7,648,029	1,255,186	8,903,215	(2,578,357)
Non-Operating Revenues:				
Investment income	112,301	7,975	120,276	12,513
Intergovernmental (operating)	38,542	2,037	40,579	-
Gain on disposal of capital assets	54,135	680	54,815	-
Total non-operating revenues	204,978	10,692	215,670	12,513
Income (Loss) Before Capital Contributions and Transfers	7,853,007	1,265,878	9,118,885	(2,565,844)
Capital Contributions and Transfers:				
Capital contributions - impact fees	150,013	-	150,013	-
Capital contributions	1,186,187	-	1,186,187	-
Transfers out	(1,943,462)	-	(1,943,462)	-
Total capital contributions and transfers	(607,262)	-	(607,262)	-
Change in net position	7,245,745	1,265,878	8,511,623	(2,565,844)
Net Position, Beginning	106,581,801	5,032,376	111,614,177	4,159,265
Net Position, Ending	\$ 113,827,546	\$ 6,298,254	\$ 120,125,800	\$ 1,593,421

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

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Cash Flows From Operating Activities:				
Receipts from customers, users and other	\$ 25,391,485	\$ 3,457,994	\$ 28,849,479	\$ 2,260,251
Payments for interfund services used	(1,287,957)	(438,867)	(1,726,824)	(47,153)
Payments to suppliers for goods and services	(5,411,245)	(763,420)	(6,174,665)	(3,250,526)
Payments to employees	(8,545,957)	(836,385)	(9,382,342)	-
Net cash provided by (used by) operating activities	10,146,326	1,419,322	11,565,648	(1,037,428)
Cash Flows From Noncapital Financing Activities:				
Receipts from local government agencies	38,542	2,037	40,579	-
Transfer to other funds	(1,943,462)	-	(1,943,462)	-
Net cash provided by (used by) noncapital financing activities	(1,904,920)	2,037	(1,902,883)	-
Cash Flows From Capital and Related Financing Activities:				
Capital contributions	150,013	-	150,013	-
Capital contribution - connection charges	1,186,187	-	1,186,187	-
Acquisition and construction of capital assets, net	(4,264,532)	(395,793)	(4,660,325)	-
Net cash used by capital and related financing activities	(2,928,332)	(395,793)	(3,324,125)	-
Cash Flows From Investing Activities:				
Investment income	114,377	8,131	122,508	12,513
Net cash provided by investing activities	114,377	8,131	122,508	12,513
Net increase (decrease) in cash, cash equivalents, and investments	5,427,451	1,033,697	6,461,148	(1,024,915)
Cash, Cash Equivalents, and Investments, Beginning	63,292,365	2,442,619	65,734,984	8,737,799
Cash, Cash Equivalents, and Investments, Ending	\$ 68,719,816	\$ 3,476,316	\$ 72,196,132	\$ 7,712,884
Reconciliation to Statement of Net Position:				
Cash, cash equivalents, and investments	\$ 66,913,210	\$ 3,476,316	\$ 70,389,526	\$ 7,712,884
Restricted cash, cash equivalents, and investments	1,806,606	-	1,806,606	-
Cash, cash equivalents, and investments	\$ 68,719,816	\$ 3,476,316	\$ 72,196,132	\$ 7,712,884

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

City of Margate, Florida
Statement of Cash Flows - Proprietary Funds
(Continued)
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major	Nonmajor	Total	Internal
	Water and	Stormwater	Enterprise	Service
	Wastewater	Utility	Funds	Fund -
	Fund	Fund		General
				Insurance
				Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 7,648,029	\$ 1,255,186	\$ 8,903,215	\$ (2,578,357)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,819,804	245,269	3,065,073	-
Change in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	67,578	(11,142)	56,436	327
Prepayments and other assets	-	-	-	(7,681)
Inventories	(22,906)	-	(22,906)	-
Deferred outflows relating to pensions and OPEB	854,410	73,108	927,518	-
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	64,137	4,003	68,140	(128,985)
Compensated absences payable	88,098	(26,494)	61,604	-
Net pension liability	(5,831,463)	(475,893)	(6,307,356)	-
Claims and judgements	-	-	-	1,677,268
Customer deposits payable	66,668	-	66,668	-
OPEB obligation	(338,176)	(22,469)	(360,645)	-
Deferred inflows relating to pensions and OPEB	4,730,147	377,754	5,107,901	-
Total adjustments	2,498,297	164,136	2,662,433	1,540,929
Net cash provided by (used by) operating activities	\$ <u>10,146,326</u>	\$ <u>1,419,322</u>	\$ <u>11,565,648</u>	\$ <u>(1,037,428)</u>

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

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Margate, Florida (the "City"), in Broward County, was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. On June 22, 1961, the Town of Margate was incorporated as a City, and is governed by its present Charter dated March 15, 1979. It is located in the western portion of Broward County, Florida and has a population of approximately 59,351 living within an area of approximately 9 square miles. The City operates under the commission/city manager form of government. It provides the following services: general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The City also operates two enterprise funds which provide water/wastewater services and stormwater services. In addition, an internal service fund is maintained for insurance.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

B. Government-wide and Fund Financial Statements

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

Effective for fiscal year end September 30, 2021, the City implemented four new GASB statements of financial accounting standards.

Note 1 - Summary of Significant Accounting Policies (continued)

Statement No. 84, Fiduciary Activities, was issued in January 2017. This Statement improves guidance related to identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It also establishes criteria for identifying fiduciary activities of all state and local governments with a focus of the criteria on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The provisions for this Statement are effective for fiscal year ending September 30, 2021. In accordance with this statement, the General Fund's beginning total assets and liabilities increased by approximately \$ 168,000, with no effect on fund balance, due to amounts for performance bond monies deposited with the City by certain vendors and individuals which the City holds for its own benefit (previously reported as the Performance Bond Agency Fund).

Statement No. 90, Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61, was issued in August 2018. This Statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. It will also improve the relevance of financial statement information for certain component units. The provisions for this Statement are effective for fiscal year ending September 30, 2021. This statement had no impact on the City's financial statements.

Statement No. 93, Replacement of Interbank Offered Rates, was issued in March 2020. The objective of this Statement is to address accounting and other financial reporting implications that result from the replacement of an interbank offered rate (IBOR). As a result of global reference rate reform, governments will need to replace certain rates, such as LIBOR by either changing the reference rate or adding of changing fallback provisions related to the reference rate. Certain provisions for this Statement are effective for fiscal year ending September 30, 2021, so the City early implemented any remaining provisions. This statement had no impact on the City's financial statements.

Statement No. 98, The Annual Comprehensive Financial Report, was issued in October 2021. The objective of this Statement is to establish the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The provisions for this Statement are effective for fiscal year ending September 30, 2022. The City early implemented this statement and made the appropriate changes on the City's financial statements.

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those expenses that are clearly identifiable within a specific function or segment. *Program revenues* include 1) charges to customers for goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The *Margate Community Redevelopment Agency Escrow Account Debt Service Fund* accounts for the accumulation of monies for the repayment of 2012 Community Redevelopment Refunding Revenue Bonds. This fund was closed out at the end of the current fiscal year ending September 30, 2021 as only one payment of approximately \$ 433,000 remains on the CRA debt for fiscal year 2022 and will be covered by monies available in the Margate Community Redevelopment Agency Sinking Debt Service Fund. All monies from the Margate Community Redevelopment Agency Escrow Account Debt Service Fund were transferred to the Margate Community Redevelopment Agency Capital Improvement Capital Projects Fund to provide for various capital project expenditures.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

In accordance with Florida Statute 163.387, each of these Margate Community Redevelopment Agency funds is presented as a major fund. The annual audit of these funds included an evaluation in light of the applicable requirements of Section 163.387. Per the City's management, the year-end fund balances of \$ 16.9 million and \$ 5.4 million have been restricted for specific redevelopment projects pursuant to the Community Redevelopment Plan and the year-end fund balances of \$ 10,178 has been restricted to reduce the amount of indebtedness to which the tax increment revenues are pledged.

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

The City reports the following major proprietary fund:

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

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

The City previously adopted *GASB Statement No. 79, Certain External Investment Pools and Pool Participants* (applicable to the Florida PRIME and the FL PALM accounts) which requires the disclosure of the presence of any limitations or restrictions on withdrawals in the notes to the financial statements. Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity of the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." With regard to liquidity fees, Florida Statutes 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosures have been made. As of September 30, 2021, there were no redemption fees or maximum transaction amounts or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of enterprise funds is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Capital Assets	Years
Infrastructure	20-40
Buildings	40-50
Machinery and equipment	4-15
Improvements other than buildings	6-20

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

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has the following items that qualify for reporting in this category. Pension and OPEB related deferred inflows include changes in assumptions or inputs, net difference in projected and actual earnings on the Plans' investments, difference between expected and actual experience and changes in proportion and differences between City contributions and proportionate share of contributions. The governmental funds report unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

Property taxes: The State of Florida permits the City to levy property taxes up to 10 mills of assessed property valuation for the General Fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2020-2021 fiscal year was 7.1171 mills and the debt service millage was 0.6212 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$ 25,000 homestead exemption by an additional \$ 25,000 (by exempting the assessed value between \$ 50,000 and \$ 75,000), except for school district taxes. Amendment 1 also provided "portability", allowing property owners to transfer up to \$ 500,000 of the "Save Our Homes" benefits to their next homestead when they move. "Save Our Homes" became effective in 1995 and limits (caps) the annual increase in assessed value for homesteaded property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. In addition, Amendment 1 also provided a \$ 25,000 exemption for tangible personal property and a ten percent (10%) cap on increases in the annual assessment of non-homesteaded properties.

Current tax collections for the year ended September 30, 2021 were approximately 95.7% of the total tax levy, net of discounts allowed.

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

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

The City Commission establishes the tax levy of the City. The adoption of the final millage rate for fiscal year 2020-2021 occurred on September 16, 2020. Under Florida law, the assessment of all properties and the collection of all county, municipal, special district and school board property taxes are provided by Broward County's Property Appraiser and Tax Collector, who are elected County officials.

Note 1 - Summary of Significant Accounting Policies (continued)

The property tax calendar for the revenues billed and received for the fiscal year ended September 30, 2021 is shown as follows:

Lien date	January 1, 2020
Levy date, tax bills mailed	November 1, 2020
Last date for 4% discount on taxes paid	November 30, 2020
Last date for 3% discount on taxes paid	December 31, 2020
Last date for 2% discount on taxes paid	January 31, 2021
Last date for 1% discount on taxes paid	February 28, 2021
Final due date of payment of taxes	March 31, 2021
First date for auctioning tax certificates on delinquent accounts	June 1, 2021

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

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

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

Note 2 - Deposits and Investments

Deposits: At year-end, the City's carrying amount of deposits was \$ 30,840,078 including petty cash funds and cash on hand totaling \$ 9,870 as of September 30, 2021. Deposits whose balances exceed the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act which sets forth the investment objectives and parameters for the management of public funds for the City.

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

The City has \$ 37,823,441 invested in the Florida PRIME and \$ 37,020,939 invested in the FL PALM as of September 30, 2021. The fair value of both the Florida PRIME and the FL PALM is the same as the book value of the pool shares.

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

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

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

Note 2 - Deposits and Investments (continued)

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

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

The weighted average days to maturity at September 30, 2021 for the SBA Florida PRIME and FL PALM was 49 days and 53 days, respectively.

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of City funds as of September 30, 2021.

Investment Type	Fair Value	Remaining Maturity (in years)	
		Less Than 1	1 to 5
U.S. Agency Notes	\$ 11,951,593	\$ -	\$ 11,951,593
U.S. Treasury Notes	26,220,663	1,117,675	25,102,988
U.S. Sponsored Agencies	10,855,073	2,568,276	8,286,797
Corporate Notes	14,790,169	2,681,705	12,108,464
Asset Backed Securities	3,902,325	-	3,902,325
Municipal/Provincial Bonds	4,304,058	-	4,304,058
Money Market Funds	29,991	29,991	-
	<u>\$ 72,053,872</u>	<u>\$ 6,397,647</u>	<u>\$ 65,656,225</u>

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

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

Note 2 - Deposits and Investments (continued)

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

	Fair Value	Percentage of Portfolio
U.S. government guaranteed	\$ 26,967,171	37.43%
AAA	5,715,610	7.93%
AA+	22,874,802	31.75%
AA	508,776	0.71%
AA-	1,202,038	1.67%
A+	2,140,329	2.97%
A-	2,947,695	4.09%
A	9,060,071	12.57%
NR	637,380	0.88%
Total credit risk debt securities	\$ 45,086,701	62.57%
Total fixed income securities	\$ 72,053,872	100.00%

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

The City has the following recurring fair value measurements as of September 30, 2021:

Investments	September 30, 2021	Level 1	Level 2	Level 3
U.S. Agency Notes	\$ 11,951,593	\$ -	\$ 11,951,593	\$ -
U.S. Treasury Notes	26,220,663	-	26,220,663	-
U.S. Sponsored Agencies	10,855,073	-	10,855,073	-
Corporate Notes	14,790,169	-	14,790,169	-
Asset Backed Securities	3,902,325	-	3,902,325	-
Municipal/Provincial Bonds	4,304,058	-	4,304,058	-
Money market funds	29,991	-	29,991	-
Total investments measured at fair value	\$ 72,053,872	\$ -	\$ 72,053,872	\$ -
Investments measured at amortized cost:				
Florida PRIME	37,823,441			
FL PALM	37,020,939			
Cash and cash equivalents:				
Money market funds and other deposits	30,830,208			
Petty cash	9,870			
Total unrestricted and restricted cash, cash equivalents and investments	\$ 177,738,330			

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

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 3 - Receivables

Receivables as of September 30, 2021 for the City's individual funds in the aggregate, including the allowances for uncollectible receivables are as follows:

	General Fund	Margate Community Redevelopment Agency Trust Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Water and Wastewater Fund	Nonmajor and other Funds	Total
Intergovernmental	\$ 525,206	\$ -	\$ -	\$ 16,623	\$ 624,779	\$ 1,166,608
Accounts	157,996	-	-	3,351,385	246,141	3,755,522
Taxes	769,279	-	-	-	654	769,933
Others	<u>4,489,112</u>	<u>426</u>	<u>36</u>	<u>111,269</u>	<u>22,606</u>	<u>4,623,449</u>
Gross receivables	5,941,593	426	36	3,479,277	894,180	10,315,512
Less: allowance for uncollectible	<u>(1,849,439)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(1,859,439)</u>
Net total receivables	<u>\$ 4,092,154</u>	<u>\$ 426</u>	<u>\$ 36</u>	<u>\$ 3,469,277</u>	<u>\$ 894,180</u>	<u>\$ 8,456,073</u>

Note 4 - Transfers

The outstanding balance between funds results from the time lag between the dates that payment between funds is made. Transfers at September 30, 2021, consisted of the following:

Transfers Out:	Transfers in:					Total
	General Fund	Margate Community Redevelopment Agency Sinking Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds		
General Fund	\$ -	\$ -	\$ -	\$ 840,000 c		\$ 840,000
Margate Community Redevelopment Agency Trust Fund	-	1,896,932 a	4,277,138 b, c	-		6,174,070
Margate Community Redevelopment Agency Escrow Account Fund	-	-	993,039 c	-		993,039
Nonmajor Governmental Funds	-	-	-	845,000 c		845,000
Water and Wastewater Fund	<u>1,943,462 d</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>1,943,462</u>
Total	<u>\$ 1,943,462</u>	<u>\$ 1,896,932</u>	<u>\$ 5,270,177</u>	<u>\$ 1,685,000</u>		<u>\$ 10,795,571</u>

Reasons for these transfers are set forth below:

- a) Debt obligation
- b) Annual sweep between funds
- c) Capital improvements

- d) Return on Investment (ROI)

Note 5 - Deferred Inflows of Resources and Unearned Revenue

As of September 30, 2021, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned Revenue
Intergovernmental revenue	\$ 194,257	\$ 5,424,969
Miscellaneous revenue	6,000	5,270
Business licenses	-	229,837
Rental income	-	62,009
	<u>\$ 200,257</u>	<u>\$ 5,722,085</u>

Note 6 - Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 28,952,497	\$ -	\$ -	\$ 28,952,497
Intangibles	5,376,891	1,192,737	(1,661,061)	4,908,567
Construction in progress	4,685,819	5,523,540	(6,679,656)	3,529,703
Total capital assets, not being depreciated	<u>39,015,207</u>	<u>6,716,277</u>	<u>(8,340,717)</u>	<u>37,390,767</u>
Capital assets, being depreciated:				
Infrastructure	90,460,264	3,922,113	-	94,382,377
Buildings	16,657,998	2,206,691	(180,089)	18,684,600
Machinery and equipment	20,993,028	1,465,468	(1,650,289)	20,808,207
Improvements other than buildings	13,103,081	2,893,146	(1,521,481)	14,474,746
Total capital assets, being depreciated	<u>141,214,371</u>	<u>10,487,418</u>	<u>(3,351,859)</u>	<u>148,349,930</u>
Less accumulated depreciation for:				
Infrastructure	(60,287,056)	(2,643,520)	-	(62,930,576)
Buildings	(7,234,583)	(864,798)	165,614	(7,933,767)
Machinery and equipment	(15,034,168)	(1,668,066)	1,582,224	(15,120,010)
Improvements other than buildings	(6,635,237)	(54,619)	-	(6,689,856)
Total accumulated depreciation	<u>(89,191,044)</u>	<u>(5,231,003)</u>	<u>1,747,838</u>	<u>(92,674,209)</u>
Total capital assets, being depreciated, net	<u>52,023,327</u>	<u>5,256,415</u>	<u>(1,604,021)</u>	<u>55,675,721</u>
Governmental Activities capital assets, net	<u>\$ 91,038,534</u>	<u>\$ 11,972,692</u>	<u>\$ (9,944,738)</u>	<u>\$ 93,066,488</u>

City of Margate, Florida
Notes to Basic Financial Statements
September 30, 2021

Note 6 - Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>12,333,357</u>	\$ <u>2,206,951</u>	\$ <u>(974,339)</u>	\$ <u>13,565,969</u>
Capital assets, being depreciated:				
Infrastructure	103,940,263	2,152,760	-	106,093,023
Buildings	27,393,490	278,220	-	27,671,710
Machinery and equipment	<u>7,223,908</u>	<u>1,051,548</u>	<u>(475,176)</u>	<u>7,800,280</u>
Total capital assets, being depreciated	<u>138,557,661</u>	<u>3,482,528</u>	<u>(475,176)</u>	<u>141,565,013</u>
Less accumulated depreciation for:				
Infrastructure	(64,735,542)	(1,997,819)	-	(66,733,361)
Buildings	(24,295,925)	(571,431)	-	(24,867,356)
Machinery and equipment	<u>(5,769,328)</u>	<u>(495,823)</u>	<u>475,176</u>	<u>(5,789,975)</u>
Total accumulated depreciation	<u>(94,800,795)</u>	<u>(3,065,073)</u>	<u>475,176</u>	<u>(97,390,692)</u>
Total capital assets, being depreciated, net	<u>43,756,866</u>	<u>417,455</u>	<u>-</u>	<u>44,174,321</u>
Business-type Activities capital assets, net	\$ <u>56,090,223</u>	\$ <u>2,624,406</u>	\$ <u>(974,339)</u>	\$ <u>57,740,290</u>

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

Governmental activities:	
Public works	\$ 2,205,936
Public safety	1,350,994
Culture and recreation	921,881
Economic and physical environment	518,246
General government	<u>233,946</u>
Total depreciation expense - governmental activities	\$ <u>5,231,003</u>
Business-type activities:	
Water and Wastewater Fund	\$ 2,819,804
Stormwater Utility Fund	<u>245,269</u>
Total depreciation expense - business-type activities	\$ <u>3,065,073</u>

Note 6 - Capital Assets (continued)

Construction Commitments

The City has the following active construction commitments with contractors at September 30, 2021:

<u>Projects</u>	<u>Incurred- to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Blueway Trails	\$ 201,057	\$ 49,362
Fire Station 58 Replacement	1,361,044	3,968,660
Vinson Park Renovations	558,865	1,559,654
Tower/Antenna	65,431	67,871
David Park Improvements	359,676	25,579
Chevy Chase	124,256	46,624
Serino Park	6,350	114,265
Stormwater Improvements (CRA)	-	160,083
Business-type Activities:		
Water Meter Installation & Replacement, Cycle Four	319,022	218,373
Water Main/Force Main Control Improvements	-	124,909
Infiltrate & Inflow Rehabilitation	84,223	23,906
	<u>\$ 3,079,924</u>	<u>\$ 6,359,286</u>

Note 7 - Long-Term Debt

Governmental Activities

General Obligation Bonds

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

\$ 8,570,000

Note 7 - Long-Term Debt (continued)

The annual debt service requirements until maturity for the General Obligation Bonds, Series 2019 outstanding at September 30, 2021, are as follows:

Year Ending September 30,	Series 2019		
	Principal	Interest	Total
2022	\$ 320,000	\$ 337,100	\$ 657,100
2023	335,000	321,100	656,100
2024	350,000	304,350	654,350
2025	365,000	286,850	651,850
2026	385,000	268,600	653,600
2027-2031	2,235,000	1,034,000	3,269,000
2032-2036	2,735,000	533,250	3,268,250
2037-2039	1,845,000	111,600	1,956,600
	<u>\$ 8,570,000</u>	<u>\$ 3,196,850</u>	<u>\$ 11,766,850</u>

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

\$ 16,010,000

The annual debt service requirements until maturity for the General Obligation Refunding Bonds, Series 2016 outstanding at September 30, 2021, are as follows:

Year Ending September 30,	Series 2016		
	Principal	Interest	Total
2022	\$ 680,000	\$ 800,500	\$ 1,480,500
2023	710,000	766,500	1,476,500
2024	745,000	731,000	1,476,000
2025	785,000	693,750	1,478,750
2026	820,000	654,500	1,474,500
2027-2031	4,775,000	2,613,250	7,388,250
2032-2036	6,090,000	1,294,500	7,384,500
2037	1,405,000	70,250	1,475,250
	<u>\$ 16,010,000</u>	<u>\$ 7,624,250</u>	<u>\$ 23,634,250</u>

Note 7 - Long-Term Debt (continued)

Redevelopment Refunding Revenue Bonds

\$ 12,010,560 Redevelopment Refunding Revenue Bonds, Series 2012A (Taxable) - In December 2012, the Margate CRA entered into a Margate Community Redevelopment Refunding Revenue Bonds, Series 2012A Loan Agreement with a local bank to refinance the outstanding balance of the Series 2006 Community Redevelopment Revolving Line of Credit Agreement and reduce the interest rate on such debt. The Series 2012A is secured by a loan agreement which bears an interest rate of 3.470%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. The Series 2012A is payable in January and July of each year through 2022 with the first principal payment due January 2013. The loan is secured by the Margate CRA's tax incremental revenues. The Series 2012A will be special obligations of the CRA and will not constitute a general debt, liability, or obligation of the CRA or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision. The bonds shall not constitute a lien upon any property of the CRA except the Pledged Revenues. The bonds may be prepaid by the CRA in whole or in part on any date on or after December 13, 2014 with no prepayment penalty.

\$ 219,830

\$ 3,548,737 Redevelopment Refunding Revenue Bonds, Series 2012B - In December 2012, the Margate CRA entered into a Margate Community Redevelopment Refunding Revenue Bonds, Series 2012B Loan Agreement with a local bank to refinance the outstanding balance of the Series 2006 Community Redevelopment Bonds and reduce the interest rate on such debt. The Series 2012B is secured by a loan agreement which bears an interest rate of 2.270%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2019, the interest rate was increased to 2.759% due to a change in the corporate tax rate. The Series 2012B is payable in January and July of each year through 2022 with the first principal payment due January 2013. The loan is secured by the Margate CRA's tax incremental revenues. The Series 2012B will be special obligations of the CRA and will not constitute a general debt, liability, or obligation of the CRA or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision. The bonds shall not constitute a lien upon any property of the CRA except the Pledged Revenues. The bonds may be prepaid by the CRA in whole or in part on any date on or after December 13, 2014 with no prepayment penalty.

206,349

\$ 426,179

Upon an event of default the bank may declare the Series 2012 bonds to be immediately due and payable with interest at the Prime Rate plus 3.0% provided such rate shall not exceed the highest rate of interest allowed by applicable law.

The annual debt service requirements until maturity for Redevelopment Refunding Revenue Bonds, Series 2012 outstanding at September 30, 2021, are as follows:

Year Ending September 30,	Series 2012A		Series 2012B		Total
	Principal	Interest	Principal	Interest	
2022	\$ 219,830	\$ 3,812	\$ 206,349	\$ 2,847	\$ 432,838

Note 7 - Long-Term Debt (continued)

Bonds Authorized, but Unissued

In February 2009, the City passed an ordinance authorizing the issuance of Water and Sewer Revenue Bonds, Series 2009 in the aggregate principal not to exceed \$ 12,190,000 to finance all or a portion of the cost of constructing, acquiring and equipping certain improvements to the water and sewer system of the City. As of September 30, 2021, the City has not issued the 2009 Series of Water and Sewer Revenue Bonds.

Arbitrage

The City has performed the required arbitrage liability computation in accordance with the Internal Revenue Service (IRS) arbitrage regulations. As of September 30, 2021, there are no rebatable arbitrage liabilities for the outstanding bond issues.

The following is a summary of changes in long-term liabilities of the City for the year ended September 30, 2021.

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021	Due Within One Year
Governmental Activities:					
Bonds payable and capital leases:					
General Obligation Bonds, Series 2019	\$ 8,875,000	\$ -	\$ (305,000)	\$ 8,570,000	\$ 320,000
General Obligation Refunding Bonds, Series 2016	16,655,000	-	(645,000)	16,010,000	680,000
Bonds from direct borrowings and direct placements:					
CRA Redevelopment Refunding Revenue Bonds, Series 2012A	1,651,879	-	(1,432,049)	219,830	219,830
CRA Redevelopment Refunding Revenue Bonds, Series 2012B	612,127	-	(405,778)	206,349	206,349
Total general obligation and revenue bonds	27,794,006	-	(2,787,827)	25,006,179	1,426,179
Deferred amounts:					
Bond issuance premium, Series 2019	838,355	-	(44,514)	793,841	-
Bond issuance premium, Series 2016	3,358,654	-	(200,517)	3,158,137	-
Total deferred amounts	4,197,009	-	(245,031)	3,951,978	-
Total bonds payable	31,991,015	-	(3,032,858)	28,958,157	1,426,179
Capital leases	396,320	867,861	(410,589)	853,592	156,882
Subtotal	32,387,335	867,861	(3,443,447)	29,811,749	1,583,061
Other long-term liabilities:					
Compensated absences payable	12,000,485	965,295	(1,323,240)	11,642,540	1,213,106
Net pension liability	91,474,954	-	(64,721,432)	26,753,522	-
Claims and judgements	4,375,676	5,679,030	(4,001,762)	6,052,944	1,936,475
Other post employment benefits liability	15,776,477	-	(2,244,982)	13,531,495	-
Subtotal	123,627,592	6,644,325	(72,291,416)	57,980,501	3,149,581
Governmental activity long-term liabilities	\$ 156,014,927	\$ 7,512,186	\$ (75,734,863)	\$ 87,792,250	\$ 4,732,642

Note 7 - Long-Term Debt (continued)

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021	Due Within One Year
Business-type Activities:					
Other long-term liabilities:					
Compensated absences payable	2,058,050	165,076	(103,472)	2,119,654	115,622
Net pension liability	8,044,031	-	(6,307,356)	1,736,675	-
Other post employment benefits liability	3,376,265	-	(360,645)	3,015,620	-
Subtotal	<u>13,478,346</u>	<u>165,076</u>	<u>(6,771,473)</u>	<u>6,871,949</u>	<u>115,622</u>
Business-type activity long-term liabilities	<u>13,478,346</u>	<u>165,076</u>	<u>(6,771,473)</u>	<u>6,871,949</u>	<u>115,622</u>
Total Long-term Liabilities	<u>\$ 169,493,273</u>	<u>\$ 7,677,262</u>	<u>\$ (82,506,336)</u>	<u>\$ 94,664,199</u>	<u>\$ 4,848,264</u>

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

Pledged Revenues

The City has pledged a portion of the future tax incremental revenues collected by the Margate Community Redevelopment Agency (CRA) to repay the \$ 15.6 million redevelopment revenue refunding bonds entered into in December 2012 to refund the 2006 Series bonds which was used to finance the acquisition of various properties for redevelopment purposes. The long-term debts are payable solely from the tax incremental revenues and are payable through 2022. At September 30, 2021, the maximum annual debt service is at 5% of the tax incremental revenues. The total principal and interest remaining to be paid on these long-term debts is approximately \$ 432,800. Principal and interest paid and tax incremental revenues for the current year were \$ 1,896,932 and \$ 8,061,418, respectively.

Note 8 - Capital Leases

In fiscal year 2021, the City entered into a Fleet Management Program with Enterprise FM Trust. The City anticipates that the program will streamline fleet management, slow the increasing cost of fleet maintenance, provide optimal vehicle replacement times, and increase cost savings. Certain lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. The aggregate amount of these leases is approximately \$ 868,000. The vehicles have a five year estimated useful life. In fiscal year 2021, approximately \$ 15,000 was included in depreciation expense and total accumulated depreciation is approximately \$ 15,000.

Note 8 - Capital Lease (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Year Ending September 30,	
2022	\$ 184,873
2023	190,655
2024	190,652
2025	190,661
2026	<u>176,550</u>
Total minimum lease payment	933,391
Less: amount representing interest	<u>(79,799)</u>
Present value of minimum lease payment	<u><u>\$ 853,592</u></u>

Note 9 - Florida Retirement System

A. Florida Retirement System:

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

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the website: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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

Note 9 - Florida Retirement System (continued)

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, 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.

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

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

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

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular - 10.00% and 10.82%; Special Risk Administrative Support - 35.84% and 37.76%; Special Risk - 24.45% and 25.89%; Senior Management Service - 27.29% and 29.01%; Elected Officers' - 49.18% and 51.42%; and DROP participants - 16.98% and 18.34%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2020 through September 30, 2021.

Note 9 - Florida Retirement System (continued)

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, 2021, 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, 2021, 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2021, the City reported liabilities of \$ 13,648,057 for its proportionate share of the Pension Plan's net pension liability and \$ 14,842,140 for the HIS Plan's net pension liability for a total pension liability of \$ 28,490,197. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. At June 30, 2021, the City's proportionate share was .180676507 percent for the Pension Plan and .120997314 percent for the HIS Plan, which was a decrease of .015083535 percent and an increase of .000818006 percent respectively, from the proportionate share measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension income of \$ 300,126 for the Pension Plan and pension expense of \$ 1,137,187 for the HIS Plan for a total net pension expense of \$ 837,061. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 2,339,299	\$ 496,655	\$ 2,835,954
Changes of assumptions	9,338,677	1,166,260	10,504,937
Net difference between projected and actual earnings on pension plan investments	-	15,473	15,473
Changes in proportion and differences between City contributions and proportionate share of contributions	951,420	353,110	1,304,530
City contributions subsequent to the measurement date	1,746,826	168,499	1,915,325
	<u>\$ 14,376,222</u>	<u>\$ 2,199,997</u>	<u>\$ 16,576,219</u>

Note 9 - Florida Retirement System (continued)

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 6,216	\$ 6,216
Changes of assumptions	-	611,534	611,534
Net difference between projected and actual earnings on pension plan investments	47,614,640	-	47,614,640
Changes in proportion and differences between City contributions and proportionate share of contributions	4,394,142	48,206	4,442,348
	<u>\$ 52,008,782</u>	<u>\$ 665,956</u>	<u>\$ 52,674,738</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2022. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2022	\$ (6,846,536)	\$ 420,829	\$ (6,425,707)
2023	(8,180,764)	193,968	(7,986,796)
2024	(10,586,451)	230,301	(10,356,150)
2025	(13,264,272)	267,526	(12,996,746)
2026	(501,363)	208,244	(293,119)
Thereafter	-	44,674	44,674

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Note 9 - Florida Retirement System (continued)

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

Long-term Expected Rate of Return - The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.2%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.80% for the Pension Plan. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 2.16% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.16% 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 (Asset) to Changes in the Discount Rate - The following table presents the sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The sensitivity analysis, below, shows the impact to the City's proportionate share of the net pension liability (asset) if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2021.

Note 9 - Florida Retirement System (continued)

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability (asset) for Pension Plan	\$ 61,035,024	\$ 13,648,057	\$ (25,962,135)
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
City's proportionate share of the net pension liability for HIS Plan	\$ 17,158,951	\$ 14,842,140	\$ 12,944,031

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 2020-2021 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, 2021, 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 9 - Florida Retirement System (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 \$ 1,191,745 for the fiscal year ended September 30, 2021.

Note 10 - Risk Management

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

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

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

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

Note 10 - Risk Management (continued)

The following represents the changes in approximate aggregate liabilities for the City from October 1, 2019 to September 30, 2021:

		General Insurance Fund
		<u> </u>
Liability balance, October 1, 2019	\$	2,962,823
Claims and changes in estimates		3,977,090
Claims payments		<u>(2,564,237)</u>
Liability balance, September 30, 2020		4,375,676
Claims and changes in estimates		5,679,030
Claims payments		<u>(4,001,762)</u>
Liability balance, September 30, 2021	\$	<u><u>6,052,944</u></u>
 Claims and payments due within one year	 \$	 <u><u>1,936,475</u></u>
 Assets available to pay claims at September 30, 2021	 \$	 <u><u>1,593,421</u></u>

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

Note 11 - Commitments and Contingencies

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

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

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

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

Note 11 - Commitments and Contingencies (continued)

Audits may be forthcoming for other grant programs.

In fiscal year 2014, the CRA was audited by the Broward Office of the Inspector General (the "OIG"). The OIG audit determined that the CRA failed to comply with the requirements of the Florida Statutes for the allocation and disposition of carryforward TIF funds of approximately \$ 2.7 million. The management of the CRA and legal counsel responded in a letter that they believe that they are in compliance with the statutory requirements. As of September 30, 2021, the CRA has not received an update from the OIG with regard to the audit results during fiscal year 2014. The financial statements do not reflect any adjustments that might result from this uncertainty.

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

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

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

Note 12 - Other Post-Employment Benefits

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

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

Note 12 - Other Post-Employment Benefits (continued)

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

The following table provides a summary of the number of participants in the Plan as of September 30, 2020:

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

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

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

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

Note 12 - Other Post-Employment Benefits (continued)

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.41%
Salary Increases	Salary increase rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System; 3.6% - 8.4%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality rates are the same as used in the July 1, 2019 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with a trend of 2% for 2021 (to reflect actual premiums), 6.00% for 2022, and gradually decreasing to an ultimate trend rate of 3.99%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death".
Expense	Administrative expenses are included in the per capita health costs.

Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. These changes are reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.41%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability. The discount rate was 2.75% as of the beginning of the measurement year.

Total OPEB Liability of the City: The components of the City's net OPEB liability at September 30, 2021, are as follows:

Total OPEB liability	\$	16,547,115
OPEB Plan fiduciary net position		-
City's net OPEB liability	\$	<u>16,547,115</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability		0.00%

Note 12 - Other Post-Employment Benefits (continued)

Changes in Total OPEB Liability

Measurement year ended September 30, 2020

Total OPEB liability:	
Service cost	\$ 747,936
Interest on total OPEB liability	534,897
Difference between expected and actual experience of the total OPEB liability	2,277,231
Change in assumptions and other inputs	(5,265,968)
Benefit payments	<u>(899,723)</u>
Net change in total OPEB liability	(2,605,627)
Total OPEB liability, beginning	<u>19,152,742</u>
Total OPEB liability, ending	\$ <u><u>16,547,115</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (1.41%)	Current Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB liability	\$ <u>17,122,740</u>	\$ <u>16,547,115</u>	\$ <u>15,953,513</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	Trend Rate Assumption	1% Trend Increase
Total OPEB liability	\$ <u>15,545,496</u>	\$ <u>16,547,115</u>	\$ <u>17,550,805</u>

Note 12 - Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2021, the City recognized OPEB expense of \$ 966,771. At September 30, 2021, 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
Difference between expected and actual experience	\$ 5,465,250	\$ -
Changes in assumptions and other inputs	725,976	8,599,320
Benefits paid subsequent to measurement date	<u>1,092,137</u>	<u>-</u>
Total	\$ <u><u>7,283,363</u></u>	\$ <u><u>8,599,320</u></u>

\$ 1,092,137 reported as deferred outflows of resources related to OPEB contributions resulting from City benefits made after the measurement date, but before the end of the City's fiscal year will be recognized as a reduction of the OPEB liability in the year ended September 30, 2022 rather than the current fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows of Resources
2022	\$ (316,062)
2023	(316,062)
2024	(316,062)
2025	(316,062)
2026	(316,062)
Thereafter	<u>(827,784)</u>
	\$ <u><u>(2,408,094)</u></u>

Note 13 - Interlocal Agreement

In fiscal year 2019, the City amended the interlocal agreement ("ILA") with the City of Coconut Creek to provide emergency medical and fire protection services. Amendment 3 to the ILA adopted in March 2019 extended the term of the Agreement until September 30, 2021. Amendment 5 to the ILA approved in September 2020 provided for an increase to the annual fee to \$ 10,552,500 for fiscal year 2021 which was received. The contract was not renewed for subsequent years as the City of Coconut Creek set up their own Fire Department.

Note 14 - Deferred Compensation Plan

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

Note 15 - Encumbrances

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

Governmental Funds	
General Fund	\$ 1,565,702
Margate Community Redevelopment	
Agency Capital Improvement Fund	544,789
Nonmajor Funds	<u>6,185,115</u>
Total	\$ <u>8,295,606</u>

Note 16 - Operating Lease

The Margate CRA currently has various lease arrangements for two shopping complexes it owns located along Margate Boulevard. The properties have aggregate costs of approximately \$ 3.1 million and \$ 4.3 million in land and building, respectively. The buildings have a total carrying value of \$ 3.0 million at September 30, 2021. Depreciation expense for the year was approximately \$ 85,520. Total rental revenues from these properties during the fiscal year amounted to approximately \$ 658,400. The leases have a termination clause of 12 months or less.

Note 17 - Governmental Grants

In accordance with the Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act, the City is required to perform "single audits" when the required threshold of \$ 750,000 in grant expenditures from either source is exceeded. During the year ended September 30, 2021, the City exceeded the required threshold from federal sources and a federal single audit was required and completed.

Note 18 - C51 Reservoir

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

Note 18 - C51 Reservoir (continued)

This agreement for capacity allocation provides for the City, as a governmental entity that owns and operates a public water utility, to contribute its pro-rata share of the capital costs and operating and maintenance costs in exchange for a contractual allocation of the permitted storage capacity in the Phase 1 Reservoir as an alternative water supply. The Capacity Allocation Agreement provides for two million gallons per day of storage capacity in the C-51 Reservoir. The regional alternative water supply stores excess wet-season storm runoff for later distribution and use during the dry season. A series of interconnected reservoirs (collectively, the C-51 Reservoir) will be constructed to receive and store water from areas under the jurisdiction of the SFWMD. Each party will be charged a pro rata contribution of capital costs and following construction a pro rata contribution of operating and maintenance costs based upon their respective storage allocation and consumptive use permit. Within thirty days after receipt of the Notice of the Commercial Operation Date, the City shall pay for the Capacity Cost share in the amount of \$ 9.2 million based on the initial capacity of two million gallons per day. The expected commencement of operations is September, 2022. This project has been included in the City's five-year capital improvement plan for FY 2023. The initial estimated annual operations payment is \$ 36,551 per MGD of the City's final capacity allocation which includes certain renewal and replacement costs.

Note 19 - COVID-19 Pandemic Subsequent Event

As a result of the pandemic, the City submitted to Broward County approximately \$ 1.6 million in COVID related expenses (incurred through November 2020). The City received reimbursement in fiscal year 2021 from Broward County of all these expenses. In addition, the City requested reimbursement from FEMA of \$ 37,755 for COVID related expenses and was approved/received reimbursement of same in fiscal year 2022.

Note 20 - Risks and Uncertainties

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

Note 21 - Date of Management Review

The City's management has evaluated subsequent events through February 23, 2022, the date which the financial statements were available for issue.

REQUIRED
SUPPLEMENTARY INFORMATION

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City of Margate, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Property taxes	\$ 24,010,000	\$ 24,010,000	\$ 24,252,396	\$ 242,396
Franchise taxes	4,259,369	4,259,369	4,341,404	82,035
Utility service taxes	6,187,000	6,187,000	6,704,297	517,297
Licenses and permits	524,150	524,150	527,290	3,140
Intergovernmental	5,377,166	5,565,559	8,315,335	2,749,776
Investment income	200,000	200,000	91,307	(108,693)
Charges for services	24,159,084	24,159,084	24,361,133	202,049
Fines and forfeitures	328,500	328,500	239,744	(88,756)
Miscellaneous	1,507,924	1,507,924	2,112,863	604,939
Total revenues	66,553,193	66,741,586	70,945,769	4,204,183
Expenditures:				
Current:				
General government:				
City commission	566,021	643,318	547,101	96,217
City manager	1,399,339	1,449,339	1,173,485	275,854
Finance	1,887,000	1,887,000	1,820,519	66,481
Non-departmental	10,581,349	10,670,203	8,894,150	1,776,053
Human resources	965,255	965,255	928,272	36,983
Development services	917,573	1,045,113	748,712	296,401
City clerk	1,029,100	1,029,100	916,131	112,969
City attorney	592,528	592,528	459,578	132,950
Information technology	1,116,941	1,133,141	1,103,269	29,872
Total general government	19,055,106	19,414,997	16,591,217	2,823,780
Public safety:				
Police	22,228,701	22,522,320	21,970,851	551,469
Fire	22,597,869	22,424,905	21,002,156	1,422,749
Total public safety	44,826,570	44,947,225	42,973,007	1,974,218
Culture and recreation:				
Administration	596,043	706,034	668,298	37,736
Special activities	509,841	524,132	362,834	161,298
Parks and grounds	2,895,030	2,899,231	2,887,937	11,294
Aquatics	845,974	859,374	726,596	132,778
Total culture and recreation	4,846,888	4,988,771	4,645,665	343,106
Public works:				
Administration	917,753	941,211	712,048	229,163
Buildings	1,828,732	1,830,137	1,628,355	201,782
City garage	1,452,216	1,452,216	1,161,639	290,577
Total public works	4,198,701	4,223,564	3,502,042	721,522

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
(Continued)
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Debt service:				
Principal retirement	195,447	396,326	405,672	(9,346)
Interest and other charges	11,018	16,603	17,938	(1,335)
Total debt service	<u>206,465</u>	<u>412,929</u>	<u>423,610</u>	<u>(10,681)</u>
Total expenditures	<u>73,133,730</u>	<u>73,987,486</u>	<u>68,135,541</u>	<u>5,851,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,580,537)</u>	<u>(7,245,900)</u>	<u>2,810,228</u>	<u>10,056,128</u>
Other Financing Sources (Uses):				
Transfers in	1,943,462	1,943,462	1,943,462	-
Capital leases	-	-	766,742	766,742
Proceeds from sale of capital assets	-	-	56,700	56,700
Transfers out	<u>(840,000)</u>	<u>(840,000)</u>	<u>(840,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,103,462</u>	<u>1,103,462</u>	<u>1,926,904</u>	<u>823,442</u>
Net change in fund balances	<u>(5,477,075)</u>	<u>(6,142,438)</u>	<u>4,737,132</u>	<u>10,879,570</u>
Fund Balance, Beginning	<u>32,607,071</u>	<u>32,607,071</u>	<u>32,607,071</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 27,129,996</u>	<u>\$ 26,464,633</u>	<u>\$ 37,344,203</u>	<u>\$ 10,879,570</u>

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Tax incremental	\$ 7,979,054	\$ 7,979,054	\$ 8,061,418	\$ 82,364
Investment income	25,000	25,000	4,712	(20,288)
Rental income	591,500	591,500	658,430	66,930
Miscellaneous	-	-	5,276	5,276
Total revenues	8,595,554	8,595,554	8,729,836	134,282
Expenditures:				
General government	1,997,816	1,995,216	1,266,530	728,686
Economic and physical environment	3,017,400	3,020,000	1,289,236	1,730,764
Total expenditures	5,015,216	5,015,216	2,555,766	2,459,450
Excess of revenues over expenditures	3,580,338	3,580,338	6,174,070	2,593,732
Other Financing Uses:				
Transfers out	(3,580,338)	(6,191,943)	(6,174,070)	17,873
Net change in fund balance	-	(2,611,605)	-	2,611,605
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ (2,611,605)	\$ -	\$ 2,611,605

Note 1 - Budgetary Information

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

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

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

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

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

Notes to Schedule:

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

Changes in assumptions include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.41% as of September 30, 2021.

There were no benefit changes during the year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

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

Capital Projects Funds

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

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

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City of Margate, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets:				
Cash, cash equivalents, and investments	\$ 16,189,786	\$ 56,913	\$ 15,506,110	\$ 31,752,809
Accounts receivable, net	341,062	655	300,013	641,730
Prepayments and other assets	68,050	-	-	68,050
Total assets	<u>\$ 16,598,898</u>	<u>\$ 57,568</u>	<u>\$ 15,806,123</u>	<u>\$ 32,462,589</u>
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 265,277</u>	<u>\$ -</u>	<u>\$ 330,981</u>	<u>\$ 596,258</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>32,694</u>	<u>-</u>	<u>100,000</u>	<u>132,694</u>
Fund Balances:				
Nonspendable:				
Prepayments and other assets	68,050	-	-	68,050
Restricted for:				
Public safety	3,660,453	-	-	3,660,453
Transportation	7,753,983	-	-	7,753,983
Building	2,938,724	-	-	2,938,724
Culture and recreation	962,205	-	-	962,205
Debt service	-	57,568	-	57,568
Economic development	469,017	-	-	469,017
Streetlights	386,903	-	-	386,903
Utilities	61,592	-	-	61,592
Capital projects	-	-	6,748,193	6,748,193
Assigned for:				
Capital projects	-	-	8,626,949	8,626,949
Total fund balances	<u>16,300,927</u>	<u>57,568</u>	<u>15,375,142</u>	<u>31,733,637</u>
Total liabilities and fund balances	<u>\$ 16,598,898</u>	<u>\$ 57,568</u>	<u>\$ 15,806,123</u>	<u>\$ 32,462,589</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Property taxes	\$ -	\$ 2,116,230	\$ -	\$ 2,116,230
Licenses and permits	3,278,187	-	-	3,278,187
Intergovernmental	2,951,821	-	400,000	3,351,821
Investment income	28,118	2,090	27,989	58,197
Charges for services	6,125	-	-	6,125
Fines and forfeitures	352,743	-	-	352,743
Impact fees	255,987	-	-	255,987
Miscellaneous	732,150	-	-	732,150
Total revenues	<u>7,605,131</u>	<u>2,118,320</u>	<u>427,989</u>	<u>10,151,440</u>
Expenditures:				
Current:				
Public safety	3,111,320	-	1,095,235	4,206,555
Economic and physical environment	346,705	-	-	346,705
Culture and recreation	895,509	-	1,751,768	2,647,277
Public works	1,526,855	-	174,056	1,700,911
Debt service:				
Principal retirement	4,917	950,000	-	954,917
Interest and other charges	953	1,186,905	-	1,187,858
Total expenditures	<u>5,886,259</u>	<u>2,136,905</u>	<u>3,021,059</u>	<u>11,044,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,718,872</u>	<u>(18,585)</u>	<u>(2,593,070)</u>	<u>(892,783)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	1,685,000	1,685,000
Capital leases	101,119	-	-	101,119
Proceeds from sale of capital assets	98,625	-	-	98,625
Transfers out	(845,000)	-	-	(845,000)
Total other financing sources (uses)	<u>(645,256)</u>	<u>-</u>	<u>1,685,000</u>	<u>1,039,744</u>
Net change in fund balances	1,073,616	(18,585)	(908,070)	146,961
Fund Balances, Beginning	<u>15,227,311</u>	<u>76,153</u>	<u>16,283,212</u>	<u>31,586,676</u>
Fund Balances, Ending	<u>\$ 16,300,927</u>	<u>\$ 57,568</u>	<u>\$ 15,375,142</u>	<u>\$ 31,733,637</u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2021

	<u>Road Fund</u>	<u>Impact Fees Fund</u>	<u>Police Officers Training Fund</u>	<u>Confiscated Properties Fund</u>	<u>Building Fund</u>	<u>Housing and Urban Development (HUD) Grant Fund</u>	<u>Underground Utility Trust Fund</u>	<u>Recreation Trust Fund</u>	<u>Northwest Focal Point Senior Center Fund</u>	<u>Total</u>
Assets:										
Cash, cash equivalents, and investments	\$ 8,053,325	\$ 1,735,169	\$ 34,004	\$ 1,885,266	\$ 3,070,806	\$ 469,007	\$ 61,592	\$ 752,032	\$ 128,585	\$ 16,189,786
Accounts receivable, net	178,474	3,335	-	6,842	100	10	-	60	152,241	341,062
Prepayments and other assets	-	-	-	-	-	-	-	-	68,050	68,050
Total assets	<u>\$ 8,231,799</u>	<u>\$ 1,738,504</u>	<u>\$ 34,004</u>	<u>\$ 1,892,108</u>	<u>\$ 3,070,906</u>	<u>\$ 469,017</u>	<u>\$ 61,592</u>	<u>\$ 752,092</u>	<u>\$ 348,876</u>	<u>\$ 16,598,898</u>
Liabilities:										
Accounts payable and accrued liabilities	\$ 90,913	\$ -	\$ -	\$ 4,163	\$ 132,182	\$ -	\$ -	\$ -	\$ 38,019	\$ 265,277
Deferred Inflows of Resources:										
Unavailable revenue	-	-	-	-	-	-	-	-	32,694	32,694
Fund Balances:										
Nonspendable:										
Prepayments and other assets	-	-	-	-	-	-	-	-	68,050	68,050
Restricted for:										
Public safety	-	1,738,504	34,004	1,887,945	-	-	-	-	-	3,660,453
Transportation	7,753,983	-	-	-	-	-	-	-	-	7,753,983
Building	-	-	-	-	2,938,724	-	-	-	-	2,938,724
Culture and recreation	-	-	-	-	-	-	-	752,092	210,113	962,205
Economic development	-	-	-	-	-	469,017	-	-	-	469,017
Streetlights	386,903	-	-	-	-	-	-	-	-	386,903
Utilities	-	-	-	-	-	-	61,592	-	-	61,592
Total fund balances	<u>8,140,886</u>	<u>1,738,504</u>	<u>34,004</u>	<u>1,887,945</u>	<u>2,938,724</u>	<u>469,017</u>	<u>61,592</u>	<u>752,092</u>	<u>278,163</u>	<u>16,300,927</u>
Total liabilities and fund balances	<u>\$ 8,231,799</u>	<u>\$ 1,738,504</u>	<u>\$ 34,004</u>	<u>\$ 1,892,108</u>	<u>\$ 3,070,906</u>	<u>\$ 469,017</u>	<u>\$ 61,592</u>	<u>\$ 752,092</u>	<u>\$ 348,876</u>	<u>\$ 16,598,898</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2021

	Road Fund	Impact Fees Fund	Police Officers Training Fund	Confiscated Properties Fund	Building Fund	Housing and Urban Development (HUD) Grant Fund	Underground Utility Trust Fund	Recreation Trust Fund	Northwest Focal Point Senior Center Fund	Total
Revenues:										
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 3,278,187	\$ -	\$ -	\$ -	\$ -	\$ 3,278,187
Intergovernmental	1,879,102	-	-	-	3,696	416,842	-	-	652,181	2,951,821
Investment income	14,199	2,895	66	3,214	5,584	134	164	1,702	160	28,118
Charges for services	-	-	-	-	-	-	-	-	6,125	6,125
Fines and forfeitures	-	-	4,361	348,382	-	-	-	-	-	352,743
Impact fees	-	255,987	-	-	-	-	-	-	-	255,987
Miscellaneous	2,625	-	-	-	97,354	-	-	475,092	157,079	732,150
Total revenues	1,895,926	258,882	4,427	351,596	3,384,821	416,976	164	476,794	815,545	7,605,131
Expenditures:										
Current:										
Public safety	-	727	19,257	535,368	2,555,968	-	-	-	-	3,111,320
Economic and physical environment	-	-	-	-	-	346,560	145	-	-	346,705
Culture and recreation	-	-	-	-	-	-	-	1,479	894,030	895,509
Public works	1,526,855	-	-	-	-	-	-	-	-	1,526,855
Debt service:										
Principal retirement	-	-	-	4,917	-	-	-	-	-	4,917
Interest and other charges	-	-	-	953	-	-	-	-	-	953
Total expenditures	1,526,855	727	19,257	541,238	2,555,968	346,560	145	1,479	894,030	5,886,259
Excess (deficiency) of revenues over (under) expenditures	369,071	258,155	(14,830)	(189,642)	828,853	70,416	19	475,315	(78,485)	1,718,872
Other Financing Sources (Uses):										
Capital leases	-	-	-	101,119	-	-	-	-	-	101,119
Proceeds from sale of capital assets	-	-	-	98,625	-	-	-	-	-	98,625
Transfers out	-	-	-	-	(500,000)	-	-	(345,000)	-	(845,000)
Total other financing sources (uses)	-	-	-	199,744	(500,000)	-	-	(345,000)	-	(645,256)
Net change in fund balances	369,071	258,155	(14,830)	10,102	328,853	70,416	19	130,315	(78,485)	1,073,616
Fund Balances, Beginning	7,771,815	1,480,349	48,834	1,877,843	2,609,871	398,601	61,573	621,777	356,648	15,227,311
Fund Balances, Ending	\$ 8,140,886	\$ 1,738,504	\$ 34,004	\$ 1,887,945	\$ 2,938,724	\$ 469,017	\$ 61,592	\$ 752,092	\$ 278,163	\$ 16,300,927

City of Margate, Florida
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2021

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
Assets:			
Cash, cash equivalents, and investments	\$ 49,720	\$ 7,193	\$ 56,913
Accounts receivable, net	509	146	655
	<u>50,229</u>	<u>7,339</u>	<u>57,568</u>
Total assets	\$ <u>50,229</u>	\$ <u>7,339</u>	\$ <u>57,568</u>
Fund Balances:			
Restricted for:			
Debt service	\$ <u>50,229</u>	\$ <u>7,339</u>	\$ <u>57,568</u>
	<u>50,229</u>	<u>7,339</u>	<u>57,568</u>
Total fund balances	<u>50,229</u>	<u>7,339</u>	<u>57,568</u>
Total liabilities and fund balances	\$ <u>50,229</u>	\$ <u>7,339</u>	\$ <u>57,568</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2021

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
Revenues:			
Property taxes	\$ 1,452,598	\$ 663,632	\$ 2,116,230
Investment income	<u>1,471</u>	<u>619</u>	<u>2,090</u>
Total revenues	<u>1,454,069</u>	<u>664,251</u>	<u>2,118,320</u>
Expenditures:			
Debt service:			
Principal retirement	645,000	305,000	950,000
Interest and other charges	<u>834,021</u>	<u>352,884</u>	<u>1,186,905</u>
Total expenditures	<u>1,479,021</u>	<u>657,884</u>	<u>2,136,905</u>
Net change in fund balance	(24,952)	6,367	(18,585)
Fund Balances, Beginning	<u>75,181</u>	<u>972</u>	<u>76,153</u>
Fund Balances, Ending	\$ <u><u>50,229</u></u>	\$ <u><u>7,339</u></u>	\$ <u><u>57,568</u></u>

City of Margate, Florida
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2021

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Total
Assets:			
Cash, cash equivalents, and investments	\$ 8,646,561	\$ 6,859,549	\$ 15,506,110
Accounts receivable, net	<u>300,013</u>	<u>-</u>	<u>300,013</u>
Total assets	<u>\$ 8,946,574</u>	<u>\$ 6,859,549</u>	<u>\$ 15,806,123</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 219,625</u>	<u>\$ 111,356</u>	<u>\$ 330,981</u>
Deferred Inflows of Resources:			
Unavailable revenue	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Fund Balances:			
Restricted for:			
Capital projects	-	6,748,193	6,748,193
Assigned for:			
Capital projects	<u>8,626,949</u>	<u>-</u>	<u>8,626,949</u>
Total fund balances	<u>8,626,949</u>	<u>6,748,193</u>	<u>15,375,142</u>
Total liabilities and fund balances	<u>\$ 8,946,574</u>	<u>\$ 6,859,549</u>	<u>\$ 15,806,123</u>

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2021

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Total
Revenues:			
Intergovernmental	\$ 400,000	\$ -	\$ 400,000
Investment income	<u>16,271</u>	<u>11,718</u>	<u>27,989</u>
Total revenues	<u>416,271</u>	<u>11,718</u>	<u>427,989</u>
Expenditures:			
Current:			
Public safety	1,095,235	-	1,095,235
Culture and recreation	998,935	752,833	1,751,768
Public works	<u>174,056</u>	<u>-</u>	<u>174,056</u>
Total expenditures	<u>2,268,226</u>	<u>752,833</u>	<u>3,021,059</u>
(Deficiency) of revenues (under) expenditures	<u>(1,851,955)</u>	<u>(741,115)</u>	<u>(2,593,070)</u>
Other Financing Sources:			
Transfers in	<u>1,685,000</u>	<u>-</u>	<u>1,685,000</u>
Total other financing sources	<u>1,685,000</u>	<u>-</u>	<u>1,685,000</u>
Net change in fund balances	(166,955)	(741,115)	(908,070)
Fund Balances, Beginning	<u>8,793,904</u>	<u>7,489,308</u>	<u>16,283,212</u>
Fund Balances, Ending	<u>\$ 8,626,949</u>	<u>\$ 6,748,193</u>	<u>\$ 15,375,142</u>

City of Margate, Florida
Special Revenue Fund - Road
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 1,816,697	\$ 1,879,102	\$ 62,405
Investment income	45,000	14,199	(30,801)
Miscellaneous	-	2,625	2,625
	<u>1,861,697</u>	<u>1,895,926</u>	<u>34,229</u>
Total revenues			
Expenditures:			
Public works	<u>2,054,696</u>	<u>1,526,855</u>	<u>527,841</u>
Net change in fund balance	(192,999)	369,071	562,070
Fund Balance, Beginning	<u>7,771,815</u>	<u>7,771,815</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,578,816</u>	<u>\$ 8,140,886</u>	<u>\$ 562,070</u>

City of Margate, Florida
Special Revenue Fund - Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 500	\$ 2,895	\$ 2,395
Impact fees	<u>20,000</u>	<u>255,987</u>	<u>235,987</u>
Total revenues	<u>20,500</u>	<u>258,882</u>	<u>238,382</u>
Expenditures:			
Public safety	<u>20,500</u>	<u>727</u>	<u>19,773</u>
Net change in fund balance	-	258,155	258,155
Fund Balance, Beginning	<u>1,480,349</u>	<u>1,480,349</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,480,349</u></u>	<u><u>\$ 1,738,504</u></u>	<u><u>\$ 258,155</u></u>

City of Margate, Florida
Special Revenue Fund - Police Officers Training
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 100	\$ 66	\$ (34)
Fines and forfeitures	<u>-</u>	<u>4,361</u>	<u>4,361</u>
Total revenues	<u>100</u>	<u>4,427</u>	<u>4,327</u>
Expenditures:			
Public safety	<u>25,050</u>	<u>19,257</u>	<u>5,793</u>
Net change in fund balance	(24,950)	(14,830)	10,120
Fund Balance, Beginning	<u>48,834</u>	<u>48,834</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 23,884</u></u>	<u><u>\$ 34,004</u></u>	<u><u>\$ 10,120</u></u>

City of Margate, Florida
Special Revenue Fund - Confiscated Properties
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 1,500	\$ 3,214	\$ 1,714
Fines and forfeitures	<u>32,996</u>	<u>348,382</u>	<u>315,386</u>
Total revenues	<u>34,496</u>	<u>351,596</u>	<u>317,100</u>
Expenditures:			
Public safety	<u>1,062,218</u>	<u>535,368</u>	<u>526,850</u>
Debt service:			
Principal retirement	-	4,917	(4,917)
Interest and other charges	<u>-</u>	<u>953</u>	<u>(953)</u>
Total debt service	<u>-</u>	<u>5,870</u>	<u>(5,870)</u>
Total expenditures	<u>1,062,218</u>	<u>541,238</u>	<u>520,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,027,722)</u>	<u>(189,642)</u>	<u>838,080</u>
Other Financing Sources:			
Capital leases	-	101,119	101,119
Proceeds from sale of capital assets	<u>-</u>	<u>98,625</u>	<u>98,625</u>
Total other financing sources	-	199,744	199,744
Net change in fund balance	(1,027,722)	10,102	1,037,824
Fund Balance, Beginning	<u>1,877,843</u>	<u>1,877,843</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 850,121</u>	<u>\$ 1,887,945</u>	<u>\$ 1,037,824</u>

City of Margate, Florida
Special Revenue Fund - Building
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Licenses and permits	\$ 1,594,900	\$ 3,278,187	\$ 1,683,287
Intergovernmental	-	3,696	3,696
Investment income	10,000	5,584	(4,416)
Miscellaneous	<u>77,000</u>	<u>97,354</u>	<u>20,354</u>
Total revenues	<u>1,681,900</u>	<u>3,384,821</u>	<u>1,702,921</u>
Expenditures:			
Public safety	<u>3,119,536</u>	<u>2,555,968</u>	<u>563,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,437,636)</u>	<u>828,853</u>	<u>2,266,489</u>
Other Financing Sources Uses:			
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	<u>(1,937,636)</u>	<u>328,853</u>	<u>2,266,489</u>
Fund Balance, Beginning	<u>2,609,871</u>	<u>2,609,871</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 672,235</u>	<u>\$ 2,938,724</u>	<u>\$ 2,266,489</u>

City of Margate, Florida
Special Revenue Fund - Housing and Urban Development (HUD) Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,461,693	\$ 416,842	\$ (1,044,851)
Investment income	<u>-</u>	<u>134</u>	<u>134</u>
Total revenues	<u>1,461,693</u>	<u>416,976</u>	<u>(1,044,717)</u>
Expenditures:			
Economic and physical environment	<u>1,866,310</u>	<u>346,560</u>	<u>1,519,750</u>
Net change in fund balance	(404,617)	70,416	475,033
Fund Balance, Beginning	<u>398,601</u>	<u>398,601</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>(6,016)</u></u>	\$ <u><u>469,017</u></u>	\$ <u><u>475,033</u></u>

City of Margate, Florida
Special Revenue Fund - Underground Utility Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 300	\$ 164	\$ (136)
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total revenues	<u>50,300</u>	<u>164</u>	<u>(50,136)</u>
Expenditures:			
Economic and physical environment	<u>300</u>	<u>145</u>	<u>155</u>
Net change in fund balance	50,000	19	(49,981)
Fund Balance, Beginning	<u>61,573</u>	<u>61,573</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 111,573</u></u>	<u><u>\$ 61,592</u></u>	<u><u>\$ (49,981)</u></u>

City of Margate, Florida
Special Revenue Fund - Recreation Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ 500	\$ 1,702	\$ 1,202
Miscellaneous	<u>450,000</u>	<u>475,092</u>	<u>25,092</u>
Total revenues	<u>450,500</u>	<u>476,794</u>	<u>26,294</u>
Expenditures:			
Culture and recreation	<u>500</u>	<u>1,479</u>	<u>(979)</u>
Excess of revenues over expenditures	<u>450,000</u>	<u>475,315</u>	<u>25,315</u>
Other Financing Uses:			
Transfers out	<u>(345,000)</u>	<u>(345,000)</u>	<u>-</u>
Net change in fund balance	105,000	130,315	25,315
Fund Balance, Beginning	<u>621,777</u>	<u>621,777</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 726,777</u></u>	<u><u>\$ 752,092</u></u>	<u><u>\$ 25,315</u></u>

City of Margate, Florida
Special Revenue Fund - Northwest Focal Point Senior Center
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 696,212	\$ 652,181	\$ (44,031)
Investment income	4,000	160	(3,840)
Charges for services	38,100	6,125	(31,975)
Miscellaneous	157,000	157,079	79
	<u>895,312</u>	<u>815,545</u>	<u>(79,767)</u>
Total revenues			
	<u>895,312</u>	<u>815,545</u>	<u>(79,767)</u>
Expenditures:			
Culture and recreation	1,069,386	894,030	175,356
	<u>1,069,386</u>	<u>894,030</u>	<u>175,356</u>
Net change in fund balance			
	(174,074)	(78,485)	95,589
	<u>(174,074)</u>	<u>(78,485)</u>	<u>95,589</u>
Fund Balance, Beginning			
	356,648	356,648	-
	<u>356,648</u>	<u>356,648</u>	<u>-</u>
Fund Balance, Ending			
	\$ <u>182,574</u>	\$ <u>278,163</u>	\$ <u>95,589</u>

City of Margate, Florida
Special Revenue Fund - Transportation Surtax
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,750,000	\$ -	\$ (1,750,000)
Investment income	<u>100</u>	<u>-</u>	<u>(100)</u>
Total revenues	<u>1,750,100</u>	<u>-</u>	<u>(1,750,100)</u>
Expenditures:			
Economic and physical environment	<u>1,750,100</u>	<u>-</u>	<u>1,750,100</u>
Net change in fund balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Margate, Florida

Debt Service Fund - Margate Community Redevelopment Agency - Sinking

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>-</u>	\$ <u>29</u>	\$ <u>29</u>
Expenditures:			
Principal retirement	1,837,828	1,837,827	1
Interest and other charges	<u>76,977</u>	<u>59,105</u>	<u>17,872</u>
Total expenditures	<u>1,914,805</u>	<u>1,896,932</u>	<u>17,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,914,805)</u>	<u>(1,896,903)</u>	<u>17,902</u>
Other Financing Sources:			
Transfers in	<u>1,914,805</u>	<u>1,896,932</u>	<u>(17,873)</u>
Net change in fund balance	-	29	29
Fund Balance, Beginning	<u>10,149</u>	<u>10,149</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>10,149</u></u>	\$ <u><u>10,178</u></u>	\$ <u><u>29</u></u>

City of Margate, Florida
Debt Service Fund - Margate Community Redevelopment Agency - Escrow Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>1,000</u>	\$ <u>301</u>	\$ <u>(699)</u>
Other Financing Uses:			
Transfers out	<u>(993,039)</u>	<u>(993,039)</u>	<u>-</u>
Net change in fund balance	(992,039)	(992,738)	(699)
Fund Balance, Beginning	<u>992,738</u>	<u>992,738</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>699</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(699)</u></u>

City of Margate, Florida
Debt Service Fund - General Obligation Refunding Bonds, Series 2016
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	\$ 1,437,750	\$ 1,452,598	\$ 14,848
Investment income	250	1,471	1,221
Total revenues	<u>1,438,000</u>	<u>1,454,069</u>	<u>16,069</u>
Expenditures:			
Debt service:			
Principal retirement	645,000	645,000	-
Interest and other charges	<u>833,000</u>	<u>834,021</u>	<u>(1,021)</u>
Total expenditures	<u>1,478,000</u>	<u>1,479,021</u>	<u>(1,021)</u>
Net change in fund balance	(40,000)	(24,952)	15,048
Fund Balance, Beginning	<u>75,181</u>	<u>75,181</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 35,181</u>	<u>\$ 50,229</u>	<u>\$ 15,048</u>

City of Margate, Florida
Debt Service Fund - General Obligation Bonds, Series 2019
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 657,350	\$ 663,632	\$ 6,282
Investment income	<u>300</u>	<u>619</u>	<u>319</u>
Total revenues	<u>657,650</u>	<u>664,251</u>	<u>6,601</u>
Expenditures:			
Debt service:			
Principal retirement	305,000	305,000	-
Interest and other charges	<u>352,650</u>	<u>352,884</u>	<u>(234)</u>
Total expenditures	<u>657,650</u>	<u>657,884</u>	<u>(234)</u>
Net change in fund balance	-	6,367	6,367
Fund Balance, Beginning	<u>972</u>	<u>972</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 972</u>	<u>\$ 7,339</u>	<u>\$ 6,367</u>

City of Margate, Florida
Capital Projects Fund - General
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 500,000	\$ 400,000	\$ (100,000)
Investment income	<u>5,000</u>	<u>16,271</u>	<u>11,271</u>
Total revenues	<u>505,000</u>	<u>416,271</u>	<u>(88,729)</u>
Expenditures:			
General government	9,439	-	9,439
Public safety	7,899,271	1,095,235	6,804,036
Culture and recreation	1,191,197	998,935	192,262
Public works	<u>865,000</u>	<u>174,056</u>	<u>690,944</u>
Total expenditures	<u>9,964,907</u>	<u>2,268,226</u>	<u>7,696,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,459,907)</u>	<u>(1,851,955)</u>	<u>7,607,952</u>
Other Financing Sources:			
Transfers in	<u>1,685,000</u>	<u>1,685,000</u>	<u>-</u>
Net change in fund balance	<u>(7,774,907)</u>	<u>(166,955)</u>	<u>7,607,952</u>
Fund Balance, Beginning	<u>8,793,904</u>	<u>8,793,904</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,018,997</u>	<u>\$ 8,626,949</u>	<u>\$ 7,607,952</u>

City of Margate, Florida
Capital Projects Fund - General Obligation Bonds Proceeds 2019
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>10,000</u>	\$ <u>11,718</u>	\$ <u>1,718</u>
Expenditures:			
Culture and recreation	<u>7,423,140</u>	<u>752,833</u>	<u>6,670,307</u>
Net change in fund balance	(7,413,140)	(741,115)	6,672,025
Fund Balance, Beginning	<u>7,489,308</u>	<u>7,489,308</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>76,168</u></u>	\$ <u><u>6,748,193</u></u>	\$ <u><u>6,672,025</u></u>

City of Margate, Florida
Capital Projects Fund - Margate Community Redevelopment Agency - Capital Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>50,000</u>	\$ <u>16,154</u>	\$ <u>(33,846)</u>
Expenditures:			
Economic and physical environment	<u>20,585,728</u>	<u>2,924,121</u>	<u>17,661,607</u>
Excess (deficiency) of revenues over (under) expenditures	(20,535,728)	(2,907,967)	17,627,761
Other Financing Sources:			
Transfers in	<u>5,270,177</u>	<u>5,270,177</u>	<u>-</u>
Net change in fund balance	(15,265,551)	2,362,210	17,627,761
Fund Balance, Beginning	<u>14,548,932</u>	<u>14,548,932</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>(716,619)</u></u>	\$ <u><u>16,911,142</u></u>	\$ <u><u>17,627,761</u></u>

City of Margate, Florida
Capital Projects Fund - Margate Community Redevelopment Agency - Loan Proceeds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Investment income	\$ <u>1,500</u>	\$ <u>1,417</u>	\$ <u>(83)</u>
Expenditures:			
Economic and physical environment	<u>5,001,500</u>	<u>23,227</u>	<u>4,978,273</u>
Net change in fund balance	(5,000,000)	(21,810)	4,978,190
Fund Balance, Beginning	<u>5,429,583</u>	<u>5,429,583</u>	<u>-</u>
Fund Balance, Ending	\$ <u><u>429,583</u></u>	\$ <u><u>5,407,773</u></u>	\$ <u><u>4,978,190</u></u>

STATISTICAL SECTION

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

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102-112
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	113-116
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117-120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and provide comparison over time and with other governments.	121-122
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123-125

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

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

	Fiscal Year			
	2012	2013 ¹	2014 ²	2015
Governmental Activities:				
Net investment in capital assets	\$ 60,008,760	\$ 57,513,624	\$ 59,679,684	\$ 60,387,578
Restricted	9,793,414	24,103,414	25,349,566	25,929,103
Unrestricted (deficit)	22,746,251	12,090,802	(35,371,656)	(31,134,727)
Total governmental activities net position	<u>\$ 92,548,425</u>	<u>\$ 93,707,840</u>	<u>\$ 49,657,594</u>	<u>\$ 55,181,954</u>
Business-type Activities:				
Net investment in capital assets	\$ 42,398,535	\$ 41,685,485	\$ 40,903,406	\$ 43,771,693
Restricted	500,000	500,000	500,000	500,000
Unrestricted	26,673,721	31,434,457	32,016,559	36,780,207
Total business-type activities net position	<u>\$ 69,572,256</u>	<u>\$ 73,619,942</u>	<u>\$ 73,419,965</u>	<u>\$ 81,051,900</u>
Primary Government:				
Net investment in capital assets	\$ 102,407,295	\$ 99,199,109	\$ 100,583,090	\$ 104,159,271
Restricted	10,293,414	24,603,414	25,849,566	26,429,103
Unrestricted (deficit)	49,419,972	43,525,259	(3,355,097)	5,645,480
Total government net position	<u>\$ 162,120,681</u>	<u>\$ 167,327,782</u>	<u>\$ 123,077,559</u>	<u>\$ 136,233,854</u>

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

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

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

Table 1

Fiscal Year					
2016	2017 ³	2018	2019	2020	2021
\$ 60,133,494	\$ 60,215,424	\$ 62,969,641	\$ 65,787,214	\$ 71,662,265	\$ 75,507,061
26,152,283	23,718,734	26,704,283	26,488,946	30,818,826	33,240,371
(32,416,624)	(53,488,962)	(31,336,561)	(34,912,594)	(46,410,934)	(38,433,081)
<u>\$ 53,869,153</u>	<u>\$ 30,445,196</u>	<u>\$ 58,337,363</u>	<u>\$ 57,363,566</u>	<u>\$ 56,070,157</u>	<u>\$ 70,314,351</u>
\$ 46,413,559	\$ 48,831,575	\$ 51,915,054	\$ 53,195,346	\$ 56,090,223	\$ 57,740,290
500,000	500,000	500,000	500,000	500,000	500,000
40,415,771	37,633,944	44,735,364	50,535,278	55,023,954	61,885,510
<u>\$ 87,329,330</u>	<u>\$ 86,965,519</u>	<u>\$ 97,150,418</u>	<u>\$ 104,230,624</u>	<u>\$ 111,614,177</u>	<u>\$ 120,125,800</u>
\$ 106,547,053	\$ 109,046,999	\$ 114,884,695	\$ 118,982,560	\$ 127,752,488	\$ 133,247,351
26,652,283	24,218,734	27,204,283	26,988,946	31,318,826	33,740,371
7,999,147	(15,855,018)	13,398,803	15,622,684	8,613,020	23,452,429
<u>\$ 141,198,483</u>	<u>\$ 117,410,715</u>	<u>\$ 155,487,781</u>	<u>\$ 161,594,190</u>	<u>\$ 167,684,334</u>	<u>\$ 190,440,151</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Governmental activities:				
General government	\$ 9,422,672	\$ 9,242,469	\$ 11,010,723	\$ 10,237,660
Public safety	34,524,960	35,380,426	37,593,750	33,491,912
Economic and physical environment	2,442,984	3,550,866	2,623,786	2,332,157
Culture and recreation	3,256,597	4,160,376	4,981,341	5,136,787
Public works	6,409,320	7,311,453	10,981,715	7,099,119
Interest expense	1,992,924	1,730,543	1,651,830	1,537,960
Total governmental activities	<u>58,049,457</u>	<u>61,376,133</u>	<u>68,843,145</u>	<u>59,835,595</u>
Business-type activities:				
Water and wastewater	17,544,105	18,673,006	18,693,949	17,201,687
Stormwater utility	953,271	1,083,291	1,035,953	1,094,793
Total business-type activities	<u>18,497,376</u>	<u>19,756,297</u>	<u>19,729,902</u>	<u>18,296,480</u>
Total expenses	<u>\$ 76,546,833</u>	<u>\$ 81,132,430</u>	<u>\$ 88,573,047</u>	<u>\$ 78,132,075</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 931,193	\$ 874,971	\$ 886,109	\$ 112,679
Public safety	18,385,589	18,383,201	18,469,940	19,009,361
Economic and physical environment	-	542,850	568,145	606,746
Culture and recreation	455,773	452,487	511,007	620,378
Public works	-	27,863	23,209	26,793
Operating grants and contributions	2,495,450	3,095,508	2,158,337	2,054,187
Capital grants and contributions	526,111	-	-	-
Total governmental activities	<u>22,794,116</u>	<u>23,376,880</u>	<u>22,616,747</u>	<u>22,430,144</u>
Business-type activities:				
Charges for services:				
Water and wastewater	22,313,454	22,693,640	22,732,250	23,119,770
Stormwater utility	1,253,182	1,249,716	1,248,354	1,249,029
Operating grants and contributions	12,722	-	-	-
Capital grants and contributions	962,251	1,317,929	318,930	3,574,749
Total business-type activities	<u>24,541,609</u>	<u>25,261,285</u>	<u>24,299,534</u>	<u>27,943,548</u>
Total program revenues	<u>\$ 47,335,725</u>	<u>\$ 48,638,165</u>	<u>\$ 46,916,281</u>	<u>\$ 50,373,692</u>
Net (Expense)/Revenue:				
Governmental activities	\$ (35,255,341)	\$ (37,999,253)	\$ (46,226,398)	\$ (37,405,451)
Business-type activities	<u>6,044,233</u>	<u>5,504,988</u>	<u>4,569,632</u>	<u>9,647,068</u>
Total net expense	<u>\$ (29,211,108)</u>	<u>\$ (32,494,265)</u>	<u>\$ (41,656,766)</u>	<u>\$ (27,758,383)</u>

Table 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 12,111,517	\$ 15,566,363	\$ 16,029,823	\$ 17,375,785	\$ 18,651,598	\$ 17,628,396
40,320,179	44,439,211	23,748,248	50,009,874	54,520,281	42,003,377
2,186,059	1,656,356	2,149,791	2,727,004	1,997,008	2,201,710
5,643,172	6,171,871	4,392,717	5,771,761	6,089,205	6,483,972
5,691,156	6,402,118	5,529,471	7,445,183	5,594,085	7,454,869
1,729,592	986,383	959,049	1,026,789	1,088,437	995,383
<u>67,681,675</u>	<u>75,222,302</u>	<u>52,809,099</u>	<u>84,356,396</u>	<u>87,940,614</u>	<u>76,767,707</u>
17,268,787	18,353,056	13,355,780	19,199,737	19,292,589	17,609,210
1,239,865	1,805,252	1,613,594	2,070,907	2,080,996	2,213,950
<u>18,508,652</u>	<u>20,158,308</u>	<u>14,969,374</u>	<u>21,270,644</u>	<u>21,373,585</u>	<u>19,823,160</u>
<u>\$ 86,190,327</u>	<u>\$ 95,380,610</u>	<u>\$ 67,778,473</u>	<u>\$ 105,627,040</u>	<u>\$ 109,314,199</u>	<u>\$ 96,590,867</u>
\$ 102,527	\$ 1,247,307	\$ 1,265,458	\$ 1,864,890	\$ 2,101,684	\$ 2,111,702
18,905,230	20,764,031	25,109,960	23,755,654	24,416,207	26,009,064
644,712	614,604	577,234	583,439	469,784	658,430
590,480	626,102	609,489	588,010	115,464	349,315
182,365	153,528	164,019	143,718	153,479	196,231
1,234,999	1,672,897	3,331,804	2,783,414	2,139,714	3,126,078
315,776	-	204,500	200,000	1,000,000	-
<u>21,976,089</u>	<u>25,078,469</u>	<u>31,262,464</u>	<u>29,919,125</u>	<u>30,396,332</u>	<u>32,450,820</u>
23,041,571	23,679,881	23,814,914	25,479,357	25,049,915	25,257,239
1,674,706	1,890,702	1,920,205	1,977,995	3,010,498	3,469,136
-	161,670	-	-	176,522	40,579
1,429,870	753,965	712,549	752,643	608,478	1,336,200
<u>26,146,147</u>	<u>26,486,218</u>	<u>26,447,668</u>	<u>28,209,995</u>	<u>28,845,413</u>	<u>30,103,154</u>
<u>\$ 48,122,236</u>	<u>\$ 51,564,687</u>	<u>\$ 57,710,132</u>	<u>\$ 58,129,120</u>	<u>\$ 59,241,745</u>	<u>\$ 62,553,974</u>
\$ (45,705,586)	\$ (50,143,833)	\$ (21,546,635)	\$ (54,437,271)	\$ (57,544,282)	\$ (44,316,887)
<u>7,637,495</u>	<u>6,327,910</u>	<u>11,478,294</u>	<u>6,939,351</u>	<u>7,471,828</u>	<u>10,279,994</u>
<u>\$ (38,068,091)</u>	<u>\$ (43,815,923)</u>	<u>\$ (10,068,341)</u>	<u>\$ (47,497,920)</u>	<u>\$ (50,072,454)</u>	<u>\$ (34,036,893)</u>

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

	Fiscal Year			
	2012	2013	2014	2015
General Revenues:				
Governmental activities:				
Taxes:				
Property	\$ 15,360,612	\$ 14,920,830	\$ 15,211,654	\$ 15,587,799
Franchise	3,845,702	3,799,673	4,062,878	4,181,165
Utility service	6,311,257	6,541,179	6,573,918	6,583,890
Sales	4,155,678	4,446,926	4,817,410	5,109,632
Gas	1,385,513	1,385,386	1,450,728	1,493,761
Tax incremental revenue	3,686,138	3,604,128	4,326,277	4,180,496
Intergovernmental not restricted to specific program	232,758	134,625	174,228	176,397
Investment income	341,950	(116,184)	152,571	221,859
Miscellaneous	1,902,327	2,022,200	1,893,816	3,049,471
Gain (loss) on disposal of capital assets	32,564	54,385	-	69,179
Transfers	1,748,238	1,747,038	1,746,163	2,276,162
Total governmental activities	<u>39,002,737</u>	<u>38,540,186</u>	<u>40,409,643</u>	<u>42,929,811</u>
Business-type activities:				
Investment income	213,458	284,897	259,292	227,561
Gain on disposal of capital assets	66,509	64,165	29,944	33,468
Transfers	(1,748,238)	(1,747,038)	(1,746,163)	(2,276,162)
Total business-type activities	<u>(1,468,271)</u>	<u>(1,397,976)</u>	<u>(1,456,927)</u>	<u>(2,015,133)</u>
Total primary government	<u>\$ 37,534,466</u>	<u>\$ 37,142,210</u>	<u>\$ 38,952,716</u>	<u>\$ 40,914,678</u>
Change in Net Position:				
Governmental activities	\$ 3,747,396	\$ 540,933	\$ (5,816,755)	\$ 5,524,360
Business-type activities	<u>4,575,962</u>	<u>4,107,012</u>	<u>3,112,705</u>	<u>7,631,935</u>
Total change in net position	<u>\$ 8,323,358</u>	<u>\$ 4,647,945</u>	<u>\$ (2,704,050)</u>	<u>\$ 13,156,295</u>

Table 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 16,775,348	\$ 17,564,660	\$ 19,434,073	\$ 21,038,583	\$ 24,590,658	\$ 26,368,626
4,227,712	4,187,221	4,219,667	4,328,426	4,238,113	4,341,404
6,549,625	6,721,183	6,798,280	6,620,866	6,543,809	6,704,297
5,255,180	5,406,711	5,706,697	5,840,184	5,285,263	6,258,880
1,518,724	1,590,299	1,602,988	1,615,509	1,432,069	1,484,478
4,419,493	4,977,575	5,867,757	6,362,579	7,187,259	8,061,418
185,753	192,551	201,399	226,152	209,345	594,641
392,078	594,024	601,435	2,508,447	1,880,591	172,117
3,287,990	2,584,095	3,141,176	3,029,873	3,016,000	2,579,486
26,444	3,728	49,980	41,198	(37,589)	52,272
1,754,438	1,781,501	1,815,350	1,851,657	1,905,355	1,943,462
<u>44,392,785</u>	<u>45,603,548</u>	<u>49,438,802</u>	<u>53,463,474</u>	<u>56,250,873</u>	<u>58,561,081</u>
330,676	344,894	434,255	1,976,199	1,745,754	120,276
63,697	9,138	87,700	16,313	71,326	54,815
<u>(1,754,438)</u>	<u>(1,781,501)</u>	<u>(1,815,350)</u>	<u>(1,851,657)</u>	<u>(1,905,355)</u>	<u>(1,943,462)</u>
<u>(1,360,065)</u>	<u>(1,427,469)</u>	<u>(1,293,395)</u>	<u>140,855</u>	<u>(88,275)</u>	<u>(1,768,371)</u>
\$ <u>43,032,720</u>	\$ <u>44,176,079</u>	\$ <u>48,145,407</u>	\$ <u>53,604,329</u>	\$ <u>56,162,598</u>	\$ <u>56,792,710</u>
\$ (1,312,801)	\$ (4,540,285)	\$ 27,892,167	\$ (973,797)	\$ (1,293,409)	\$ 14,244,194
<u>6,277,430</u>	<u>4,900,441</u>	<u>10,184,899</u>	<u>7,080,206</u>	<u>7,383,553</u>	<u>8,511,623</u>
\$ <u>4,964,629</u>	\$ <u>360,156</u>	\$ <u>38,077,066</u>	\$ <u>6,106,409</u>	\$ <u>6,090,144</u>	\$ <u>22,755,817</u>

Governmental Activities Tax Revenues By Source

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility Service</u>	<u>Sales</u>	<u>Gas</u>	<u>Incremental</u>	<u>Total</u>
2012	\$ 15,361	\$ 3,846	\$ 6,311	\$ 4,156	\$ 1,386	\$ 3,686	\$ 34,746
2013	14,921	3,800	6,541	4,447	1,385	3,604	34,698
2014	15,212	4,063	6,574	4,817	1,451	4,326	36,443
2015	15,588	4,181	6,584	5,110	1,494	4,180	37,137
2016	16,775	4,228	6,550	5,255	1,519	4,419	38,746
2017	17,565	4,320	6,721	5,407	1,590	4,978	40,581
2018	19,434	4,220	6,798	5,707	1,603	5,868	43,630
2019	21,039	4,328	6,621	5,840	1,616	6,363	45,807
2020	24,591	4,238	6,544	5,285	1,432	7,187	49,277
2021	26,369	4,341	6,704	6,259	1,485	8,061	53,219

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund:				
Nonspendable	\$ -	\$ -	\$ 16,447	\$ 21,019
Restricted	1,024,314	1,223,945	1,498,012	1,240,019
Committed	108,947	313,585	-	1,060,302
Assigned	7,173,003	6,913,495	19,076,067	22,619,686
Unassigned	14,033,380	17,263,869	7,751,670	7,956,394
Total general fund	<u>\$ 22,339,644</u>	<u>\$ 25,714,894</u>	<u>\$ 28,342,196</u>	<u>\$ 32,897,420</u>
All Other Governmental Funds:				
Nonspendable, reported in:				
Special revenue funds	\$ 452,140	\$ 484,751	\$ 51,961	\$ 48,137
Capital projects funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	22,114,987	22,563,427	8,401,957	8,751,956
Debt service funds	-	-	1,001,488	1,014,927
Capital projects funds	580,680	375,436	14,690,375	14,922,201
Committed, reported in:				
Capital projects funds	179,723	132,581	-	-
Assigned, reported in:				
Capital projects funds	848,904	789,576	1,929,942	1,587,696
Unassigned, reported in:				
Special revenue funds	-	-	(25,005)	-
Total all other governmental funds	<u>\$ 24,176,434</u>	<u>\$ 24,345,771</u>	<u>\$ 26,050,718</u>	<u>\$ 26,324,917</u>

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

Table 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ -	\$ 45,717	\$ 263,640	\$ 252,016	227,482	48,416
1,737,109	3,402,307	3,794,975	968,156	32,908	28,606
1,060,302	1,088,002	1,098,866	1,029,045	857,675	860,323
23,935,029	21,944,916	14,858,097	17,577,550	19,165,039	25,038,714
8,522,225	9,424,764	12,069,685	12,580,936	12,323,967	11,368,144
<u>\$ 35,254,665</u>	<u>\$ 35,905,706</u>	<u>\$ 32,085,263</u>	<u>\$ 32,407,703</u>	<u>\$ 32,607,071</u>	<u>\$ 37,344,203</u>
\$ 46,348	\$ 53,312	\$ 52,026	\$ 59,291	68,245	68,050
-	-	-	-	-	15,000
8,674,926	9,939,278	11,103,937	11,638,472	15,159,066	16,232,877
1,044,678	1,592,104	1,110,957	1,145,063	1,079,040	67,746
14,695,570	14,398,058	15,632,982	27,581,864	27,467,823	29,052,108
-	-	-	-	-	-
2,463,140	3,498,201	6,672,756	8,962,518	8,793,904	8,626,949
(2,441)	-	-	-	-	-
<u>\$ 26,922,221</u>	<u>\$ 29,480,953</u>	<u>\$ 34,572,658</u>	<u>\$ 49,387,208</u>	<u>\$ 52,568,078</u>	<u>\$ 54,062,730</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Property taxes	\$ 15,360,612	\$ 14,920,830	\$ 15,211,654	\$ 15,587,799
Franchise taxes	3,845,702	3,799,673	4,062,878	4,181,165
Utility service taxes	6,311,257	6,541,179	6,573,918	6,583,890
Tax incremental	3,686,138	3,604,128	4,326,277	4,180,496
Licenses and permits	1,722,747	1,642,538	1,877,792	2,567,975
Intergovernmental	8,795,510	9,062,446	8,795,630	8,803,540
Investment income	341,950	(116,184)	152,571	221,859
Charges for services	16,389,096	17,150,655	16,972,896	16,521,975
Rental income	526,848	542,850	568,145	606,746
Fines and forfeitures	1,660,712	945,328	1,049,448	862,313
Impact fees	-	-	-	-
Miscellaneous	1,408,042	2,076,585	1,689,018	2,966,035
Total revenues	<u>60,048,614</u>	<u>60,170,028</u>	<u>61,280,227</u>	<u>63,083,793</u>
Expenditures:				
General government	8,868,487	8,864,648	9,683,148	9,900,269
Public safety	35,252,351	35,758,857	32,536,389	33,662,839
Economic and physical environment	1,304,565	1,487,821	2,247,114	1,931,976
Culture and recreation	2,969,257	3,046,418	4,152,605	4,365,561
Redevelopment projects	703,925	700,110	1,064,790	-
Public works	4,158,225	4,411,430	4,698,554	4,497,875
Debt Service:				
Principal retirement	2,224,025	2,510,383	2,600,937	2,686,915
Interest and other charges	2,004,483	1,814,940	1,650,987	1,561,185
Issuance costs and other fiscal charges	-	-	-	-
Capital outlay	829,592	829,592	812,791	1,923,912
Total expenditures	<u>58,314,910</u>	<u>59,424,199</u>	<u>59,447,315</u>	<u>60,530,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,733,704</u>	<u>745,829</u>	<u>1,832,912</u>	<u>2,553,261</u>
Other Financing Sources (Uses):				
Issuance of refunding bond	-	15,559,414	-	-
Premium on refunding bond	-	-	-	-
Issuance of bond	-	-	-	-
Premium of bond	-	-	-	-
Payment to refunded bonds escrow agent	-	(15,559,414)	-	-
Capital leases	-	859,878	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	3,077,044	2,312,152	20,503,194	8,358,322
Transfers out	(1,328,806)	(565,114)	(18,757,031)	(6,082,160)
Total other financing sources (uses)	<u>1,748,238</u>	<u>2,606,916</u>	<u>1,746,163</u>	<u>2,276,162</u>
Net change in fund balances	<u>\$ 3,481,942</u>	<u>\$ 3,352,745</u>	<u>\$ 3,579,075</u>	<u>\$ 4,829,423</u>
Debt service as a percentage of noncapital expenditures (restated)	7.8%	7.4%	7.3%	7.3%

Table 5

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 16,775,348	\$ 17,564,660	\$ 19,434,073	\$ 21,038,583	\$ 24,590,658	\$ 26,368,626
4,095,079	4,319,854	4,219,667	4,328,426	4,238,113	4,341,404
6,549,625	6,721,183	6,798,280	6,620,866	6,543,809	6,704,297
4,419,493	4,977,575	5,867,757	6,362,579	7,187,259	8,061,418
2,213,850	2,805,386	4,595,434	2,524,880	2,840,947	3,805,477
8,467,575	8,450,327	9,644,517	11,804,119	10,303,130	11,667,156
392,078	594,024	601,435	2,527,945	1,881,165	172,117
18,272,314	19,099,261	21,692,497	23,401,491	23,630,396	24,367,258
644,712	614,604	577,234	583,439	469,784	658,430
750,256	889,820	1,179,347	704,115	791,151	592,487
19,979	351,226	402,892	31,511	94,951	255,987
1,507,090	2,287,818	2,556,069	2,726,094	2,404,042	2,850,289
<u>64,107,399</u>	<u>68,675,738</u>	<u>77,569,202</u>	<u>82,654,048</u>	<u>84,975,405</u>	<u>89,844,946</u>
11,327,985	14,382,715	18,583,917	17,114,239	17,338,260	17,857,747
35,541,311	37,678,550	40,963,436	43,678,856	45,901,655	47,179,562
2,190,024	2,033,200	2,806,698	3,038,198	3,011,044	4,583,289
5,049,683	5,926,915	6,466,214	6,242,521	8,739,939	7,292,942
-	-	-	-	-	-
4,802,219	4,603,535	4,953,068	5,328,455	4,756,989	5,202,953
2,851,608	2,348,141	3,155,111	2,693,816	2,844,271	3,198,416
1,464,264	1,243,652	1,184,846	1,097,064	1,426,924	1,264,901
133,148	-	-	170,854	-	-
-	-	-	-	-	-
<u>63,360,242</u>	<u>68,216,708</u>	<u>78,113,290</u>	<u>79,364,003</u>	<u>84,019,082</u>	<u>86,579,810</u>
747,157	459,030	(544,088)	3,290,045	956,323	3,265,136
18,950,000	-	-	-	-	-
4,210,851	-	-	-	-	-
-	-	-	9,105,000	-	-
-	-	-	890,288	-	-
(23,025,000)	-	-	-	-	-
317,103	969,242	-	-	-	867,861
-	-	-	-	518,560	155,325
5,572,149	7,033,116	10,976,434	10,040,819	10,569,583	10,795,571
(3,817,711)	(5,251,615)	(9,161,084)	(8,189,162)	(8,664,228)	(8,852,109)
<u>2,207,392</u>	<u>2,750,743</u>	<u>1,815,350</u>	<u>11,846,945</u>	<u>2,423,915</u>	<u>2,966,648</u>
\$ <u>2,954,549</u>	\$ <u>3,209,773</u>	\$ <u>1,271,262</u>	\$ <u>15,136,990</u>	\$ <u>3,380,238</u>	\$ <u>6,231,784</u>
7.3%	5.5%	5.9%	5.1%	5.8%	6.4%

City of Margate, Florida

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (in thousands of dollars)

Table 6

Fiscal Year	Tax Year	Real Property				Less: Tax- Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Market Value	Total Assessed Value as a Percentage of Estimated Market Value
		Residential Property	Commercial Property	Industrial Property	Other (1)					
2012	2011	1,793,921	508,834	94,923	258,868	797,049	1,859,497	7.9892	2,775,866	66.99%
2013	2012	1,817,033	510,425	95,243	248,543	782,366	1,888,878	7.7365	2,831,583	66.71%
2014	2013	1,894,929	503,368	100,647	264,324	785,633	1,977,635	7.5593	2,984,185	66.27%
2015	2014	2,015,025	509,434	106,087	275,250	792,233	2,113,563	7.3093	3,389,842	62.35%
2016	2015	2,160,635	507,459	110,480	273,271	785,590	2,266,255	7.3093	3,718,806	60.94%
2017	2016	2,300,737	556,026	116,066	275,405	803,051	2,445,183	7.0593	4,061,741	60.20%
2018	2017	2,528,342	610,033	132,996	278,283	831,748	2,717,906	7.0593	4,476,856	60.71%
2019	2018	2,757,756	628,900	143,835	277,644	854,849	2,953,286	7.0593	4,914,410	60.09%
2020	2019	2,958,543	644,400	152,103	291,252	879,029	3,167,269	7.7666	5,283,748	59.94%
2021	2020	3,157,619	662,453	161,746	322,212	910,695	3,393,335	7.7383	5,536,860	61.29%

Source: Broward County Property Appraiser.

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

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

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

Table 7

Fiscal Year	City of Margate			Overlapping Rates*						Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rate	Broward County School District	Broward County	South Florida Water Management District	Children Services Council	North Broward Hospital District	Florida Inland Navigation District	
2012	7.7500	0.2392	7.9892	7.4180	5.5530	0.4363	0.4789	1.8750	0.0345	23.7849
2013	7.5000	0.2365	7.7365	7.4560	5.5530	0.4289	0.4902	1.8564	0.0345	23.5555
2014	7.3300	0.2293	7.5593	7.4800	5.7230	0.4110	0.4882	1.7554	0.0345	23.4514
2015	6.2761	1.0332	7.3093	7.4380	5.7230	0.3842	0.4882	1.5939	0.0345	22.9711
2016	6.3402	0.9691	7.3093	7.2740	5.7230	0.3551	0.4882	1.4425	0.0320	22.6241
2017	6.4554	0.6039	7.0593	6.9063	5.6690	0.3307	0.4882	1.3462	0.0320	21.8317
2018	6.5183	0.5410	7.0593	6.5394	5.6690	0.3100	0.4882	1.2483	0.0320	21.3462
2019	6.5594	0.4999	7.0593	6.4029	5.6690	0.2936	0.4882	1.0855	0.0320	21.0305
2020	7.1171	0.6495	7.7666	6.7393	5.6690	0.2795	0.4882	1.0324	0.0320	22.0070
2021	7.1171	0.6212	7.7383	6.5052	5.6690	0.2675	0.4882	1.1469	0.0320	21.8471

Source: Broward County Property Appraiser's Office.

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

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

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

Table 8

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Northwest Regional Hospital Inc.	\$ 64,229,160	1	1.89%	\$ 38,290,550	1	1.93%
BPP Alphabet MF Pinebrook PTE LLC	58,881,540	2	1.74%	-	-	-
Avalon Toscana LLC	53,272,370	3	1.57%	-	-	-
Celebration Pointe North LLC	47,795,070	4	1.41%	-	-	-
Peppertree Plaza LLC	44,976,330	5	1.33%	-	-	-
Morguard Blue Isle LLC	44,295,820	6	1.31%	-	-	-
LVP BH Margate LLC	34,205,420	7	1.01%	-	-	-
WE Fairways of Carolina Owner LLC	32,875,590	8	0.97%	-	-	-
MHC Coral Cay Plantation LLC	30,555,190	9	0.90%	27,681,660	5	1.39%
Cross Creek Realty Holdings LLC	26,789,200	10	0.79%	-	-	-
Prisa Acquisition LLC	-	-	-	36,984,518	2	1.86%
Kimco Realty Corporation	-	-	-	30,822,174	3	1.55%
Florida Power & Light Company	-	-	-	30,374,037	4	1.53%
Mullinax Ford South Inc.	-	-	-	23,506,910	6	1.18%
JM Auto Inc.	-	-	-	22,530,300	7	1.13%
MB Margate Lakewood I LLC	-	-	-	20,366,950	8	1.02%
Blue Isle Apartments	-	-	-	18,028,232	9	0.91%
Advenir at Margate LLC	-	-	-	17,441,318	10	0.88%
Total	\$ 437,875,690		12.92%	\$ 266,026,649		13.38%

Source: Broward County Revenue Collector.

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

Table 9

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount*	Percentage of Levy		Amount	Percentage of Levy
2012	2011	15,900	15,334	96.4%	(81)	15,253	95.9%
2013	2012	15,550	14,949	96.1%	(133)	14,816	95.3%
2014	2013	15,902	15,241	95.8%	182	15,423	97.0%
2015	2014	16,355	15,667	95.8%	371	16,038	98.1%
2016	2015	17,490	16,758	95.8%	5	16,763	95.8%
2017	2016	18,225	17,533	96.2%	9	17,542	96.3%
2018	2017	20,232	19,382	95.8%	42	19,424	96.0%
2019	2018	21,931	20,983	95.7%	8	20,991	95.7%
2020	2019	25,753	24,554	95.3%	97	24,651	95.7%
2021	2020	27,429	26,243	95.7%	-	26,243	95.7%

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

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

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Community Redevelopment Bonds	Capital Leases	Water and Sewer Refunding Revenue Bonds			
2012	27,146	15,560	-	7,805	50,511	3.87%	916
2013	26,180	14,133	742	6,960	48,015	3.91%	869
2014	25,167	12,661	625	6,075	44,528	3.72%	804
2015	24,119	11,142	506	5,155	40,922	3.30%	733
2016	23,144 (2)	9,574	634	4,205	37,557	2.87%	656
2017	22,365 (2)	7,955	1,419	3,215	34,954	2.57%	603
2018	21,610 (2)	5,769	1,004	2,185	30,568	2.10%	524
2019	30,812 (2)	4,045	620	1,115	36,592	2.35%	619
2020	29,727 (2)	2,264	396	-	32,387	2.01%	546
2021	28,532 (2)	426	854	-	29,812	1.85%	502

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

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

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

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Tax Year	Assessed Value (1)	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita (2)
			General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2012	2011	1,859,497	27,146	38	27,108	1.46%	491.84
2013	2012	1,888,878	26,180	43	26,137	1.38%	473.11
2014	2013	1,977,635	25,167	45	25,122	1.27%	453.33
2015	2014	2,113,563	24,119	56	24,063	1.14%	430.84
2016	2015	2,266,255	23,144	83	23,061	1.02%	402.98
2017	2016	2,445,183	22,365	110	22,255	0.91%	383.97
2018	2017	2,717,906	21,610	126	21,484	0.79%	368.32
2019	2018	2,953,286	30,812	146	30,666	1.04%	518.74
2020	2019	3,167,269	29,727	76	29,651	0.94%	499.59
2021	2020	3,393,335	28,532	58	28,474	0.84%	479.76

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

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

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

City of Margate, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021 (dollars in thousands)

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes			
Broward County School Board	\$ 2,080,904	1.56%	\$ 32,462
Broward County	<u>97,455</u>	1.68%	<u>1,637</u>
Subtotal, overlapping debt			34,099
City of Margate direct debt			<u>29,812</u>
Total direct and overlapping debt			<u><u>\$ 63,911</u></u>

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

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

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

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

Table 13

Water and Sewer Refunding Revenue Bonds						
As Defined by Bond Indenture				Income Available for Debt Service	Maximum Annual Debt Service	Coverage-Dollars of Income Available for Each Dollar of Maximum Annual Debt Service
Fiscal Year	Revenues	Expenses	Net Revenues			
2012	22,483	13,443	9,040	9,040	1,163	7.77
2013	22,778	14,071	8,707	8,707	1,163	7.49
2014	22,987	14,693	8,294	8,294	1,163	7.13
2015	22,346	13,500	9,846	9,846	1,160	8.49
2016	23,354	13,933	9,421	9,421	1,160	8.12
2017	24,142	14,979	9,163	9,163	1,160	7.90
2018	24,595	10,188	14,407	14,407	1,160	12.42
2019	26,620	15,821	10,799	10,799	1,160	9.31
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-

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

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

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

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

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

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

Table 14

Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	School Enrollment (3)	Broward County Unemployment Rate (4)
2012	55,116	1,304,485	23,668	7,140	7.50%
2013	55,245	1,226,936	22,209	7,118	5.60%
2014	55,417	1,197,783	21,614	7,172	5.20%
2015	55,851	1,240,283	22,207	7,297	4.90%
2016	57,226	1,309,045	22,875	7,446	4.60%
2017	57,961	1,362,547	23,508	7,447	3.30%
2018	58,329	1,453,617	24,921	7,408	2.80%
2019	59,116	1,556,702	26,333	7,490	2.80%
2020	59,351	1,609,480	27,118	7,326	7.80%
2021	59,351	1,609,480	27,118	7,283	4.40%

Sources:

(1) University of Florida Bureau of Economic and Business Research. 2021 updated information unavailable.

(2) U.S. Census Bureau

(3) School Board of Broward County, Florida

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

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

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

Table 15

	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Global Response Corporation *	1,500	1	5.04%	450	4	2.45%
Northwest Medical Center	1,031	2	3.47%	941	1	5.12%
City of Margate, Florida	549	3	1.85%	536	3	2.92%
Broward County Schools	382	4	1.28%	355	5	1.93%
JM Lexus	300	5	1.01%	350	6	1.91%
Walmart	280	6	0.94%	320	7	1.74%
Centers Plan for Healthy Living	225	7	0.76%	-	-	-
Publix	150	8	0.50%	-	-	-
Winn Dixie	120	9	0.40%	-	-	-
Arrigo Dodge/ Jeep	97	10	0.33%	-	-	-
Saveology.com	-	-	-	788	2	4.29%
Nationwide Relocation Services	-	-	-	184	8	1.00%
Penn Dutch	-	-	-	170	9	0.93%
AutoNation Ford Margate	-	-	-	130	10	0.71%
Total	<u>4,634</u>		<u>15.58%</u>	<u>4,224</u>		<u>23.00%</u>

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

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

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

Table 16

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
City commission	5	5	5	5	5	5	5	5	5	5
City manager	6	6	7	6	4	4	8	9	9	9
Development services **	5	5	7	7	9	10	8	8	9	8
Finance	20	20	20	21	8	9	9	9	9	9
Purchasing *	-	-	-	-	4	4	4	5	5	5
Human resources	6	6	6	6	6	7	7	7	7	7
City clerk	6	7	7	7	7	7	7	7	7	7
City attorney	1	1	1	1	1	1	1	1	3	2
Building	14	13	13	11	11	13	16	16	17	19
Information technology	7	6	5	5	6	6	6	6	6	6
Police:										
Officers	107	110	111	111	112	111	117	117	117	117
Non-certified personnel	75	69	40	39	35	35	36	37	36	42
Fire:										
Firefighters/Paramedics	107	107	108	108	116	116	123	123	123	123
Firefighters/EMTs	2	2	2	2	2	2	2	-	-	-
Fire Safety Inspectors	-	-	-	-	-	-	-	2	2	2
Non-certified personnel	2	2	2	2	2	2	2	3	3	3
Public Works:										
Administration	3	3	3	4	4	4	5	5	6	5
Building	9	9	9	8	7	8	8	9	9	9
Garage	10	10	10	8	9	9	9	9	9	9
Roads	3	3	3	3	3	3	3	3	4	4
Stormwater utility	9	9	9	10	10	11	11	11	11	11
Parks and Recreation	56	46	47	55	50	54	50	49	41	52
Environment & Engineering Services:										
Treatment	38	39	38	37	36	36	38	37	36	36
Transmission, distribution & collection	30	30	30	31	32	32	32	32	32	32
Utility billing *	-	-	-	-	6	6	6	6	6	6
Administration & engineering	15	15	15	15	16	17	18	20	20	21
Total	536	523	498	502	501	512	531	536	532	549

Source: City's Finance Department

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

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

* Purchasing and Utility Billing were previously included in Finance.

** Formerly known as Economic development.

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

Table 17

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Building permits issued	3,998	4,371	4,441	4,836	4,722	5,080	6,608	5,660	5,217	6,017
Lien inquiries	2,389	2,204	1,777	2,241	2,147	2,079	1,873	2,109	1,854	2,342
Police:										
Physical arrests	1,713	1,528	1,024	1,046	1,025	1,093	1,341	1,161	867	820
Parking citations	62	63	63	118	81	126	132	365	213	220
Traffic citations	5,555	5,447	4,816	5,097	5,253	6,563	8,185	5,760	3,214	3,071
Fire:										
Emergency responses	14,450	14,585	14,950	15,089	16,390	17,627	18,324	17,436	17,119	17,510
Inspections	2,488	2,877	2,849	2,782	3,360	3,512	3,369	2,579	1,400	2,589
Public works:										
Total route miles - Margate mini buses	46	46	57	58	67	55	55	56	55	55
Transit passengers - Margate mini buses	67,935	60,560	66,198	62,981	71,323	93,473	91,914	95,952	73,336	59,814
Culture and Recreation:										
Pool admissions	33,345	32,052	37,795	50,958	39,477	45,274	38,461	34,915	-	25,337
Summer camp participants	191	172	179	198	209	251	268	262	-	62
Library circulation	149,464	161,766	124,833	114,456	100,171	85,974	71,185	85,756	43,718	41,728
Environmental and Engineering Services:										
Water and wastewater system:										
Number of billed accounts monthly	16,775	16,771	16,779	16,811	16,811	16,873	16,877	16,992	17,031	17,027
Average number of gallons of water consumed daily (thousands of gallons)	7,762	6,945	7,425	6,777	6,462	6,093	5,088	5,523	6,028	5,628
Average number of gallons of wastewater treated daily (thousands of gallons)	6,940	6,900	6,602	6,246	6,484	6,716	6,947	6,532	6,532	6,489

Sources: Various City Departments

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

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

Table 18

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police patrol units (marked)	112	116	115	89	89	100	105	101	96	94
Administrative buildings - Fire	-	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	3	3	3	3	5	3
Number of fire engines	10	10	10	7	5	5	5	5	5	3
Number of rescue transport vehicles	9	9	9	7	5	5	5	5	5	3
Public Works:										
Public roads (miles)	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71
City roads (miles)	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28
Transit-minibus	4	4	4	4	4	4	4	4	4	-
Culture and Recreation:										
Number of parks	19	19	19	19	19	19	19	19	19	19
Park acreage	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90
Conservation land use (acres)	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24
Community Center	1	1	2	2	2	2	2	2	2	2
Libraries	1	1	1	1	1	1	1	1	1	1
Environmental and Engineering Services:										
Administrative buildings	1	1	1	1	1	1	1	1	1	1
Water and wastewater system:										
Miles of water mains	211.51	211.51	211.27	211.00	212.00	212.67	212.75	213.43	213.43	213.43
Miles of wastewater mains	176.42	176.42	176.68	178.00	179.00	179.09	179.09	180.53	180.53	180.53
Water treatment capacity per day (thousands of gallons)	18,000	18,000	18,000	18,000	20,000	20,000	13,500	13,500	13,500	13,500

Sources: Various City Departments.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2022.

Internal Control over Financial Reporting

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

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

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

CPA's + Trusted Advisors

Compliance and Other Matters

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

Purpose of this Report

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 23, 2022

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Margate, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

CPA's + Trusted Advisors

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Purpose of this Report

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 23, 2022

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Margate, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 23, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; and Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 23, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

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

Additional Matters

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

Purpose of this Letter

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 23, 2022

City of Margate, Florida

Exhibit 1

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

Data Element	Margate CRA	Senior Center
Number of district employees compensated at 9/30/2021	-	15
Number of independent contractors compensated at September 2021	-	-
Employee compensation for FYE 9/30/2021 (paid/accrued)	\$ -	\$ 509,677
Independent contractor compensation for FYE 9/30/2021 (paid/accrued)	\$ -	\$ -
Each construction project to begin on or after October 1, 2020; (>\$65K):		
Wayfinding Signage	\$ 43,593	\$ -
Atlantic Boulevard Beautification Improvements	\$ 9,265	\$ -
Chevy Chase Shopping Center Improvements	\$ 52,806	\$ -
Serino Park Renovations	\$ 6,350	\$ -
City Center - Land Acquisition	\$ 22,070	\$ -
Sports Complex (Covered Field)	\$ 2,686,548	\$ -
SW 6th St Improvements	\$ 14,417	\$ -
Budget variance report	Pages 69, 94, 95, 100 and 101	Page 92

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

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

We have examined the City of Margate, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. 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, 2021.

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 23, 2022

CPA's + Trusted Advisors

City of Margate, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2021

<u>Federal Agency / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Sub-recipients</u>
Federal Awards:				
<u>U.S. Department of Health and Human Services:</u>				
Passed through Florida Department of Elder Affairs -				
Passed through the Areawide Council on Aging of Broward County				
Aging Cluster				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	JA120-08-2020	\$ 69,003	\$ -
	93.044	JA120-08-2021	172,082	-
CARES Act for Supportive Services Title III, Part B	93.044	JCA20-08-2021	22,683	-
		93.044 Total	263,768	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	JB8311F-08-2021	5,555	-
		Total Aging Cluster	269,323	-
National Family Caregiver Support, Title III, Part E	93.052	JA120-08-2020	330	-
	93.052	JA121-08-2021	1,470	-
CARES Act for Supportive Services Title III, Part E	93.052	JCA20-08-2021	12,984	-
		93.052 Total	14,784	-
Low-Income Home Energy Assistance	93.568	JP219-08-2021	6,966	-
CARES Act for Low-Income Home Energy Assistance	93.568	JPC20-08-2021	17,279	-
		93.568 Total	24,245	-

See notes to schedule of expenditures of federal awards.

City of Margate, Florida
Schedule of Expenditures of Federal Awards
(Continued)
For the Fiscal Year Ended September 30, 2021

<u>Federal Agency / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Sub-recipients</u>
Federal Awards (Continued):				
<u>U.S. Department of Housing and Urban Development:</u>				
Community Development Block Grants / Entitlement Grants	14.218	B-15-MC-12-0045	43,907	43,907
	14.218	B-16-MC-12-0045	13,409	13,409
	14.218	B-17-MC-12-0045	45,339	45,339
	14.218	B-18-MC-12-0045	12,904	12,904
	14.218	B-19-MC-12-0045	113,981	113,981
	14.218	B-20-MC-12-0045	117,000	117,000
Community Development Block Grants - Coronavirus	14.218	B-20-MW-12-0045	20	20
		14.218 Total	346,560	346,560
<u>U.S. Department of Transportation:</u>				
<u>Highway Planning and Construction Cluster</u>				
Passed through the University of North Florida				
Highway Planning and Construction	20.205	G1B36	12,546	-
Passed through Florida Department of Environmental Protection				
Recreational Trails Program	20.219	T1825	183,850	-
		Total Highway Planning and Construction Cluster	196,396	-
<u>U.S. Department of the Interior</u>				
Passed through Florida Department of Environmental Protection				
Outdoor Recreation Acquisition, Development and Planning	15.916	LW686	200,000	-

See notes to schedule of expenditures of federal awards.

City of Margate, Florida
Schedule of Expenditures of Federal Awards
(Continued)
For the Fiscal Year Ended September 30, 2021

Federal Agency / Pass-Through Grantor / Program Title	CFDA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards (continued):				
<u>U.S. Department of Justice:</u>				
Direct Program				
Bulletproof Vest Partnership Program	16.607	N/A	8,428	-
Equitable Sharing Program	16.922	N/A	331,043	-
Passed through Florida Department of Law Enforcement				
Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-BROW-6-C9-137	35,834	-
Passed through Florida Office of the Attorney General				
Crime Victim Assistance	16.575	VOCA-2020 City of Margate Police De-00618	39,627	-
<u>U.S. Department of the Treasury:</u>				
Direct Program				
Equitable Sharing Program	21.016	N/A	15	-
<u>U.S. Department of Agriculture:</u>				
Passed through Florida Department of Agriculture and Consumer Services				
Urban and Community Forestry Program	10.675	26958	19,650	-
Total Expenditures of Federal Awards			\$ 1,485,905	\$ 346,560

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

Note 4 - Contingency

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

City of Margate, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Programs

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

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

Unmodified Opinion

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

_____ yes X no

Identification of major federal program(s):

CFDA No

Federal Program(s)

16.922 United States Department of Justice -
Equitable Sharing Program

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

SECTION II - FINANCIAL STATEMENTS FINDINGS

None Reported.

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

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.

