

City of Margate, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE CITY OF MARGATE, FLORIDA

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023

Prepared by the
Finance Department

Ismael Diaz, Finance Director

ABOUT THE COVER

City of Margate Cover Photo: Margate Clock Tower, with Margate City Hall in the background

Cover Design: Yarelis Fuentes, Multimedia Specialist, City Manager's Office

City of Margate, Florida

Table of Contents

Introductory Section

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

Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18-19
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	23
Statement of Net Position - Proprietary Funds	24-25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27-28
Notes to Basic Financial Statements	29-67

Required Supplementary Information

Budgetary Comparison Schedules:

General Fund 68-69

Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund 70

Special Revenue Fund – Recreation Trust Fund 71

Notes to Budgetary Comparison Schedules 72

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited) 73

Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan (Unaudited) 74

Schedule of Proportionate Share of Net Pension Liability - Retiree Health Insurance Subsidy Program (Unaudited) 75

Schedule of Contributions - Florida Retirement System Pension Plan (Unaudited) 76

Schedule of Contributions - Retiree Health Insurance Subsidy Program (Unaudited) 77

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds 78

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 79

Combining Balance Sheet - Nonmajor Special Revenue Funds 80

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds 81

Combining Balance Sheet - Nonmajor Debt Service Funds 82

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds 83

Combining Balance Sheet - Nonmajor Capital Projects Funds 84

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds 85

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

Special Revenue Fund - Road 86

Special Revenue Fund - Impact Fees 87

Special Revenue Fund - Police Officers Training 88

Special Revenue Fund - Confiscated Properties 89

Special Revenue Fund - Building 90

Special Revenue Fund - Housing and Urban Development (HUD) Grant 91

Special Revenue Fund - Underground Utility Trust 92

Special Revenue Fund - Northwest Focal Point Senior Center 93

Special Revenue Fund - Transportation Surtax 94

Debt Service Fund - General Obligation Refunding Bonds, Series 2016 95

Debt Service Fund - General Obligation Bonds, Series 2019 96

Capital Projects Fund - General 97

Capital Projects Fund - General Obligation Bonds Proceeds 2019 98

Capital Projects Fund - Margate Community Redevelopment Agency - Capital Improvement 99

Capital Projects Fund - Margate Community Redevelopment Agency - Loan Proceeds 100

Statistical Section

Financial Trends:

Table 1 - Net Position by Component 101-102

Table 2 - Changes in Net Position 103-106

Table 3 - Governmental Activities Tax Revenues by Source 107

Table 4 - Fund Balances of Governmental Funds 108-109

Table 5 - Changes in Fund Balances of Governmental Funds 110-111

Revenue Capacity:

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property 112

Table 7 - Property Tax Rates - Direct and Overlapping Governments 113

Table 8 - Principal Property Taxpayers 114

Table 9 - Property Tax Levies and Collections 115

Debt Capacity:

Table 10 - Ratios of Outstanding Debt by Type 116

Table 11 - Ratios of General Bonded Debt Outstanding 117

Table 12 - Direct and Overlapping Governmental Activities Debt 118

Table 13 - Pledged Revenue Coverage - Water and Wastewater Enterprise Fund 119

Demographic and Economic Information:

Table 14 - Demographic and Economic Statistics 120

Table 15 - Principal Employers 121

Operating Information:

Table 16 - Full-Time Equivalent City Government Employees by Function/Program 122

Table 17 - Operating Indicators by Function/Program 123

Table 18 - Capital Asset Statistics by Function/Program 124

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 125-126

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance 127-129

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 and State Financial Assistance 134-137

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance 138

Schedule of Findings and Questioned Costs 139-140

INTRODUCTORY SECTION

Mayor
Anthony N. Caggiano

Vice Mayor
Tommy Ruzzano

Commissioners
Antonio V. Arserio
Arlene R. Schwartz
Joanne Simone



City Manager
Cale Curtis

Interim City Attorney
Weiss Serota Helfman
Cole & Bierman

City Clerk
Jennifer M. Johnson

City of Margate, Florida

March 28, 2024

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, 2023. 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, 2023, are free of material misstatement. Keefe McCullough, a firm of licensed certified public accountants, has audited the City's financial statements and issued an unmodified ("clean") opinion for the fiscal year ended September 30, 2023. 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 and state financial assistance were above the applicable threshold for the fiscal year ended September 30, 2023. Therefore, the City was required to have audits in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.

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

The City of Margate, (the "City"), was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. In 1961, the Town of Margate was incorporated as a City. The City is located in southeastern Florida in Broward County. It encompasses an area of approximately 9 square miles with a population of approximately 58,725. The U.S. Census Bureau lists a median household income of $56,324.

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

The City provides a full range of services including police and fire protection, emergency medical, water and wastewater, stormwater, parks and recreation, public improvements, streets, planning and zoning, and general administrative. Internal services for the City which are accounted for on a cost reimbursement basis consist of workers' compensation and general liability, automobile, and various other types of insurance. This report includes all funds of the City. The City is financially accountable for two blended component units which consist of the City of Margate Community Redevelopment Agency (CRA) and the Northwest Focal Point Senior Center (Center). All component units are included as an integral part of the City's financial statements. Additional information on both of these legally separate entities can be found in the notes to the financial statements (see pages 29 and 30 of this report).In addition to being included in the City's financial statements and as required by amended Florida Statute 163.387(8), the CRA has produced its own separate stand-alone financial statements for fiscal year ended September 30, 2023.

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

Local economy

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

There are over 1,871 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 Global Response Corp., Northwest Medical Center, JM Lexus, Broward County Schools and Walmart.

The local economy in Margate continues to show positive signs of economic growth. Margate currently has a 0.8% homeowner vacancy rate and 8.1% rental vacancy rate. The City's total taxable assessed value provided by the Broward County Property Appraiser of $4.1 billion for FY 2023 is an increase of 9.8% from FY 2022. According to the Broward County Property Appraiser, the average assessed value for single family homes in the City was $216,032.

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

- Melaleuca Gardens is a proposed new residential development of fifteen townhouses for 508 Melaleuca Drive. The original structure was demolished in 2018 and the applicant is currently reviewing and resolving the DRC pre-screen comments; no permits have been submitted for the new structure.

- Legacy of Margate/Marquesa at 5203-5231 Coconut Creek Parkway is expected to begin construction in 2024 for four buildings along with a clubhouse for a new 220-unit apartment complex; demolition has been completed and applicant is pending final site plan process and plat recordation, resulting in pending building permits.

- New construction of a 131,683 sq ft warehouse and distribution center First Logistics, located at 5301 W Copans Road was issued a Certificate of Occupancy on 2/28/2023, Permit#22-1089 and Permit#23-4316 tenant improvements of $3,000,000.00 in total cost of construction was submitted 12/27/2023 for Allegheny Technologies Inc (ATI).

- Permit#23-2847 for development of "phase II retail outparcel building" portion of "NUVO Margate Self Storage" was submitted 8/30/2023. This project includes the new construction of a 7,685 SQ FT building with two retail bays located at 830 S State Road 7. The total cost of construction for this project is $1.1 million. Plan review corrections are pending.

- Permit#23-3030 was submitted 9/14/2023 to completely demo 3 tenant spaces 7210, 7220 and 7230 W Atlantic Blvd. Publix will be built out to one space of 51,390 square feet. Publix is closed to the public; demolition is expected to begin by January/February 2024.

- Permit#22-2461 for New Construction for Chipotle located at 5671 W Atlantic Boulevard was submitted 7/18/22 and received a Temporary Certificate of Occupancy on 9/25/2023.

- Permit#22-2045 for renovation at Serino Park located at 5600 SW 8th Court was submitted 6/15/2022. All inspections were approved, and the building permit closed on 8/16/2023.

- Permit#23-4170 for Interior remodel of Starbucks located at 6700 W Atlantic Blvd was submitted on 12/15/2023. Plan review corrections are pending.

- Bethel Church of God submitted Permit#23-4291 on 12/26/2023 for Pre-Plan Review church expansion for $925,000 in total cost of construction. Plan review corrections are pending.

- Permit#23-3794 for pre-plan review of interior renovation of Picanha Brazilian Restaurant located 5650 W. Sample Road was submitted on 11/13/2023.

- Permit#19-3496 for Emergency Power Service System at Northwest Medical Hospital located at 2801 N State Road 7 was submitted 12/11/2019. The total cost of construction for this project is $6 Million. Inspections for this project are currently being requested, currently the permit expiration for this project is 4/22/2024.

- The Forest is a proposed 300 multifamily unit residential development at 787 S. State Road 7 and call center parking lot expansion at 777 S. State Road 7. Applicant is reviewing to resolve DRC completeness.

The business community in the City of Margate has decreased by 1.5% over the prior year. The last of the vacant lots are being developed and the increase of redeveloping existing commercial areas continues. 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 a $2 million dollar renovation project at Serino Park and streetscape improvements along the western section of Atlantic Boulevard. The CRA also has capital projects started or underway, but not completed in FY 2023 including construction of Chevy Chase Plaza Improvements, Southgate Boulevard Improvements, Margate Boulevard Improvements, SW 6th Street Improvements and Gateway Signs as part of its Wayfinding Signage program.

The CRA has Commercial Property Improvement Grant Programs designed to encourage property owners to voluntarily upgrade the exteriors of their property. The programs are for facade improvements and/or landscaping upgrades for commercial properties located in the target areas on a reimbursement basis for pre-approved improvements. Eligible expenses for facade improvements include design fees, permits, light fixtures, signage, painting, etc., while eligible expenses for the landscaping upgrades include design fees, asphalt removal, plant materials, irrigation systems, etc. The CRA also has a New Business Incentive Grant Program designed to help facilitate the establishment of new businesses within the CRA. The program provides financial assistance as a grant for new businesses to reduce costs associated with the construction of new buildings to house the new businesses, providing incentives of a 5% reimbursement of eligible construction costs up to a maximum of $500,000, subject to program requirements. In FY 2023 the CRA began distribution of a residential Property Improvement Grant (PIP) program for homesteaded residents located within the MCRA District who qualify for the reimbursement grant for up to $10,000 for exterior home improvements.

Long-term financial planning and relevant financial policies

The City continues to mitigate the economic impact of a recovering economy on staff and residents. While City revenues are showing continued growth from Florida's economy and the shifting of funds to yield higher interest rates, City expenditures are also showing the effects of inflation. The potential increase in expenditures will be absorbed into proposed budgets or handled with a budget amendment, as necessary, with an expected use of reserve funds. The City was awarded American Rescue Plan Act of 2021 (ARPA) monies totaling approximately $11 million of which $10 million was used for revenue replacement in FY 2023, while the City explores other opportunities for the best use of the remaining balance of these monies.

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

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

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

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

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

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

Additionally, in FY 2015, the City Commission committed $1,060,302 of fund balance to be used for Citizen Project Initiatives which will remain committed until all monies are spent. In February 2017, the fund balance policy was amended to commit an additional $20,030 from the Student Involvement fund balance and the Residents Projects fund balance. A separate investment account was also set up for these monies and any interest earned is added to the committed fund balance. During FY 2019, the Commission passed a resolution to use some of the funds to pay for a weekly bulk trash pickup throughout the City. During FY 2020, the Commission passed a resolution to use committed fund balance monies to provide a sponsorship program for the registration, class, or session fees for children to participate in various recreation sports leagues for up to $150 per child and not to exceed $100,000. In addition, the Commission also passed a resolution to use committed funds to provide masks and hand sanitizer for senior citizen residents in the City to aid in the fight against COVID-19 in an amount not to exceed $100,000. In FY 2021, the Commission passed a resolution to continue to use funds for registration, class, or session fees for children to participate in various recreation sports leagues for up to $150 per child, not to exceed $100,000 (reduced by amounts paid in FY 2020). The total spent for registration, class or session fees for FY 2020 through FY 2022 was $77,745. The remaining committed fund balance at September 30, 2023, was $934,499, which includes interest income.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) in Fiscal Year 2023, which provides new guidance on the accounting and financial reporting for SBITAs for government end users (governments). GASB 96 Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

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 2023, the City's average unemployment rate was 3.1% which was higher than last year's rate of 2.5%. The City's unemployment rate was slightly above the County unemployment rate of 3% and the statewide unemployment rate of 2.8%. The City Commission/Administration is working to have a well-planned City incorporating key components to ensure a positive quality of life for the residents, and an economically stimulating environment for businesses to prosper.

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

For fiscal year 2023, the City experienced an increase in municipal taxable property value of approximately $370 million (9.8%). The City's total millage of 7.6508 in FY 2023 was lower than the FY 2022 (.0637 decrease) total millage. This decrease is reflective of a 0.5337 debt service millage for the voter approved parks bonds. The operating millage for FY 2023 of 7.1171 remained the same as the FY 2022 operating millage. The City continues to adjust to economic challenges, while managing resources effectively, to maintain a high quality of services that Margate's residents have come to expect and enjoy.

The City has an award-winning Police Department and an ISO Class I Fire Department. Other recognitions and awards include Playful City, USA; Tree City, USA: National Association of Town Watch's "National Night Out" Award; the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for FY 1998 through FY 2022; the GFOA's Distinguished Budget Presentation Award for FY 2018 through FY 2023; and the 2019 Granicus Digital Efficiency Award. In 2020, the City earned the Better Buildings Goal Achiever Award from the Department of Energy for reducing the City's overall energy use intensity by 21.3%. In 2021, the National Council for Home Safety and Security ranked the City as one of the top 50 Safest Cities in Florida; In 2022 the City won a bronze Telly Award for "It's Margate Delish" social video series that highlights the diverse culinary offering in Margate.

Major initiatives and transitions

General government initiatives include:

- The City Commission approved the Residential driveway/parking ordinance that increased lot coverage to sixty percent (60%) from fifty percent (50%).

- The City of Margate won first place award in the CivicPlus Civic Experience competition.

- The Human Resources Department revised retirement plan documents to allow for Roth contributions, and to account for In-service distributions being lowered to the age of 59 ½.

- The City was awarded the GFOA Distinguished Budget Presentation Award for the sixth time for the FY 2023 Adopted Budget Book representing a major achievement for the City and the meeting of nationally recognized requirements for an effective budget presentation.

- The 2019 General Obligation Bond proceeds were used to fund various projects throughout the year.

    - As of 2023 Bond project presentation, there are four projects planned. The projects include Calypso Cove Improvements, Southeast Park Improvements (phase II), Oriole Park improvements, and Centennial Park Improvements.

    - All four projects are on-going as of the end of Fiscal Year 2023.

- Blueway Trail Project: The improvements at both Winfield and Lemon Tree Lake Parks are 100% complete. The grant funding disbursement is in process.

- Governmental capital projects completed in FY 2023 included the Dog Park Lighting project, re-tiling and Diamond Brite application at three pools within the Calypso Cove Aquatic Facility, Parks Amenity upgrades project, Tennis to Pickleball Conversion and Fire Station 18 roof replacement. Ongoing general capital projects include Fire Station 58 Replacement and Building Department Expansion.

- Department of Environmental and Engineering Services (DEES) continued to replace various water mains and wastewater gravity/force mains throughout the City. In addition, DEES projects completed in FY 2023 include rehabilitation of the Water Treatment Plant (WTP) West Accelerator tank, WTP Valve Actuator installation, the cleaning and lining of 32,000 linear feet (approximately 6.06 miles) of pipes with diameters ranging from 8 to 12 inches, Repair of five lift stations (31, 38 hospital,40, 48 and 51); 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.

- Treatment Plant Painting: Painting of the perimeter wall and externally visible buildings and structures for both plants was completed in June. Painting of the remaining structures in both plants is planned as well.

- Over the past thirteen years, the City has used reserves in some Funds to help balance the budget. Although the budget may have used monies from fund balance/net position to balance the budget, savings are typically realized in areas, such as vacant position personnel related costs, contracts, consultants, fees, and other cost control resources.

Financial Reporting Award and Acknowledgements

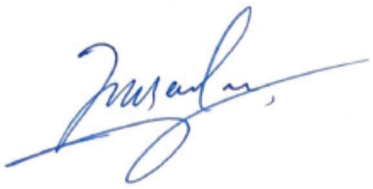
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Margate, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,





Cale Curtis
City Manager

Ismael Diaz
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Margate
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF MARGATE, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2023

ELECTED OFFICIALS

CITY COMMISSION

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

APPOINTED OFFICIALS

CITY MANAGER
Cale Curtis

ASSISTANT CITY MANAGER
Larry Vignola

INTERIM CITY ATTORNEY
Weiss Serota Helfman Cole & Bierman, P.L.

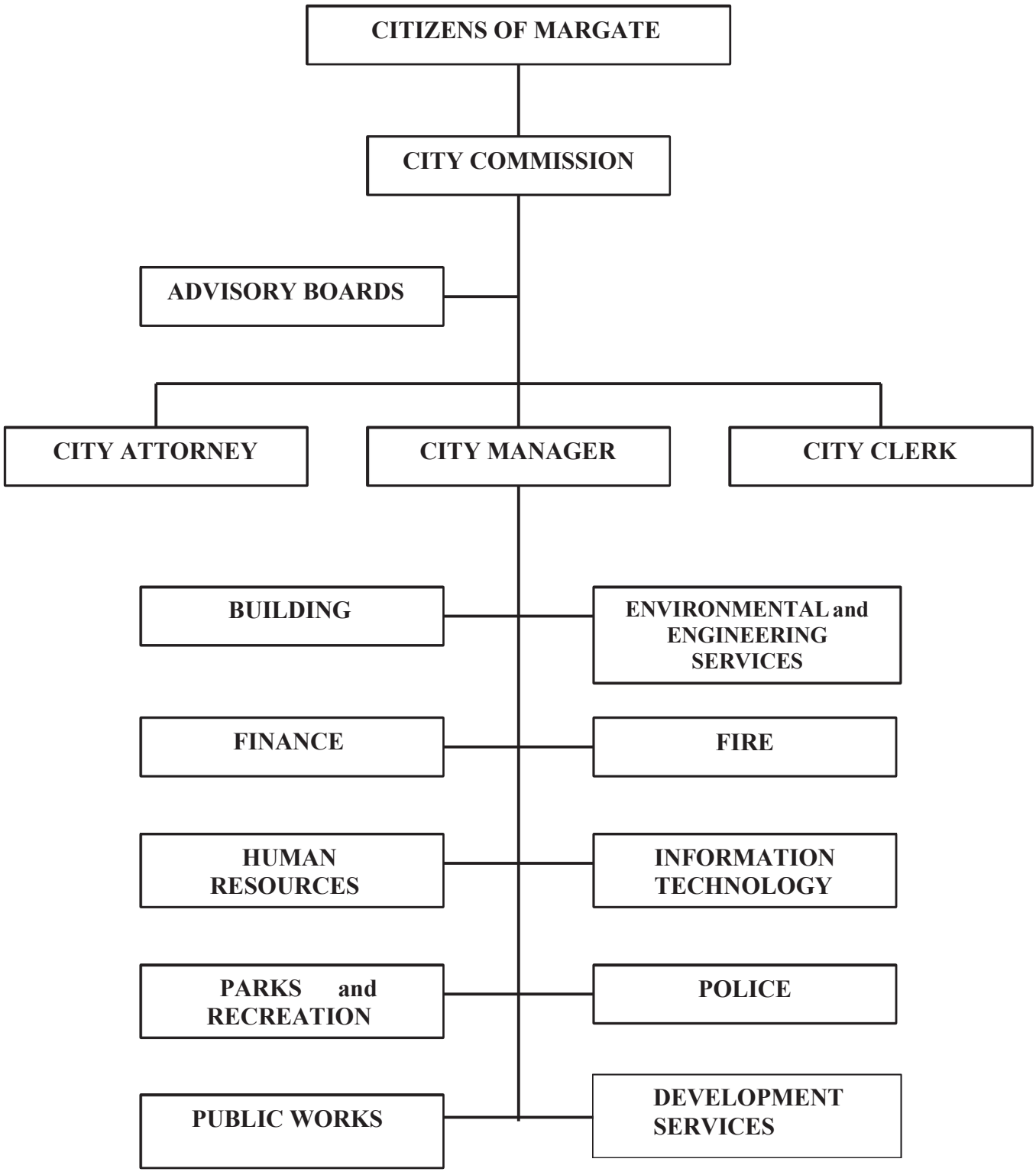
CITY CLERK
Jennifer M. Johnson

DEPARTMENT DIRECTORS

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

CITY OF MARGATE, FLORIDA

ORGANIZATIONAL CHART



FINANCIAL SECTION

Keefe McCullough
50 YEARS+
CPAs + Trusted Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate, Florida, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

CPAs + Trusted Advisors

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 15 and 73 through 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Florida Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the City of Margate, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. 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 2023 by $ 220.6 million (*net position)*. Of this amount, $ 15.9 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 $ 18.6 million in comparison to the prior year. The business-type activities' net position increased by $ 5.1 million, while the net position of governmental activities increased by $ 13.5 million.

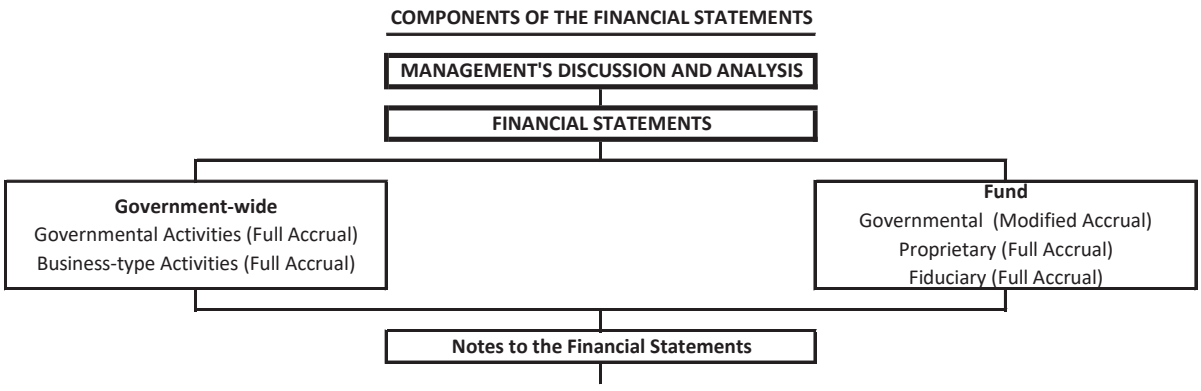
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $ 111.8 million, an increase of $ 16.2 million in comparison with the prior year. Approximately 50.4% of this total amount, or $ 56.3 million, is available for spending at the City's discretion (*assigned and unassigned fund balances*).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $ 18.1 million, or 25% of total General Fund expenditures.

- The City's total debt (bonds, leases and SBITAs) increased by $ 2.6 million.

Overview of the Financial Statements

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



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

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

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

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

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

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

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

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

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

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

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

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 78 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 $ 220.6 million at the close of the most recent fiscal year.

Net Position
(in thousand dollars)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 134,131	$ 127,488	$ 74,571	$ 79,481	$ 208,702	$ 206,969
Capital assets	100,999	95,428	81,172	58,631	182,171	154,059
Total assets	235,130	222,916	155,743	138,112	390,873	361,028
Pension related deferred outflows	14,232	16,420	1,226	1,464	15,458	17,884
OPEB related deferred outflows	6,282	5,555	1,281	1,161	7,563	6,716
Total deferred outflows of resources	20,514	21,975	2,507	2,625	23,021	24,600
Non-current liabilities	131,072	124,552	12,047	11,344	143,119	135,896
Other liabilities	6,764	16,952	16,192	4,623	22,956	21,575
Total liabilities	137,836	141,504	28,239	15,967	166,075	157,471
Pension related deferred inflows	10,829	10,221	450	384	11,279	10,605
OPEB related deferred inflows	6,865	6,325	1,296	1,207	8,161	7,532
Lease related deferred inflows	7,707	8,106	-	-	7,707	8,106
Total deferred inflows of resources	25,401	24,652	1,746	1,591	27,147	26,243
Net Position:						
Net investment in capital assets	75,021	71,582	80,287	58,472	155,308	130,054
Restricted	48,922	45,515	500	500	49,422	46,015
Unrestricted (deficit)	(31,536)	(38,362)	47,478	64,207	15,942	25,845
Total net position	$ 92,407	$ 78,735	$ 128,265	$ 123,179	$ 220,672	$ 201,914

By far the largest portion of the City's net position (70.4%) reflects its investment in capital assets (for example, land, intangibles, improvements other than buildings, buildings, infrastructure, equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's net investment in capital assets increased by $ 25.2 million during the year which is primarily due to an increase in the acquisition of intangible assets in both governmental and business-type activities. While there were increases in capital assets due to the implementation of Governmental Accounting Standards Board Statement No. 96 for SBITAs (GASB 96) in FY 2023, the SBITA additions are offset by the SBITA liability with very little impact to the City's net investment in capital assets for both governmental and business-type activities.

An additional portion of the City's net position (22.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $ 15.9 million (7.2%) 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 $ 18.6 million, from the prior fiscal year primarily resulting from an increase in capital asset acquisitions in both governmental and business type activities, along with management's control of expenditures to keep in line with decreasing revenues.

Changes in Net Position

The following schedule is a summary of the City's operations for fiscal year 2023 with comparative information for fiscal year 2022:

Changes in Net Position
(in thousand dollars)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 21,164	$ 21,129	$ 29,633	$ 29,421	$ 50,797	$ 50,550
Operating grants and contributions	12,584	2,103	-	-	12,584	2,103
Capital grants and contributions	-	174	902	309	902	483
General revenues:						
Ad valorem taxes	30,405	27,726	-	-	30,405	27,726
Tax incremental revenues	10,012	8,937	-	-	10,012	8,937
Other taxes	22,774	20,813	-	-	22,774	20,813
Intergovernmental	154	81	-	-	154	81
Investment income (loss)	4,335	(616)	2,460	(1,753)	6,795	(2,369)
Other	3,706	4,021	143	102	3,849	4,123
Total revenues	105,134	84,368	33,138	28,079	138,272	112,447
Expenses:						
Program Expenses:						
General government	20,663	21,798	-	-	20,663	21,798
Public safety	55,250	38,589	-	-	55,250	38,589
Economic and physical environment	2,457	2,427	-	-	2,457	2,427
Culture and recreation	7,464	6,874	-	-	7,464	6,874
Public works	6,824	7,293	-	-	6,824	7,293
Debt service	999	931	13	5	1,012	936
Water and wastewater utility	-	-	22,681	19,992	22,681	19,992
Stormwater utility	-	-	3,335	3,064	3,335	3,064
Total expenses	93,657	77,912	26,029	23,061	119,686	100,973
Increase (decrease) in net position before transfers	11,477	6,456	7,109	5,018	18,586	11,474
Transfers	2,023	1,965	(2,023)	(1,965)	-	-
Increase (decrease) in net position	13,500	8,421	5,086	3,053	18,586	11,474
Net position, October 1	78,735	70,314	123,179	120,126	201,914	190,440
Restatement, Note 17	172	-	-	-	172	-
Net position, September 30	$ 92,407	$ 78,735	$ 128,265	$ 123,179	$ 220,672	$ 201,914

Revenues: For fiscal year ended September 30, 2023, revenues from governmental activities totaled $105.1 million. This was an increase of approximately $ 20.7 million, or 24.6%, from the prior fiscal year. Additional details on the components of this change will be discussed below.

Governmental activities tax incremental revenues increased by approximately $ 1.1 million, or 12.0%. 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 9.8% from fiscal year 2022. The net increase in ad valorem taxes was approximately $ 2.7 million or 9.7%.

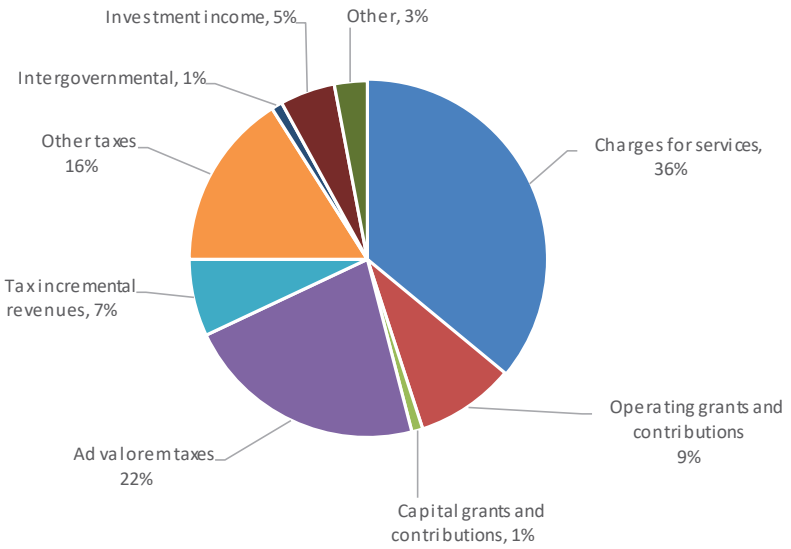
Other changes in governmental activities resulted from the following:

- Charges for services increased by approximately $ 35,000.
- Other taxes of the governmental activities, which include gas taxes, utility services taxes, franchise taxes and other taxes increased by approximately $ 1.9 million or 9.4%. These taxes are tied to usage by the public.
- Intergovernmental revenues increased by $ 73,000.
- Investment income increased by $ 4.9 million primarily resulting from a decrease in inflation, and other positive factors affecting the United States economy such as solid economic growth.
- Other revenues decreased by approximately $ 315,000 attributable to a decrease in gains on disposals.
- Capital grants and contributions decreased by $ 174,000.
- Operating grants and contributions increased by $ 10.5 million, a 498.4% increase from the previous year. This was largely due to a one-time ARPA funding from the US Department of Treasury for COVID related expenditures.

For fiscal year ended September 30, 2023, revenues from business-type activities totaled $ 33.1 million. This was an increase of $ 5.1 million, or 18.0 % from the prior fiscal year. Additional details on the components of this change will be discussed below.

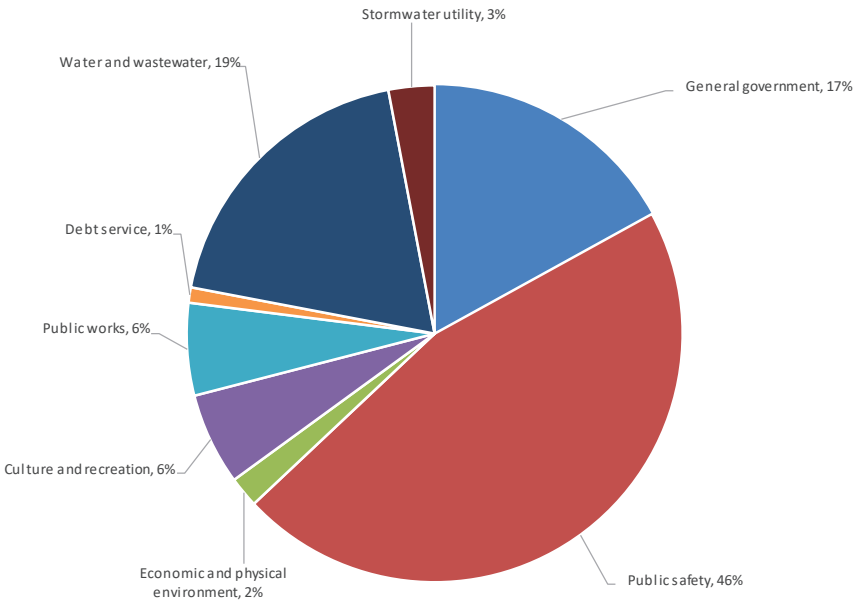
- Business-type charges for services increased slightly by $ 212,000 to approximately $ 29.6 million. This 7.0% increase is due to increased consumption.
- Capital grants and contributions increased by approximately $ 593,000 in fiscal year 2023 mainly due to a grant received from the State of Florida for Storm Water Rehabilitation.
- Investment income increased by $ 4.2 million due to a decrease in inflation and other positive factors affecting the US economy.
- Other revenues increased by $ 41,000 for the City.

Sources of Revenue: Government-wide for Fiscal Year 2023



Expenses: For fiscal year ended September 30, 2023, expenses for governmental activities totaled $ 93.6 million, which was an increase of approximately $ 15.7 million from prior year expenses. For the fiscal year ended September 30, 2023, expenses for business-type activities totaled approximately $ 26.0 million or an increase of $ 2.9 million from prior year expenses. This was due primarily from the increased cost of pension expense, as well as increases in personnel costs and spending on capital projects, such as the C-51 Reservoir Project.

Functional Expenses: Government-wide for Fiscal Year 2023



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 $ 111.8 million in fund balance, including $ 18.1 million in unassigned fund balance.

The *General Fund* is the main operating fund of the City. At the end of the current fiscal year, fund balance totaled $ 50.4 million of which approximately $ 91,000 is nonspendable, $ 35,000 is restricted, $ 934,000 is committed, $ 31.2 million is assigned for future obligations, and $ 18.1 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance ($ 18.1 million) represents 25.0% of total General Fund expenditures, while total fund balance represents 69.8% of that same amount.

The fund balance of the City's General Fund increased by approximately $ 12.3 million. The increase was due mainly to increased revenues from property taxes, investments, franchise and utility fees, and a $ 10 million American Rescue Plan Act (ARPA) grant. Total expenditures increased in the General Fund primarily due to economic impact payments to employees, Florida Retirement System (FRS) rate increases, and the awards of property improvement grants to our residents.

The following Margate Community Redevelopment Agency (CRA) funds were reported as major funds: Trust Fund and Capital Improvement 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 CRA Capital Improvement Fund had a total fund balance of $ 30.1 million at the end of the current fiscal year, all of which is restricted for future redevelopment projects. The increase of $ 6.8 million in the fund balance of the Capital Improvement Fund was due to transfers from the Trust Fund for on-going capital projects.

The Recreation Trust Fund is also reported as a major fund. At the end of the current fiscal year, fund balance totaled $ 1.7 million of which approximately $ 396,000 is nonspendable, and $ 1.3 million is restricted. Fund balance increased by approximately $ 391,000 during the year ended September 30, 2023.

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 $ 42.7 million and $ 4.7 million in the Stormwater Utility Fund. The Water and Wastewater Fund experienced a $ 3.9 million increase in net position and the Stormwater Utility Fund reported a $ 1.1 million increase in net position.

At the end of fiscal year 2023 the City's self-insurance fund, the General Insurance Fund, had assets of $ 8.2 million, as well as liabilities of approximately $ 6.1 million which represented estimated claims payable. Ending net position was $ 2.1 million. This is an increase of approximately $ 975,000 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 ($ 12.2 million) increasing the expenditures budget. These resulted primarily from:

1. An initial amendment ($ 6.5 million) consisting of General Fund ($ 512,000) to fund Economic Impact Payments to non-bargained for employees in General-Funded, Building, and DEES departments; $ 1.5 million for the Margate Property Improvement Program; $ 60,000 contribution to the Northwest Focal Point Senior Center and $ 18,000 to fund a Fire Department personnel reclass. Also to adjust all other funds, $ 4.4 million, to fund the Stormwater Infrastructure/Canal Embankment Restoration in the Stormwater Utility Fund and establish budget for three DEES Capital Improvement projects in the Water/Wastewater Renewal and Replacement Fund.

2. General Fund budget changes ($ 2.98 million) to fund city-wide radio and antenna system installation, GASB 87 leases implementation costs and approved personnel adjustments.

3. The transfer ($ 200,000) from the Recreation Trust Fund to the General Capital Projects Fund for Calypso Cove re-tile/resurfacing.

4. The transfer from fund balance $ 4,625 and $ 170,457, in the Police Officers' Training Fund and Public Safety Impact Fee Fund to fund police academy expenses and public safety specialized vehicles and equipment, respectively.

5. Establish a budget for Southeast Park for the conversion of two (2) artificial turf soccer fields project, $ 2.4 million from fund balance in the Capital Projects-2019 G.O. Bond Fund.

General Fund Budgetary Highlights

Final budget compared to actual results. General Fund revenues in total exceeded the final budget in all of the five major revenue categories. The final budget to actual revenues resulted in an increase of approximately $ 9.1 million. The increase was primarily due to revenues from investment income ($ 2.0 million), intergovernmental revenue of $ 1.9 million, which included sales tax revenues ($ 1.0 million) , utility service taxes ($ 1.3 million) and franchise taxes ($ 1.3 million).

Total General Fund expenditures were less than final budgeted by approximately $ 4.9 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 budget positions, cost control measures, and purchase orders encumbered to be expended in the following fiscal year.

	Original Budget	Final Budget	Actual Amounts
Revenues:			
Property taxes	$ 27,965,000	$ 27,965,000	$ 28,283,711
Permits, fees, and other taxes	11,327,150	11,327,150	14,445,246
Intergovernmental	5,869,500	16,719,438	18,661,483
Charges for services	14,097,404	14,097,404	15,867,847
Other	2,208,801	2,208,801	4,203,705
Total revenues	61,467,855	72,317,793	81,461,992
Total expenditures	69,355,019	77,173,254	72,184,528
Excess (deficiency) of revenues over (under) expenditures	(7,887,164)	(4,855,461)	9,277,464
Other Financing Sources (Uses):			
Transfers in	2,104,344	2,104,344	2,104,344
Issuance of leases	-	-	720,422
Issuance of SBITAs	-	-	192,828
Proceeds from sale of capital assets	50,000	50,000	171,473
Transfers out	-	(141,671)	(141,671)
Total other financing sources (uses)	2,154,344	2,012,673	3,047,396
Net change in fund balances	$ (5,732,820)	$ (2,842,788)	$ 12,324,860

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2023, amount to $ 182.2 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, machinery and equipment, intangibles, software subscriptions, and construction in progress.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 30,831	$ 28,966	$ -	$ -	$ 30,831	$ 28,966
Intangibles	5,517	4,908	9,200	-	14,717	4,908
Construction in progress	9,034	6,345	27,289	12,828	36,323	19,173
Infrastructure	26,360	28,853	39,754	41,201	66,114	70,054
Buildings	10,213	10,502	2,402	2,384	12,615	12,886
Machinery and equipment	5,923	6,140	2,148	2,218	8,071	8,358
Software subscriptions	3,375	-	379	-	3,754	-
Improvements other than buildings	9,746	9,714	-	-	9,746	9,714
Total	$ 100,999	$ 95,428	$ 81,172	$ 58,631	$ 182,171	$ 154,059

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

CRA additions included improvements to the Sports Complex Covered Field and the purchase of a building. Construction in progress projects include improvements for Chevy Chase Plaza, Serino Park Renovations, Margate Boulevard Improvements and Southgate Boulevard Median Improvements.

Business-type additions included infiltration and inflow rehabilitation, aerial crossing rehabilitation, security system upgrades, lift station upgrades, and rehabilitation of ground storage tanks. During the current year, the City made payment of $ 9.2 million on the C-51 Reservoir Project for which the City obtained a contractual allocation of the permitted storage capacity in the Phase 1 Reservoir as an alternative water supply. In addition, major equipment additions included acquisition of lease vehicles and purchase of a new tractor.

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 $ 26 million in general obligation bonds (including $ 3.5 million in bond premium), as well as $ 5.7 million outstanding in leases and SBITAs for a total outstanding debt of $ 31.7 million.

Outstanding Debt
(in thousand dollars)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 22,535	$ 23,580	$ -	$ -	$ 22,535	$ 23,580
Premium on general obligation bonds	3,462	3,707	-	-	3,462	3,707
Leases	1,924	1,645	269	153	2,193	1,798
SBITAs	3,136	-	369	-	3,505	-
Total	$ 31,057	$ 28,932	$ 638	$ 153	$ 31,695	$ 29,085

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

Economic Factors and Next Year's Budgets and Rates

The following factors affected the development of the Fiscal Year 2023/2024 budget. The local economy continued to show positive signs with the state's growing population and strong labor market. Property taxes, which are 41.03% of the total General Fund revenue budget, are budgeted for no increase in the operating millage rate which remains at 7.1171, generating $ 30.9 million, an increase of $ 2.9 million higher than fiscal year 2023 amended budget due mainly to increased property values. The debt service millage reflects a decrease of 10.7% from .5974 to .5337 due to a decrease in the debt service payments for the outstanding General Obligation Refunding Bonds, Series 2016 and the General Obligation Bonds, Series 2019. The property taxes associated with the debt service millage are recorded in the respective debt service funds.

The City monitors Florida Legislature initiatives that may impact the City, such as changes to the Homestead exemption or to communications and sales taxes. State Shared Revenues (i.e. Sales Tax and Half Cent Sales Tax) and Recreation Fees are showing signs of recovery with Florida's growing economy.

The water and wastewater rates increased beginning October 1, 2015 through FY 2021 based on the consumer price index stated in the rate ordinances. There were no rate increases in Fiscal Year 2022 or 2023 for water and wastewater. The City completed a Water and Wastewater Utility Rate Study report dated September 5, 2023. The Study provided a financial forecast through Fiscal Year 2023 to determine proposed new user rates beginning in 2024.

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

Requests for Information

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

BASIC
FINANCIAL STATEMENTS

City of Margate, Florida
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash, cash equivalents, and investments	$ 122,256,472	$ 67,498,525	$ 189,754,997
Accounts receivable, net	3,598,774	3,996,296	7,595,070
Lease receivables	8,102,971	-	8,102,971
Prepayments and other assets	172,912	1,800	174,712
Inventories	-	1,182,262	1,182,262
Restricted cash, cash equivalents, and investments	-	1,892,286	1,892,286
Capital assets:			
Nondepreciable	45,382,609	36,489,850	81,872,459
Depreciable, net	55,617,028	44,682,480	100,299,508
Total capital assets, net	100,999,637	81,172,330	182,171,967
Total assets	235,130,766	155,743,499	390,874,265
Deferred Outflows of Resources:			
Deferred outflows related to pensions	14,232,042	1,226,073	15,458,115
Deferred outflows related to OPEB	6,281,798	1,281,416	7,563,214
Total deferred outflows of resources	20,513,840	2,507,489	23,021,329
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,213,353	14,284,983	19,498,336
Deposits	73,684	1,900,771	1,974,455
Accrued interest payable	352,387	5,933	358,320
Unearned revenue	1,124,214	-	1,124,214
Noncurrent liabilities:			
Due within one year:			
Claims and judgements	2,493,207	-	2,493,207
Bonds payable	1,095,000	-	1,095,000
Compensated absences	1,325,987	189,204	1,515,191
Leases payable	530,979	89,418	620,397
SBITAs payable	490,505	60,443	550,948
Due in more than a year:			
Other post employment benefits (OPEB) liability	12,746,575	2,883,387	15,629,962
Claims and judgements	3,492,114	-	3,492,114
Bonds payable	24,901,916	-	24,901,916
Compensated absences	10,224,819	1,720,387	11,945,206
Leases payable	1,393,265	180,142	1,573,407
SBITAs payable	2,645,602	308,123	2,953,725
Net pension liability	69,731,728	6,616,467	76,348,195
Total liabilities	137,835,335	28,239,258	166,074,593
Deferred Inflows of Resources:			
Deferred inflows related to pensions	10,829,801	450,211	11,280,012
Deferred inflows related to OPEB	6,865,412	1,296,281	8,161,693
Deferred amount on lease receivables	7,707,090	-	7,707,090
Total deferred inflows of resources	25,402,303	1,746,492	27,148,795
Net Position:			
Net investment in capital assets	75,020,706	80,287,233	155,307,939
Restricted for:			
Renewal and replacement	-	500,000	500,000
Debt service	63,339	-	63,339
Culture and recreation	1,783,140	-	1,783,140
Physical and economic redevelopment	776,387	-	776,387
Public safety	4,848,198	-	4,848,198
Highway and streets	8,460,838	-	8,460,838
Community redevelopment	32,990,421	-	32,990,421
Unrestricted (deficit)	(31,536,061)	47,478,005	15,941,944
Total net position	$ 92,406,968	$ 128,265,238	$ 220,672,206

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, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental activities:							
General government	$ 20,663,294	$ 2,776,240	$ 64,070	$ -	$ (17,822,984)	$ -	$ (17,822,984)
Public safety	55,250,504	15,568,628	10,809,720	-	(28,872,156)	-	(28,872,156)
Economic and physical environment	2,457,223	783,587	274,309	-	(1,399,327)	-	(1,399,327)
Culture and recreation	7,464,434	1,488,536	1,298,510	-	(4,677,388)	-	(4,677,388)
Public works	6,823,613	547,417	137,425	-	(6,138,771)	-	(6,138,771)
Interest expense	999,334	-	-	-	(999,334)	-	(999,334)
Total governmental activities	93,658,402	21,164,408	12,584,034	-	(59,909,960)	-	(59,909,960)
Business-type activities:							
Water and wastewater	22,681,192	25,794,595	-	402,087	-	3,515,490	3,515,490
Stormwater utility	3,335,452	3,838,480	-	500,000	-	1,003,028	1,003,028
Interest expense	13,392	-	-	-	-	(13,392)	(13,392)
Total business-type activities	26,030,036	29,633,075	-	902,087	-	4,505,126	4,505,126
Total primary government	$ 119,688,438	$ 50,797,483	$ 12,584,034	$ 902,087	(59,909,960)	4,505,126	(55,404,834)
General revenues:							
Taxes:							
Property					30,404,956	-	30,404,956
Franchise					5,730,554	-	5,730,554
Utility service					7,834,875	-	7,834,875
Sales					7,625,638	-	7,625,638
Gas					1,583,174	-	1,583,174
Tax incremental revenue					10,011,585	-	10,011,585
Intergovernmental not restricted to specific program					154,243	-	154,243
Investment income					4,335,048	2,460,181	6,795,229
Miscellaneous					3,515,263	86,350	3,601,613
Gain on disposal of capital assets					191,814	57,002	248,816
Transfers					2,022,673	(2,022,673)	-
Total general revenues and transfers					73,409,823	580,860	73,990,683
Change in net position					13,499,863	5,085,986	18,585,849
Net position, beginning, as restated (Note 17)					78,907,105	123,179,252	202,086,357
Net position, ending					$ 92,406,968	$ 128,265,238	$ 220,672,206

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

City of Margate, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	Major Governmental Funds		
	General Fund	Margate Community Redevelopment Agency Trust Fund	Recreation Trust Fund
Assets:			
Cash, cash equivalents, and investments	$ 52,331,770	$ 245,415	$ 1,277,497
Accounts receivable, net	3,145,699	4,277	796
Lease receivables	-	-	8,102,971
Prepayments and other assets	90,695	-	-
Total assets	$ 55,568,164	$ 249,692	$ 9,381,264
Liabilities:			
Accounts payable and accrued liabilities	$ 4,056,344	$ 96,907	$ -
Tenant deposits	-	73,684	-
Unearned revenue	1,045,113	79,101	-
Total liabilities	5,101,457	249,692	-
Deferred Inflows of Resources:			
Deferred amount on lease receivables	-	-	7,707,090
Unavailable revenues	47,024	-	484
Total deferred inflows of resources	47,024	-	7,707,574
Fund Balances:			
Nonspendable:			
Prepayments and other assets	90,695	-	-
Leases	-	-	395,881
Restricted for:			
Public safety	-	-	-
Transportation	-	-	-
Building	-	-	-
Culture and recreation	-	-	1,277,809
Debt service	-	-	-
Economic development	-	-	-
Tree preservation	34,748	-	-
Redevelopment projects	-	-	-
Streetlights	-	-	-
Utilities	-	-	-
Capital projects	-	-	-
Committed for:			
Citizen project initiatives	934,499	-	-
Assigned for:			
Subsequent year appropriation	8,932,125	-	-
Health insurance	750,000	-	-
Other insurance	838,597	-	-
Future employee payouts	1,200,000	-	-
Capital projects - parks and recreation	1,750,000	-	-
Technology	2,200,000	-	-
Capital projects	2,250,000	-	-
Emergency preparedness	5,000,000	-	-
Vehicle replacement	2,125,000	-	-
Communications	1,500,000	-	-
Public safety	1,000,000	-	-
Unforseen economic revenue impact	1,500,000	-	-
Enterprise software	2,000,000	-	-
Other	232,471	-	-
Unassigned	18,081,548	-	-
Total fund balances	50,419,683	-	1,673,690
Total liabilities and fund balances	$ 55,568,164	$ 249,692	$ 9,381,264

Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 30,095,018	$ 30,123,746	$ 114,073,446
624	443,061	3,594,457
-	-	8,102,971
-	74,986	165,681
$ 30,095,642	$ 30,641,793	$ 125,936,555
$ 43,840	$ 853,592	$ 5,050,683
-	-	73,684
-	-	1,124,214
43,840	853,592	6,248,581
-	-	7,707,090
-	139,504	187,012
-	139,504	7,894,102
-	74,986	165,681
-	-	395,881
-	3,422,487	3,422,487
-	8,316,488	8,316,488
-	1,425,711	1,425,711
-	470,583	1,748,392
-	63,339	63,339
-	714,129	714,129
-	-	34,748
30,051,802	2,938,619	32,990,421
-	144,350	144,350
-	62,258	62,258
-	5,077,686	5,077,686
-	-	934,499
-	-	8,932,125
-	-	750,000
-	-	838,597
-	-	1,200,000
-	-	1,750,000
-	-	2,200,000
-	6,938,061	9,188,061
-	-	5,000,000
-	-	2,125,000
-	-	1,500,000
-	-	1,000,000
-	-	1,500,000
-	-	2,000,000
-	-	232,471
-	-	18,081,548
30,051,802	29,648,697	111,793,872
$ 30,095,642	$ 30,641,793	$ 125,936,555

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, 2023

Fund Balances - Total Governmental Funds (Page 19)		$ 111,793,872
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	$ 203,682,823	
Less: accumulated depreciation and amortization	(102,683,186)	100,999,637
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	$ (25,996,916)	
Leases payable	(1,924,244)	
SBITAs payable	(3,136,107)	
Compensated absences payable	(11,550,806)	(42,608,073)
Bond interest payable not reported in the governmental funds.		(352,387)
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	$ (12,746,575)	
Deferred outflows relating to OPEB	6,281,798	
Deferred inflows relating to OPEB	(6,865,412)	(13,330,189)
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.		187,012
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	$ (69,731,728)	
Deferred outflows relating to pensions	14,232,042	
Deferred inflows relating to pensions	(10,829,801)	(66,329,487)
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.		2,046,583
Net Position of Governmental Activities (Page 16)		$ 92,406,968

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

City of Margate, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2023

	Major Governmental Funds			
	General Fund	Margate Community Redevelopment Agency Trust Fund	Recreation Trust Fund	Margate Community Redevelopment Agency Capital Improvement Fund
Revenues:				
Property taxes	$ 28,283,711	$ -	$ -	$ -
Franchise taxes	5,718,901	-	-	-
Utility service taxes	7,834,875	-	-	-
Tax incremental	-	10,011,585	-	-
Licenses and permits	891,470	1,348	-	-
Intergovernmental	18,661,483	-	-	-
Investment income	2,070,449	202,338	12,665	1,126,386
Charges for services	15,867,847	-	-	-
Rental income	-	782,239	-	-
Fines and forfeitures	319,008	-	-	-
Impact fees	-	-	-	-
Miscellaneous	1,814,248	131,675	759,643	-
Total revenues	81,461,992	11,129,185	772,308	1,126,386
Expenditures:				
Current:				
General government	20,905,063	1,548,046	-	-
Public safety	41,676,017	-	-	-
Economic and physical environment	-	1,315,131	-	2,607,366
Culture and recreation	5,290,399	-	1,082	-
Public works	3,579,683	-	-	-
Debt service:				
Principal retirement	672,234	-	-	-
Interest and other charges	61,132	-	-	-
Total expenditures	72,184,528	2,863,177	1,082	2,607,366
Excess (deficiency) of revenues over (under) expenditures	9,277,464	8,266,008	771,226	(1,480,980)
Other Financing Sources (Uses):				
Transfers in	2,104,344	-	-	8,266,008
Issuance of leases	720,422	-	-	-
Issuance of SBITAs	192,828	-	-	-
Proceeds from sale of capital assets	171,473	-	-	-
Transfers out	(141,671)	(8,266,008)	(380,169)	-
Total other financing sources (uses)	3,047,396	(8,266,008)	(380,169)	8,266,008
Net change in fund balances	12,324,860	-	391,057	6,785,028
Fund Balances, Beginning	38,094,823	-	1,282,633	23,266,774
Fund Balances, Ending	$ 50,419,683	$ -	$ 1,673,690	$ 30,051,802

Nonmajor Governmental Funds	Total Governmental Funds
$ 2,121,245	$ 30,404,956
-	5,718,901
-	7,834,875
-	10,011,585
2,632,067	3,524,885
3,135,729	21,797,212
923,210	4,335,048
64,279	15,932,126
-	782,239
520,304	839,312
36,192	36,192
1,101,131	3,806,697
10,534,157	105,024,028
3,193	22,456,302
6,918,392	48,594,409
2,008,163	5,930,660
1,719,987	7,011,468
1,997,373	5,577,056
1,333,676	2,005,910
1,099,790	1,160,922
15,080,574	92,736,727
(4,546,417)	12,287,301
1,603,169	11,973,521
47,666	768,088
530,987	723,815
178,594	350,067
(1,163,000)	(9,950,848)
1,197,416	3,864,643
(3,349,001)	16,151,944
32,997,698	95,641,928
$ 29,648,697	$ 111,793,872

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, 2023

Net Change in Fund Balances - Total Governmental Funds (Page 22)			$ 16,151,944
Amounts reported for governmental activities in the statement of activities (page 16) are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated or amortized over their estimated useful lives and reported as depreciation or amortization expense.			
Expenditures for capital assets	$ 9,294,731		
Less: net book value of disposed capital assets	(160,937)		
Less: current year provision for depreciation and amortization	(6,619,708)		2,514,086
Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net position.			
Principal repayments			
General obligation bonds	$ 1,045,000		
Leases	488,421		
SBITAs	472,489		2,005,910
Proceeds from debt issuance			
Lease financing	$ (768,088)		
SBITAs financing	(723,815)		(1,491,903)
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.			(80,250)
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	$ (582,711)		
Amortization of bond premiums	245,031		
Change in accrued interest payable	(83,443)		
Change in net pension liability and other related deferral amounts	(6,979,614)		
Change in OPEB liability and other related deferral amounts	825,182		(6,575,555)
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.			975,631
Change in Net Position of Governmental Activities (Page 17)			$ 13,499,863

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, 2023

	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	$ 61,754,960	$ 5,743,565	$ 67,498,525	$ 8,183,026
Accounts receivable, net	3,720,597	275,699	3,996,296	4,317
Inventories	1,182,262	-	1,182,262	-
Prepayments and other assets	1,800	-	1,800	7,231
Restricted assets:				
Cash, cash equivalents and investments	1,892,286	-	1,892,286	-
Total current assets	68,551,905	6,019,264	74,571,169	8,194,574
Non-current assets:				
Capital assets:				
Nondepreciable	36,489,850	-	36,489,850	-
Depreciable, net	41,381,443	3,301,037	44,682,480	-
Total capital assets, net	77,871,293	3,301,037	81,172,330	-
Total assets	146,423,198	9,320,301	155,743,499	8,194,574
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	1,165,969	60,104	1,226,073	-
Deferred outflows relating to OPEB	1,199,286	82,130	1,281,416	-
Total deferred outflows of resources	2,365,255	142,234	2,507,489	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	13,953,881	331,102	14,284,983	162,670
Accrued interest	5,414	519	5,933	-
Customer deposits	8,485	-	8,485	-
Claims and judgements	-	-	-	2,493,207
Compensated absences payable	162,218	26,986	189,204	-
Leases payable	62,782	26,636	89,418	-
SBITAs payable	60,443	-	60,443	-
Payable from restricted assets:				
Customer deposits	1,892,286	-	1,892,286	-
Total current liabilities	16,145,509	385,243	16,530,752	2,655,877
Non-current liabilities:				
Other post employment benefits (OPEB) liability	2,641,610	241,777	2,883,387	-
Leases payable	131,201	48,941	180,142	-
SBITAs payable	308,123	-	308,123	-
Claims and judgements	-	-	-	3,492,114
Compensated absences payable	1,475,008	245,379	1,720,387	-
Net pension liability	6,115,393	501,074	6,616,467	-
Total non-current liabilities	10,671,335	1,037,171	11,708,506	3,492,114
Total liabilities	26,816,844	1,422,414	28,239,258	6,147,991

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

	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	440,425	9,786	450,211	-
Deferred inflows relating to OPEB	1,206,149	90,132	1,296,281	-
Total deferred inflows of resources	1,646,574	99,918	1,746,492	-
Net Position:				
Net investment in capital assets	77,061,773	3,225,460	80,287,233	-
Restricted for renewal and replacement	500,000	-	500,000	-
Unrestricted	42,763,262	4,714,743	47,478,005	2,046,583
Total net position	$ 120,325,035	$ 7,940,203	$ 128,265,238	$ 2,046,583

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, 2023

	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
Operating Revenues:				
Charges for services:				
Residential	$ 11,799,317	$ 1,462,356	$ 13,261,673	$ -
Commercial and multi-family	13,085,170	2,376,124	15,461,294	-
Costs billed to other funds	-	-	-	3,423,808
Other services	910,108	-	910,108	197,706
Total operating revenues	25,794,595	3,838,480	29,633,075	3,621,514
Operating and Administrative Expenses:				
Cost of sales, maintenance, and services	19,620,933	3,170,428	22,791,361	912,808
Depreciation and amortization	3,060,259	165,024	3,225,283	-
Administrative services	-	-	-	23,046
Claims	-	-	-	2,008,808
Total operating and administrative expenses	22,681,192	3,335,452	26,016,644	2,944,662
Operating income	3,113,403	503,028	3,616,431	676,852
Non-Operating Revenues (Expenses):				
Investment income	2,372,446	87,735	2,460,181	298,779
Intergovernmental (capital)	-	500,000	500,000	-
Other income	85,374	976	86,350	-
Gain on disposal of capital assets	56,945	57	57,002	-
Interest expense	(11,879)	(1,513)	(13,392)	-
Total non-operating revenues	2,502,886	587,255	3,090,141	298,779
Income Before Capital Contributions and Transfers	5,616,289	1,090,283	6,706,572	975,631
Capital Contributions and Transfers:				
Capital contributions - impact fees	187,832	-	187,832	-
Capital contributions - developer fees	214,255	-	214,255	-
Transfers in	81,671	-	81,671	-
Transfers out	(2,104,344)	-	(2,104,344)	-
Total capital contributions and transfers	(1,620,586)	-	(1,620,586)	-
Change in net position	3,995,703	1,090,283	5,085,986	975,631
Net Position, Beginning	116,329,332	6,849,920	123,179,252	1,070,952
Net Position, Ending	$ 120,325,035	$ 7,940,203	$ 128,265,238	$ 2,046,583

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, 2023

	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	$ 25,799,679	$ 3,822,160	$ 29,621,839	$ 3,618,755
Payments for interfund services used	(1,399,105)	(473,542)	(1,872,647)	(23,046)
Payments to suppliers for goods and services	(5,970,624)	(1,702,006)	(7,672,630)	(2,586,994)
Payments to employees	(9,533,900)	(955,695)	(10,489,595)	-
Net cash provided by (used by) operating activities	8,896,050	690,917	9,586,967	1,008,715
Cash Flows From Noncapital Financing Activities:				
Receipts from government agencies	-	500,000	500,000	-
Transfers from other funds	81,671	-	81,671	-
Transfers to other funds	(2,104,344)	-	(2,104,344)	-
Net cash provided by (used by) noncapital financing activities	(2,022,673)	500,000	(1,522,673)	-
Cash Flows From Capital and Related Financing Activities:				
Capital contributions	402,087	-	402,087	-
Interest paid	(6,881)	(1,108)	(7,989)	-
Principal payments on leases	(72,345)	(17,644)	(89,989)	-
Acquisition and construction of capital assets, net	(15,846,428)	(87,894)	(15,934,322)	-
Net cash provided by (used by) capital and related financing activities	(15,523,567)	(106,646)	(15,630,213)	-
Cash Flows From Investing Activities:				
Investment income	2,327,533	86,044	2,413,577	298,779
Net cash provided by (used by) investing activities	2,327,533	86,044	2,413,577	298,779
Net increase (decrease) in cash, cash equivalents, and investments	(6,322,657)	1,170,315	(5,152,342)	1,307,494
Cash, Cash Equivalents, and Investments, Beginning	69,969,903	4,573,250	74,543,153	6,875,532
Cash, Cash Equivalents, and Investments, Ending	$ 63,647,246	$ 5,743,565	$ 69,390,811	$ 8,183,026
Reconciliation to Statement of Net Position:				
Cash, cash equivalents, and investments	$ 61,754,960	$ 5,743,565	$ 67,498,525	$ 8,183,026
Restricted cash, cash equivalents, and investments	1,892,286	-	1,892,286	-
Cash, cash equivalents, and investments	$ 63,647,246	$ 5,743,565	$ 69,390,811	$ 8,183,026

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, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Water and Wastewater Fund	Nonmajor Stormwater Utility Fund	Total Enterprise Funds	Internal Service Fund - General Insurance Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income	$ 3,113,403	$ 503,028	$ 3,616,431	$ 676,852
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,060,259	165,024	3,225,283	-
Other nonoperating revenues	85,374	976	86,350	-
Change in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	(107,255)	(17,296)	(124,551)	(2,759)
Prepayments and other assets	(1,800)	-	(1,800)	(7,231)
Inventories	(69,551)	-	(69,551)	-
Deferred outflows relating to pensions and OPEB	103,382	13,898	117,280	-
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	2,384,549	(48,142)	2,336,407	74,397
Compensated absences payable	(156,252)	26,701	(129,551)	-
Net pension liability	412,226	41,733	453,959	-
Claims and judgements	-	-	-	267,456
Customer deposits payable	26,965	-	26,965	-
OPEB obligation	(98,734)	(6,977)	(105,711)	-
Deferred inflows relating to pensions and OPEB	143,484	11,972	155,456	-
Total adjustments	5,782,647	187,889	5,970,536	331,863
Net cash provided by (used by) operating activities	$ 8,896,050	$ 690,917	$ 9,586,967	$ 1,008,715

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

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Margate, Florida (the "City"), in Broward County, was created as a municipal corporation by Chapter 30962, Laws of Florida, Acts of 1955, to be known as the Town of Margate. On June 22, 1961, the Town of Margate was incorporated as a City, and is governed by its present Charter dated March 15, 1979. It is located in the western portion of Broward County, Florida and has a population of approximately 58,725 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 for a period not to exceed 30 years after the date the governing body amends the plan. Funds are also provided by fees collected, investment income, and the unexpended fund balance from the previous year. The CRA is governed by a Board of Commissioners (the "Board"), which is composed of five members appointed by the Commission of the City of Margate, Florida. The Board exercises all powers granted to the Agency pursuant to Chapter 163, Section III of the Florida Statutes. Currently, the CRA Board is composed of the Margate City Commission.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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, 2023, the City implemented four new GASB statements of financial accounting standards.

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. The statement had no impact on the City's financial statements.

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. The statement had no impact on the City's financial statements.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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, 2023, there were no redemption fees or maximum transaction amounts or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Property taxes: The State of Florida permits the City to levy property taxes up to 10 mills of assessed property valuation for the General Fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2022-2023 fiscal year was 7.1171 mills and the debt service millage was 0.5337 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, 2023 were approximately 96.0% of the total tax levy, net of discounts allowed.

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

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 2022-2023 occurred on September 21, 2022. Under Florida law, the assessment of all properties and the collection of all county, municipal, special district and school board property taxes are provided by Broward County's Property Appraiser and Tax Collector, who are elected County officials.

The property tax calendar for the revenues billed and received for the fiscal year ended September 30, 2023 is shown as follows:

Lien date	January 1, 2022
Levy date, tax bills mailed	November 1, 2022
Last date for 4% discount on taxes paid	November 30, 2022
Last date for 3% discount on taxes paid	December 31, 2022
Last date for 2% discount on taxes paid	January 31, 2023
Last date for 1% discount on taxes paid	February 28, 2023
Final due date of payment of taxes	March 31, 2023
First date for auctioning tax certificates on delinquent accounts	June 1, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

Note 2 - Deposits and Investments

Deposits: At year-end, the City's carrying amount of deposits was $ 45,477,628 including petty cash funds and cash on hand totaling $ 9,470 as of September 30, 2023. Deposits whose balances exceed the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act which sets forth the investment objectives and parameters for the management of public funds for the City.

Note 2 - Deposits and Investments (continued)

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 $ 37,851,710 invested in the Florida PRIME and $ 37,486,710 invested in the FL PALM as of September 30, 2023. 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, 2023 for the SBA Florida PRIME and FL PALM was 35 days and 47 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, 2023.

		Remaining Maturity (in years)	
Investment Type	Fair Value	Less Than 1	1 to 5
U.S. Treasury Notes	$ 26,657,650	$ 11,565,701	$ 15,091,949
Corporate Notes	14,128,578	4,936,970	9,191,608
U.S. Agency Notes	13,742,138	2,637,697	11,104,441
U.S. Sponsored Agencies	8,475,690	10,858	8,464,832
Municipal/Provincial Bonds	3,061,067	2,424,500	636,567
Money Market Funds	2,525,345	2,525,345	-
Asset Backed Securities	2,240,767	-	2,240,767
	$ 70,831,235	$ 24,101,071	$ 46,730,164

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	$ 29,527,898	41.71%
AAA	3,388,664	4.78%
AA+	21,872,926	30.88%
AA	910,914	1.29%
AA-	1,447,935	2.04%
A+	1,037,406	1.46%
A	5,456,764	7.70%
A-	6,930,232	9.78%
NR	258,496	0.36%
Total credit risk debt securities	$ 41,303,337	58.29%
Total fixed income securities	$ 70,831,235	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, 2023:

Investments	September 30, 2023	Level 1	Level 2	Level 3
U.S. Treasury Notes	$ 26,657,650	$ -	$ 26,657,650	$ -
Corporate Notes	14,128,578	-	14,128,578	-
U.S. Agency Notes	13,742,138	-	13,742,138	-
U.S. Sponsored Agencies	8,475,690	-	8,475,690	-
Municipal/Provincial Bonds	3,061,067	-	3,061,067	-
Money Market Funds	2,525,345	2,525,345	-	-
Asset Backed Securities	2,240,767	-	2,240,767	-
Total investments measured at fair value	$ 70,831,235	$ 2,525,345	$ 68,305,890	$ -
Investments measured at amortized cost:				
Florida PRIME	37,851,710			
FL PALM	37,486,710			
Cash and cash equivalents:				
Money market funds and other deposits	45,468,158			
Petty cash	9,470			
Total unrestricted and restricted cash, cash equivalents and investments	$ 191,647,283			

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.

Note 3 - Receivables

Receivables as of September 30, 2023 for the City's individual funds in the aggregate, including the allowances for uncollectible receivables are as follows:

	General Fund	Margate Community Redevelopment Agency Trust Fund	Recreation Trust Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Water and Wastewater Fund	Nonmajor and other Funds	Total
Intergovernmental	$ 1,011,769	$ -	$ -	$ -	$ 19,686	$ 275,866	$ 1,307,321
Accounts	208,664	-	-	-	3,546,430	268,669	4,023,763
Taxes	1,385,295	-	-	-	-	373	1,385,668
Others	4,906,472	4,277	796	624	164,481	178,169	5,254,819
Gross receivables	7,512,200	4,277	796	624	3,730,597	723,077	11,971,571
Less: allowance for uncollectible	(4,366,501)	-	-	-	(10,000)	-	(4,376,501)
Net total receivables	$ 3,145,699	$ 4,277	$ 796	$ 624	$ 3,720,597	$ 723,077	$ 7,595,070

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, 2023, consisted of the following:

	Transfers in:				
Transfers Out:	General Fund	Margate Community Redevelopment Agency Capital Improvement Fund	Nonmajor Governmental Funds	Water and Wastewater Fund	Total
General Fund	$ -	$ -	$ 60,000 b	$ 81,671 b	$ 141,671
Margate Community Redevelopment Agency Trust Fund	-	8,266,008 a, b	-	-	8,266,008
Recreation Trust Fund	-	-	380,169 b	-	380,169
Nonmajor Governmental Funds	-	-	1,163,000 b	-	1,163,000
Water and Wastewater Fund	2,104,344 c	-	-	-	2,104,344
Total	$ 2,104,344	$ 8,266,008	$ 1,603,169	$ 81,671	$ 12,055,192

Reasons for these transfers are set forth below:

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

Note 5 - Deferred Inflows of Resources and Unearned Revenue

As of September 30, 2023, 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	$ 186,528	$ 849,938
Miscellaneous revenue	484	13,255
Business licenses	-	181,920
Rental income	7,707,090	79,101
	$ 7,894,102	$ 1,124,214

Note 6 - Capital Assets

Capital assets activity for the year ended September 30, 2023, was as follows:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 28,966,267	$ 1,865,307	$ -	$ 30,831,574
Intangibles	4,908,567	609,073	(175)	5,517,465
Construction in progress	6,344,673	3,357,338	(668,441)	9,033,570
Total capital assets, not being depreciated/amortized	40,219,507	5,831,718	(668,616)	45,382,609
Capital assets, being depreciated/amortized:				
Infrastructure	94,509,097	192,561	-	94,701,658
Buildings	18,827,968	172,474	-	19,000,442
Machinery and equipment	19,548,209	1,348,747	(648,068)	20,248,888
Improvements other than buildings	16,982,999	684,566	-	17,667,565
Right to use - leased equipment	2,238,429	896,701	(347,022)	2,788,108
Right to use - SBITA software	3,057,148	836,405	-	3,893,553
Total capital assets, being depreciated/amortized	155,163,850	4,131,454	(995,090)	158,300,214
Less accumulated depreciation/ amortization for:				
Infrastructure	(65,655,727)	(2,686,655)	-	(68,342,382)
Buildings	(8,326,270)	(460,863)	-	(8,787,133)
Machinery and equipment	(15,192,979)	(1,778,447)	576,056	(16,395,370)
Improvements other than buildings	(7,268,680)	(652,396)	-	(7,921,076)
Right to use - leased equipment	(454,150)	(523,476)	258,272	(719,354)
Right to use - SBITA software	-	(517,871)	-	(517,871)
Total accumulated depreciation/amortization	(96,897,806)	(6,619,708)	834,328	(102,683,186)

Note 6 - Capital Assets (continued)

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Total capital assets, being depreciated/amortized, net	58,266,044	(2,488,254)	(160,762)	55,617,028
Governmental Activities capital assets, net	$ 98,485,551	$ 3,343,464	$ (829,378)	$ 100,999,637
Business-type Activities:				
Capital assets, not being depreciated/amortized:				
Intangibles	$ -	$ 9,200,000	$ -	$ 9,200,000
Construction in progress	12,827,703	15,468,578	(1,006,431)	27,289,850
Total capital assets, not being depreciated/amortized	12,827,703	24,668,578	(1,006,431)	36,489,850
Capital assets, being depreciated/amortized:				
Infrastructure	110,025,746	820,110	(64,084)	110,781,772
Buildings	27,718,551	409,242	-	28,127,793
Machinery and equipment	8,014,731	267,169	(241,604)	8,040,296
Right to use - leased equipment	216,258	244,181	(56,609)	403,830
Right to use - SBITA software	-	397,484	-	397,484
Total capital assets, being depreciated/amortized	145,975,286	2,138,186	(362,297)	147,751,175
Less accumulated depreciation/ amortization for:				
Infrastructure	(68,824,608)	(2,233,149)	30,128	(71,027,629)
Buildings	(25,334,406)	(392,192)	-	(25,726,598)
Machinery and equipment	(5,950,506)	(488,456)	241,604	(6,197,358)
Right to use - leased equipment	(62,233)	(93,353)	56,609	(98,977)
Right to use - SBITA software*	-	(18,133)	-	(18,133)
Total accumulated depreciation/amortization	(100,171,753)	(3,225,283)	328,341	(103,068,695)
Total capital assets, being depreciated/amortized, net	45,803,533	(1,087,097)	(33,956)	44,682,480
Business-type Activities capital assets, net	$ 58,631,236	$ 23,581,481	$ (1,040,387)	$ 81,172,330

Note 6 - Capital Assets (continued)

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

Governmental activities:		
Public works	$	2,223,391
Public safety		2,399,536
Culture and recreation		1,127,622
Economic and physical environment		617,554
General government		251,605
Total depreciation and amortization expense - governmental activities	$	6,619,708
Business-type activities:		
Water and Wastewater Fund	$	3,060,259
Stormwater Utility Fund		165,024
Total depreciation and amortization expense - business-type activities	$	3,225,283

Construction Commitments

The City has the following active construction commitments with contractors at September 30, 2023:

Projects		Incurred-to-Date		Remaining Commitment
Governmental Activities:				
Southest Park Improvements	$	6,500	$	2,387,855
Q-Hut Design and Construction		96,719		218,161
Fire Station 58 Replacement		5,193,554		232,522
Tower/Antenna		334,994		82,214
Chevy Chase		464,399		51,734
Serino Park		2,116,630		27,029
SW 6th St Improvements		32,725		64,995
Southgate/SR 7 Median Improvement		41,198		56,308
Wayfinding Signage		109,048		10,500
Business-type Activities:				
Water Line Replacement		2,060,400		739,650
Water & Wastewater Equipment		28,807		301,130
Water Meter Installation/Replacement, Cycle Four, Phase II		2,342,076		422,436
Lift Station Renovation		1,043,008		948,495
Infiltrate & Inflow Rehabilitation		114,368		408,884
Aerial Utility Crossings		1,859,246		153,236
Margate WTP - West Filter		-		558,200
Supervisory Conrol and Data Acquistion (SCADA) System Upgrades		264,500		168,752
Capital Projects - Other		323,745		44,731
Wastewater Pumping Station Equipment		43,209		258,424
	$	16,475,126	$	7,135,256

Note 7 - Long-Term Debt

Governmental Activities

General Obligation Bonds

$ 9,105,000 General Obligation Bonds, Series 2019 - In November 2018, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding $10 million for purposes of improving parks and recreation projects and paying certain costs and expenses related to the issuance of the Bonds. In April 2019, the City issued the General Obligation Bonds, Series 2019 in the principal amount of $ 9,105,000. The bonds were issued for the purpose of acquiring, constructing, equipping, renovating, replacing and improving parks and recreation projects. The outstanding bonds bear an interest rate from 3.0% to 5.0%, payable semiannually on January 1st and July 1st of each year. The Series 2019 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of repaying the Series 2019 Bonds. The bonds will mature on July 1, 2039 with the first principal payment due July 1, 2020. The bonds maturing on and after July 1, 2030 may be subject to redemption prior to their respective maturities. $ 7,915,000

The annual debt service requirements until maturity for the General Obligation Bonds, Series 2019 outstanding at September 30, 2023, are as follows:

Year Ending September 30,	Series 2019 Principal	Interest	Total
2024	$ 350,000	$ 304,350	$ 654,350
2025	365,000	286,850	651,850
2026	385,000	268,600	653,600
2027	405,000	249,350	654,350
2028	425,000	229,100	654,100
2029-2033	2,445,000	820,150	3,265,150
2033-2038	2,910,000	361,350	3,271,350
2039	630,000	18,900	648,900
	$ 7,915,000	$ 2,538,650	$ 10,453,650

Note 7 - Long-Term Debt (continued)

$ 18,950,000 General Obligation Refunding Bonds, Series 2016 - In July 2016, the City issued the General Obligation Refunding Bonds, Series 2016. The bonds were issued to refund the General Obligation Bonds, Series 2007 which was used to finance various projects consisting of repavement, repair and installation of streets, sidewalks and bridges within the City. The outstanding bonds bear an interest rate from 2.0% to 5.0%, payable semi-annually on January 1st and July 1st of each year. The Series 2016 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of repaying the Series 2016 Bonds. The July 1, 2037 maturity date remains unchanged. The bonds maturing on and after July 1, 2027 may be subject to redemption prior to their respective maturities. $ 14,620,000

The annual debt service requirements until maturity for the General Obligation Refunding Bonds, Series 2016 outstanding at September 30, 2023, are as follows:

Year Ending September 30,	Series 2016 Principal	Interest	Total
2024	$ 745,000	$ 731,000	$ 1,476,000
2025	785,000	693,750	1,478,750
2026	820,000	654,500	1,474,500
2027	865,000	613,500	1,478,500
2028	905,000	570,250	1,475,250
2029-2033	5,265,000	2,124,000	7,389,000
2034-2037	5,235,000	670,250	5,905,250
	$ 14,620,000	$ 6,057,250	$ 20,677,250

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, 2023, 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, 2023, 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, 2023.

Note 7 - Long-Term Debt (continued)

	Balance October 1, 2022, as Restated	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
Bonds payable and capital leases:					
General Obligation Bonds, Series 2019	$ 8,250,000	$ -	$ (335,000)	$ 7,915,000	$ 350,000
General Obligation Refunding Bonds, Series 2016	15,330,000	-	(710,000)	14,620,000	745,000
Total general obligation bonds	23,580,000	-	(1,045,000)	22,535,000	1,095,000
Deferred amounts:					
Bond issuance premium, Series 2019	749,327	-	(44,514)	704,813	-
Bond issuance premium, Series 2016	2,957,620	-	(200,517)	2,757,103	-
Total deferred amounts	3,706,947	-	(245,031)	3,461,916	-
Total bonds payable	27,286,947	-	(1,290,031)	25,996,916	1,095,000
Leases	1,644,577	768,088	(488,421)	1,924,244	530,979
SBITAs	2,884,781	723,815	(472,489)	3,136,107	490,505
Subtotal	31,816,305	1,491,903	(2,250,941)	31,057,267	2,116,484
Other long-term liabilities:					
Compensated absences payable	10,968,095	1,515,219	(932,508)	11,550,806	1,325,987
Net pension liability	65,548,721	4,183,007		69,731,728	-
Claims and judgements	5,717,865	2,276,264	(2,008,808)	5,985,321	2,493,207
Other post employment benefits liability	13,385,742	-	(639,167)	12,746,575	-
Subtotal	95,620,423	7,974,490	(3,580,483)	100,014,430	3,819,194
Governmental activity long-term liabilities	$ 127,436,728	$ 9,466,393	$ (5,831,424)	$ 131,071,697	$ 5,935,678
Business-type Activities:					
Leases	$ 153,062	$ 206,487	$ (89,989)	$ 269,560	$ 89,418
SBITAs	-	368,566	-	368,566	60,443
Subtotal	153,062	575,053	(89,989)	638,126	149,861
Other long-term liabilities:					
Compensated absences payable	2,039,142	96,179	(225,730)	1,909,591	189,204
Net pension liability	6,162,508	453,959	-	6,616,467	-
Other post employment benefits liability	2,989,098	-	(105,711)	2,883,387	-
Subtotal	11,190,748	550,138	(331,441)	11,409,445	189,204
Business-type activity long-term liabilities	11,343,810	1,125,191	(421,430)	12,047,571	339,065
Total Long-term Liabilities	$ 138,780,538	$ 10,591,584	$ (6,252,854)	$ 143,119,268	$ 6,274,743

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

Note 8 - Leases and Subscription-Based Information Technology Arrangements (SBITAs)

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

City as Lessee

In fiscal year 2021, the City entered into a Fleet Management Program with Enterprise FM Trust. The City anticipates that the program will streamline fleet management, slow the increasing cost of fleet maintenance, provide optimal vehicle replacement times, and increase cost savings. At September 30, 2023, the total costs of these lease assets for the City's governmental activities is $ 2,788,108, less accumulated amortization of $ 719,354. At September 30, 2023, the total costs of these leases for the City's business-type activities is $ 403,830, less accumulated amortization of $ 98,977.

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

Year Ending September 30,	Governmental Activities Leases		
	Principal	Interest	Total
2024	$ 530,979	$ 97,573	$ 628,552
2025	515,571	71,571	587,142
2026	479,278	43,755	523,033
2027	236,129	21,493	257,622
2028	150,596	7,400	157,996
2029	11,691	77	11,768
	$ 1,924,244	$ 241,869	$ 2,166,113

Year Ending September 30,	Business-type Leases		
	Principal	Interest	Total
2024	$ 89,418	$ 15,267	$ 104,685
2025	60,227	10,657	70,884
2026	41,829	7,313	49,142
2027	44,955	4,187	49,142
2028	33,131	991	34,122
	$ 269,560	$ 38,415	$ 307,975

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

City as Lessor

The City, as a lessor, previously entered into multiple lease agreements involving land for the use of companies to construct and operate cell towers. Payments on these leases range from approximately $ 42,000 to $ 77,000 annually, including interest from 0.27% to 2.04%, through October 2024, with lesser amounts through February 2050. These payments are set to increase annually between 5% and 15% per lease. For the year ended September 30, 2023, the City received rental revenue of $ 621,689 and interest revenue of $ 137,954, recorded as miscellaneous revenues on the combining statement of revenues, expenditures, and changes in fund balances in the Recreation Trust Fund.

At September 30, 2023, the City has lease receivables in the Recreation Trust Fund of $ 8,102,971, including interest receivable of $ 50,130. Future minimum payments under these leases due to the City through maturity are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	$ 394,979	$ 136,597	$ 531,576
2025	432,981	131,155	564,136
2026	392,423	124,951	517,374
2027	342,214	119,116	461,330
2028	363,182	113,977	477,159
2029-2033	2,145,872	474,483	2,620,355
2034-2038	1,536,363	321,131	1,857,494
2039-2043	1,032,278	195,760	1,228,038
2044-2048	933,728	108,877	1,042,605
2049-2050	478,821	14,850	493,671
	$ 8,052,841	$ 1,740,897	$ 9,793,738

The Margate CRA currently has various lease arrangements for two shopping complexes it owns located along Margate Boulevard. The properties have aggregate costs of approximately $ 3.1 million and $ 4.3 million in land and building, respectively. The buildings have a total carrying value of $ 2.8 million at September 30, 2023. Depreciation expense for the year was approximately $ 85,500. Total rental revenues from these properties during the fiscal year amounted to approximately $ 782,000. The leases have a termination clause of 12 months or less.

City as SBITA Lessee

During 2023, the City implemented GASB No. 96, *Subscription Based Information Technology Arrangements* (SBITAs). This statement requires recognition of certain cloud-based right-to-use (RTU) software implementation and subscription assets and associated lessee liabilities that previously were classified as operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract. It establishes a single model for IT subscription accounting based upon the foundational principle that software subscriptions are financings of the right to use an underlying asset. SBITAs where the maximum possible lease term is one year or less continue to be reported as operating subscriptions. See Note 17 for information on the effect of implementation on beginning net position.

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

The City is committed under various SBITAs. At September 30, 2023, the total costs of these SBITA assets for the City's governmental activities is $ 3,893,553, less accumulated amortization of $ 517,871. At September 30, 2023, the total costs of these SBITA assets for the City's business-type activities is $ 397,484, less accumulated amortization of $ 18,133.

The future lease payments under these SBITA arrangements are as follows:

Year Ending September 30,	Governmental Activities SBITAs		
	Principal	Interest	Total
2024	$ 490,505	$ 118,316	$ 608,821
2025	495,327	99,395	594,722
2026	402,475	79,947	482,422
2027	367,243	64,605	431,848
2028	389,300	50,878	440,178
2029	991,257	73,763	1,065,020
	$ 3,136,107	$ 486,904	$ 3,623,011

Year Ending September 30,	Business-type SBITAs		
	Principal	Interest	Total
2024	$ 60,443	$ 14,757	$ 75,200
2025	66,655	12,294	78,949
2026	73,262	9,635	82,897
2027	80,330	6,711	87,041
2028	87,876	3,516	91,392
	$ 368,566	$ 46,913	$ 415,479

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") (see Note 9). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, City school board, state university, community college, or a participating city or special City within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

Note 9 - Florida Retirement System (continued)

State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (844) 377-1888 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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

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

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

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

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

Note 9 - Florida Retirement System (continued)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular - 11.91% and 13.57%; Special Risk Administrative Support - 38.65% and 39.82%; Special Risk - 27.83% and 32.67%; Senior Management Service - 31.57% and 34.52%; Elected Officers' - 57.00% and 58.68%; and DROP participants - 18.60% and 21.13%. These employer contribution rates include 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023.

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, 2023, eligible retirees and beneficiaries received a monthly HIS payment of $ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $ 45 and a maximum HIS payment of $ 225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS contribution was 1.66% for the period October 1, 2022 through June 30, 2023 and 2.00% for the period July 1, 2023 through September 30, 2023. The City contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the City reported liabilities of $ 59,626,839 for its proportionate share of the Pension Plan's net pension liability and $ 16,721,356 for the HIS Plan's net pension liability for a total pension liability of $ 76,348,195. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. At June 30, 2023, the City's proportionate share was .149640088 percent for the Pension Plan and .105289367 percent for the HIS Plan, which were decreases of .010892509 percent and .007821077 percent respectively, from the proportionate share measured as of June 30, 2022.

Note 9 - Florida Retirement System (continued)

For the year ended September 30, 2023, the City recognized pension expense of $ 9,960,554 for the Pension Plan and pension expense of $ 6,096,790 for the HIS Plan for a total net pension expense of $ 16,057,344. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
Description	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	$ 5,598,446	$ 244,789	$ 5,843,235
Changes of assumptions	3,886,972	439,599	4,326,571
Net difference between projected and actual earnings on pension plan investments	2,490,178	8,635	2,498,813
Changes in proportion and differences between City contributions and proportionate share of contributions	253,223	97,318	350,541
City contributions subsequent to the measurement date	2,217,123	221,832	2,438,955
	$ 14,445,942	$ 1,012,173	$ 15,458,115

	Deferred Inflows of Resources		
Description	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	$ -	$ 39,248	$ 39,248
Changes of assumptions	-	1,448,962	1,448,962
Changes in proportion and differences between City contributions and proportionate share of contributions	8,406,548	1,385,254	9,791,802
	$ 8,406,548	$ 2,873,464	$ 11,280,012

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, 2024. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note 9 - Florida Retirement System (continued)

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2024	$ (766,718)	$ (381,712)	$ (1,148,430)
2025	(2,971,908)	(352,648)	(3,324,556)
2026	7,625,647	(403,588)	7,222,059
2027	(155,981)	(549,195)	(705,176)
2028	91,231	(342,455)	(251,224)
Thereafter	-	(53,525)	(53,525)

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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Note 9 - Florida Retirement System (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	100.0%			
Assumed inflation - Mean			2.4%	1.4%

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

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

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.65% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability for Pension Plan	$ 101,854,783	$ 59,626,839	$ 24,298,112

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the net pension liability for HIS Plan	$ 19,076,457	$ 16,721,356	$ 14,769,135

Note 9 - Florida Retirement System (continued)

Investment Plan:

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2022-2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

Class	Allocation Rate
Elected Officials	16.34%
Senior Management	12.67%
Special Risk	19.00%
Regular Employees	11.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's pension expense for the Investment Plan totaled $ 1,422,631 for the fiscal year ended September 30, 2023.

Note 10 - Risk Management

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

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

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

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

The following represents the changes in approximate aggregate liabilities for the City from October 1, 2021 to September 30, 2023:

		General Insurance Fund
Liability balance, October 1, 2021	$	6,052,944
Claims and changes in estimates		1,632,933
Claims payments		(1,968,012)
Liability balance, September 30, 2022		5,717,865
Claims and changes in estimates		2,276,264
Claims payments		(2,008,808)
Liability balance, September 30, 2023	$	5,985,321
Claims and payments due within one year	$	2,493,207
Assets available to pay claims at September 30, 2023	$	2,046,583

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

Note 11 - Commitments and Contingencies

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

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

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

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

Audits may be forthcoming for other grant programs.

In fiscal year 2014, the CRA was audited by the Broward Office of the Inspector General (the "OIG"). The OIG audit determined that the CRA failed to comply with the requirements of the Florida Statutes for the allocation and disposition of carryforward TIF funds of approximately $ 2.7 million. The management of the CRA and legal counsel responded in a letter that they believe that they are in compliance with the statutory requirements. As of September 30, 2023, the CRA has not received an update from the OIG with regard to the audit results during fiscal year 2014. The financial statements do not reflect any adjustments that might result from this uncertainty.

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

Note 11 - Commitments and Contingencies (continued)

Effective with the IAFF collective bargaining agreement approved on February 7, 2018, the Sick Bank was renamed the Medical Leave Assistance Plan (MLAP). Upon ratification of the agreement the MLAP balance was reduced to and capped at 1,000,000 units/dollars and no additional credits were to be added to the balance. The Sick Bank/MLAP terminated effective February 7, 2023, and any credits/dollars remaining were forfeited per the agreement. The Sick Bank/MLAP was not an accrued liability because the use of the program was contingent upon a future event that was beyond the control of both the employer and the employee. There was 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.

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, 2022 (latest valuation date):

Inactive Plan members or beneficiaries currently receiving benefits	80
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	476
Total Plan members	556

Note 12 - Other Post-Employment Benefits (continued)

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

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

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

The total OPEB liability at September 30, 2023 was based on an actuarial valuation dated September 30, 2022 with a measurement date of September 30, 2022, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	4.40%
Salary Increases	Salary increase rates used in the July 1, 2022 actuarial valuation of the Florida Retirement System; 3.4% - 8.2%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2022 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, 2022 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Note 12 - Other Post-Employment Benefits (continued)

Healthcare Cost Trend Rates	Based on the Getzen Model, with a trend of 0% for 2023 (to reflect actual premiums), 6.25% for 2024, and gradually decreasing to an ultimate trend rate of 4.00%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death".
Expense	Administrative expenses are included in the per capita health costs.

Changes in assumptions and other inputs include the change in the discount rate from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022, updates to per capita costs and premiums and healthcare cost trend assumption, and the salary scale increase assumption was updated based on revised inflation and individual member pay increases adopted by FRS for its July 1, 2020 valuation. These changes are reflected in the Schedule of Changes in Total OPEB Liability.

Changes in benefits includes PBA retirees hired after December 7, 2022 who have a minimum of 15 years of service will receive a 2% accumulation up to 60% paid by the City (for non-Medicare premiums). This benefit change had no impact on the Total OPEB Liability.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2022 was 4.40%. 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 2.19% 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, 2023, are as follows:

Total OPEB liability	$	15,629,962
OPEB Plan fiduciary net position		-
City's net OPEB liability	$	15,629,962
OPEB Plan fiduciary net position as a percentage of total OPEB liability		0.00%

Changes in Total OPEB Liability

Measurement year ended September 30, 2022		
Total OPEB liability:		
Service cost	$	446,988
Interest on total OPEB liability		355,402
Difference between expected and actual experience		1,502,247
Change in assumptions and other inputs		(1,862,672)
Benefit payments		(1,186,843)
Net change in total OPEB liability		(744,878)
Total OPEB liability, beginning		16,374,840
Total OPEB liability, ending	$	15,629,962

Note 12 - Other Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability, calculated using the discount rate of 4.40%, 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 that then current discount rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB liability	$ 16,124,625	$ 15,629,962	$ 15,089,647

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	$ 14,780,998	$ 15,629,962	$ 16,481,011

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2023, the City recognized OPEB expense of $ 462,915. At September 30, 2023, 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	$ 5,500,051	$ -
Changes in assumptions and other inputs	638,589	8,161,693
Benefits paid subsequent to measurement date	1,424,574	-
Total	$ 7,563,214	$ 8,161,693

Note 12 - Other Post-Employment Benefits (continued)

$ 1,424,574 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, 2024 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
2024	$ (339,474)
2025	(339,474)
2026	(339,474)
2027	(339,474)
2028	(83,366)
Thereafter	(581,791)
	$ (2,023,053)

Note 13 - Deferred Compensation Plan

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

Note 14 - Encumbrances

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

Governmental Funds	
General Fund	$ 2,739,739
Margate Community Redevelopment Agency Capital Improvement Fund	274,931
Nonmajor Funds	3,505,407
Total	$ 6,520,077

Note 15 - Governmental Grants

In accordance with the Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act, the City is required to perform "single audits" when the required threshold of $ 750,000 in grant expenditures from either source is exceeded. During the year ended September 30, 2023, the City exceeded the required threshold from federal and state sources and a federal single audit and Florida single audit were required and completed.

Note 16 - C51 Reservoir

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

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

Note 17 - Restatements

The net position of the Governmental Activities have been adjusted due to the adoption of GASB *Statement No. 96, Subscription-Based Information Technology Arrangements*. Implementation of GASB Statement No. 96 had no impact on beginning net positions of the Business-type Activities, Water and Wastewater Fund, or Stormwater Fund.

	Government-Wide Statements		Enterprise Funds	
	Governmental Activities	Business-type Activities	Water and Wastewater Fund	Stormwater Utility Fund
Net position, September 30, 2022, as previously reported	$ 78,734,738	$ 123,179,252	$ 116,329,332	$ 6,849,920
Adoption of GASB Statement No. 96	172,367	-	-	-
Net position, September 30, 2022, as restated	$ 78,907,105	$ 123,179,252	$ 116,329,332	$ 6,849,920

Note 18 - Date of Management Review

The City's management has evaluated subsequent events through March 28, 2024, the date which the financial statements were available for issue.

REQUIRED
SUPPLEMENTARY INFORMATION

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	$ 27,965,000	$ 27,965,000	$ 28,283,711	$ 318,711
Franchise taxes	4,333,000	4,333,000	5,718,901	1,385,901
Utility service taxes	6,462,000	6,462,000	7,834,875	1,372,875
Licenses and permits	532,150	532,150	891,470	359,320
Intergovernmental	5,869,500	16,719,438	18,661,483	1,942,045
Investment income	100,000	100,000	2,070,449	1,970,449
Charges for services	14,097,404	14,097,404	15,867,847	1,770,443
Fines and forfeitures	280,500	280,500	319,008	38,508
Miscellaneous	1,828,301	1,828,301	1,814,248	(14,053)
Total revenues	61,467,855	72,317,793	81,461,992	9,144,199
Expenditures:				
Current:				
General government:				
City commission	630,114	650,114	598,125	51,989
City manager	1,706,992	3,241,992	2,398,145	843,847
Finance	2,099,386	2,159,386	1,956,294	203,092
Non-departmental	10,797,941	11,334,678	10,970,382	364,296
Human resources	1,253,482	1,288,482	1,083,356	205,126
Development services	1,084,262	1,143,157	1,063,393	79,764
City clerk	1,009,434	1,039,434	979,269	60,165
City attorney	616,800	616,800	551,888	64,912
Information technology	1,182,785	1,215,154	1,304,211	(89,057)
Total general government	20,381,196	22,689,197	20,905,063	1,784,134
Public safety:				
Police	23,661,222	25,009,392	24,523,997	485,395
Fire	15,746,678	19,543,854	17,152,020	2,391,834
Total public safety	39,407,900	44,553,246	41,676,017	2,877,229
Culture and recreation:				
Administration	784,374	808,674	784,315	24,359
Special activities	536,158	506,888	496,339	10,549
Parks and grounds	3,280,144	3,278,741	3,123,400	155,341
Aquatics	855,901	964,756	886,345	78,411
Total culture and recreation	5,456,577	5,559,059	5,290,399	268,660
Public works:				
Administration	787,929	806,412	641,595	164,817
Buildings	1,742,415	1,974,486	1,612,547	361,939
City garage	1,579,002	1,590,854	1,325,541	265,313
Total public works	4,109,346	4,371,752	3,579,683	792,069

City of Margate, Florida
Budgetary Comparison Schedule
General Fund
(Continued)
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Debt service:				
Principal retirement	-	-	672,234	(672,234)
Interest and other charges	-	-	61,132	(61,132)
Total debt service	-	-	733,366	(733,366)
Total expenditures	69,355,019	77,173,254	72,184,528	4,988,726
Excess (deficiency) of revenues over (under) expenditures	(7,887,164)	(4,855,461)	9,277,464	14,132,925
Other Financing Sources (Uses):				
Transfers in	2,104,344	2,104,344	2,104,344	-
Issuance of leases	-	-	720,422	720,422
Issuance of SBITAs	-	-	192,828	192,828
Proceeds from sale of capital assets	50,000	50,000	171,473	121,473
Transfers out	-	(141,671)	(141,671)	-
Total other financing sources (uses)	2,154,344	2,012,673	3,047,396	1,034,723
Net change in fund balances	(5,732,820)	(2,842,788)	12,324,860	15,167,648
Fund Balance, Beginning	38,094,823	38,094,823	38,094,823	-
Fund Balance, Ending	$ 32,362,003	$ 35,252,035	$ 50,419,683	$ 15,167,648

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Margate Community Redevelopment Agency Trust Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Tax incremental	$ 10,021,454	$ 10,021,454	$ 10,011,585	$ (9,869)
Licenses and permits	-	-	1,348	1,348
Investment income	5,000	5,000	202,338	197,338
Rental income	690,700	690,700	782,239	91,539
Miscellaneous	-	-	131,675	131,675
Total revenues	10,717,154	10,717,154	11,129,185	412,031
Expenditures:				
General government	3,451,484	2,651,484	1,548,046	1,103,438
Economic and physical environment	3,265,670	4,065,670	1,315,131	2,750,539
Total expenditures	6,717,154	6,717,154	2,863,177	3,853,977
Excess of revenues over expenditures	4,000,000	4,000,000	8,266,008	4,266,008
Other Financing Uses:				
Transfers out	(4,000,000)	(8,266,008)	(8,266,008)	-
Net change in fund balance	-	(4,266,008)	-	4,266,008
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ (4,266,008)	$ -	$ 4,266,008

City of Margate, Florida
Budgetary Comparison Schedule
Special Revenue Fund - Recreation Trust Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	$ 500	$ 500	$ 12,665	$ 12,165
Miscellaneous	450,000	450,000	759,643	309,643
Total revenues	450,500	450,500	772,308	321,808
Expenditures:				
Culture and recreation	500	500	1,082	(582)
Excess of revenues over expenditures	450,000	450,000	771,226	321,226
Other Financing Uses:				
Transfers out	(180,000)	(380,169)	(380,169)	-
Net change in fund balance	270,000	69,831	391,057	321,226
Fund Balance, Beginning	1,282,633	1,282,633	1,282,633	-
Fund Balance, Ending	$ 1,552,633	$ 1,352,464	$ 1,673,690	$ 321,226

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

Notes to Schedule:

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

Changes in assumptions include the change in the discount rate from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022.

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Margate, Florida's proportion of the net pension liability	.149640088%	.160532597%	.180676507%	.195760042%	.192673565%	.194997438%	.198856274%	.191181409%	.171705136%
City of Margate, Florida's proportionate share of the net pension liability	$ 59,626,839	$ 59,731,027	$ 13,648,057	$ 84,845,287	$ 66,354,094	$ 58,734,239	* $ 58,840,541	$ 48,273,456	$ 22,178,021
City of Margate, Florida's covered payroll	$ 33,087,973	$ 33,197,849	$ 35,267,257	$ 34,414,402	$ 33,233,991	$ 32,999,820	$ 31,911,431	$ 29,407,952	$ 28,039,927
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	180.21%	179.92%	38.70%	246.54%	199.66%	177.98%	184.39%	164.15%	79.09%
Plan fiduciary net position as a percentage of total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Margate, Florida's proportion of the net pension liability	.105289367%	.113110444%	.120997314%	.120179308%	.119813516%	.120507804%	.119432380%	.114484765%	.111228388%
City of Margate, Florida's proportionate share of the net pension liability	$ 16,721,356	$ 11,980,203	$ 14,842,140	$ 14,673,698	$ 13,405,933	$ 12,754,681	$ 12,770,261	$ 13,342,725	$ 11,343,546
City of Margate, Florida's covered payroll	$ 41,753,747	$ 41,213,753	$ 42,837,105	$ 41,707,825	$ 40,069,209	$ 39,276,280	$ 38,131,582	$ 35,274,258	$ 33,842,969
City of Margate, Florida's proportionate share of the net pension liability as a percentage of its covered payroll	40.05%	29.07%	34.65%	35.18%	33.46%	32.47%	33.49%	37.83%	33.52%
Plan fiduciary net position as a percentage of total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,935,670	$ 6,198,581	$ 6,341,923	$ 6,002,040	$ 5,611,835	$ 5,217,664	$ 4,771,913	$ 4,363,156	$ 4,000,142
Contributions in relation to the contractually required contribution	6,935,670	6,198,581	6,341,923	6,002,040	5,611,835	5,217,664	4,771,913	4,363,156	4,000,142
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Margate, Florida's covered payroll	$ 33,316,793	$ 33,442,843	$ 35,600,251	$ 34,591,457	$ 33,539,981	$ 33,028,081	$ 31,528,008	$ 29,636,151	$ 28,551,940
Contributions as a percentage of covered payroll	20.82%	18.53%	17.81%	17.35%	16.73%	15.80%	15.14%	14.72%	14.01%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 738,138	$ 693,635	$ 718,341	$ 696,557	$ 672,117	$ 654,354	$ 622,594	$ 590,935	$ 468,894
Contributions in relation to the contractually required contribution	738,138	693,635	718,341	696,557	672,117	654,354	622,594	590,935	468,894
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Margate, Florida's covered payroll	$ 42,178,822	$ 41,785,344	$ 43,273,554	$ 41,961,062	$ 40,489,038	$ 39,418,922	$ 37,505,614	$ 35,583,830	$ 34,286,543
Contributions as a percentage of covered payroll	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.37%

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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.

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

Debt Service Fund

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

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

Capital Projects Funds

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

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

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

City of Margate, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets:				
Cash, cash equivalents, and investments	$ 14,738,192	$ 62,934	$ 15,322,620	$ 30,123,746
Accounts receivable, net	441,599	405	1,057	443,061
Prepayments and other assets	74,986	-	-	74,986
Total assets	$ 15,254,777	$ 63,339	$ 15,323,677	$ 30,641,793
Liabilities:				
Accounts payable and accrued liabilities	$ 484,281	$ -	$ 369,311	$ 853,592
Deferred Inflows of Resources:				
Unavailable revenue	139,504	-	-	139,504
Fund Balances:				
Nonspendable:				
Prepayments and other assets	74,986	-	-	74,986
Restricted for:				
Public safety	3,422,487	-	-	3,422,487
Transportation	8,316,488	-	-	8,316,488
Building	1,425,711	-	-	1,425,711
Culture and recreation	470,583	-	-	470,583
Debt service	-	63,339	-	63,339
Economic development	714,129	-	-	714,129
Streetlights	144,350	-	-	144,350
Utilities	62,258	-	-	62,258
Capital projects	-	-	5,077,686	5,077,686
Redevelopment projects	-	-	2,938,619	2,938,619
Assigned for:				
Capital projects	-	-	6,938,061	6,938,061
Total fund balances	14,630,992	63,339	14,954,366	29,648,697
Total liabilities and fund balances	$ 15,254,777	$ 63,339	$ 15,323,677	$ 30,641,793

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Property taxes	$ -	$ 2,121,245	$ -	$ 2,121,245
Licenses and permits	2,632,067	-	-	2,632,067
Intergovernmental	3,135,729	-	-	3,135,729
Investment income	550,657	6,960	365,593	923,210
Charges for services	64,279	-	-	64,279
Fines and forfeitures	520,304	-	-	520,304
Impact fees	36,192	-	-	36,192
Miscellaneous	1,101,131	-	-	1,101,131
Total revenues	8,040,359	2,128,205	365,593	10,534,157
Expenditures:				
Current:				
General government	-	-	3,193	3,193
Public safety	5,996,572	-	921,820	6,918,392
Economic and physical environment	139,060	-	1,869,103	2,008,163
Culture and recreation	1,026,750	-	693,237	1,719,987
Public works	1,942,669	-	54,704	1,997,373
Debt service:				
Principal retirement	288,676	1,045,000	-	1,333,676
Interest and other charges	11,713	1,088,077	-	1,099,790
Total expenditures	9,405,440	2,133,077	3,542,057	15,080,574
Excess (deficiency) of revenues over (under) expenditures	(1,365,081)	(4,872)	(3,176,464)	(4,546,417)
Other Financing Sources (Uses):				
Transfers in	60,000	-	1,543,169	1,603,169
Issuance of leases	47,666	-	-	47,666
Issuance of SBITAs	530,987	-	-	530,987
Proceeds from sale of capital assets	178,594	-	-	178,594
Transfers out	(1,163,000)	-	-	(1,163,000)
Total other financing sources (uses)	(345,753)	-	1,543,169	1,197,416
Net change in fund balances	(1,710,834)	(4,872)	(1,633,295)	(3,349,001)
Fund Balances, Beginning	16,341,826	68,211	16,587,661	32,997,698
Fund Balances, Ending	$ 14,630,992	$ 63,339	$ 14,954,366	$ 29,648,697

City of Margate, Florida
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2023

	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	Opioid Settlement Fund	Northwest Focal Point Senior Center Fund	Total
Assets:										
Cash, cash equivalents, and investments	$ 8,535,392	$ 1,028,500	$ 10,047	$ 2,442,671	$ 1,611,142	$ 713,769	$ 62,227	$ 30,887	$ 303,557	$ 14,738,192
Accounts receivable, net	230,891	3,446	5	11,316	112	360	31	16	195,422	441,599
Prepayments and other assets	-	-	-	3,453	1,800	-	-	-	69,733	74,986
Total assets	$ 8,766,283	$ 1,031,946	$ 10,052	$ 2,457,440	$ 1,613,054	$ 714,129	$ 62,258	$ 30,903	$ 568,712	$ 15,254,777
Liabilities:										
Accounts payable and accrued liabilities	$ 168,020	$ 93,399	$ -	$ 11,002	$ 185,543	$ -	$ -	$ -	$ 26,317	$ 484,281
Deferred Inflows of Resources:										
Unavailable revenue	137,425	-	-	-	-	-	-	-	2,079	139,504
Fund Balances:										
Nonspendable:										
Prepayments and other assets	-	-	-	3,453	1,800	-	-	-	69,733	74,986
Restricted for:										
Public safety	-	938,547	10,052	2,442,985	-	-	-	30,903	-	3,422,487
Transportation	8,316,488	-	-	-	-	-	-	-	-	8,316,488
Building	-	-	-	-	1,425,711	-	-	-	-	1,425,711
Culture and recreation	-	-	-	-	-	-	-	-	470,583	470,583
Economic development	-	-	-	-	-	714,129	-	-	-	714,129
Streetlights	144,350	-	-	-	-	-	-	-	-	144,350
Utilities	-	-	-	-	-	-	62,258	-	-	62,258
Total fund balances	8,460,838	938,547	10,052	2,446,438	1,427,511	714,129	62,258	30,903	540,316	14,630,992
Total liabilities and fund balances	$ 8,766,283	$ 1,031,946	$ 10,052	$ 2,457,440	$ 1,613,054	$ 714,129	$ 62,258	$ 30,903	$ 568,712	$ 15,254,777

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023

	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	Opioid Settlement Fund	Northwest Focal Point Senior Center Fund	Total
Revenues:										
Licenses and permits	$ -	$ -	$ -	$ -	$ 2,632,067	$ -	$ -	$ -	$ -	$ 2,632,067
Intergovernmental	1,921,700	-	-	-	2,040	334,166	-	-	877,823	3,135,729
Investment income	332,215	51,208	139	80,589	78,989	5,166	585	238	1,528	550,657
Charges for services	-	-	-	-	-	-	-	-	64,279	64,279
Fines and forfeitures	-	-	4,767	515,537	-	-	-	-	-	520,304
Impact fees	-	36,192	-	-	-	-	-	-	-	36,192
Miscellaneous	566	-	-	10,000	833,519	-	-	30,665	226,381	1,101,131
Total revenues	2,254,481	87,400	4,906	606,126	3,546,615	339,332	585	30,903	1,170,011	8,040,359
Expenditures:										
Current:										
Public safety	-	825,526	14,636	779,577	4,376,833	-	-	-	-	5,996,572
Economic and physical environment	-	-	-	-	-	139,009	51	-	-	139,060
Culture and recreation	-	-	-	-	-	-	-	-	1,026,750	1,026,750
Public works	1,942,669	-	-	-	-	-	-	-	-	1,942,669
Debt service:										
Principal retirement	7,273	-	-	132,017	149,386	-	-	-	-	288,676
Interest and other charges	464	-	-	3,991	7,258	-	-	-	-	11,713
Total expenditures	1,950,406	825,526	14,636	915,585	4,533,477	139,009	51	-	1,026,750	9,405,440
Excess (deficiency) of revenues over (under) expenditures	304,075	(738,126)	(9,730)	(309,459)	(986,862)	200,323	534	30,903	143,261	(1,365,081)
Other Financing Sources (Uses):										
Issuance of leases	-	-	-	-	47,666	-	-	-	-	47,666
Issuance of SBITAs	-	-	-	287,856	243,131	-	-	-	-	530,987
Proceeds from sale of capital assets	-	-	-	178,594	-	-	-	-	-	178,594
Transfers in	-	-	-	-	60,000	-	-	-	-	60,000
Transfers out	-	-	-	-	(1,163,000)	-	-	-	-	(1,163,000)
Total other financing sources (uses)	-	-	-	466,450	(812,203)	-	-	-	-	(345,753)
Net change in fund balances	304,075	(738,126)	(9,730)	156,991	(1,799,065)	200,323	534	30,903	143,261	(1,710,834)
Fund Balances, Beginning	8,156,763	1,676,673	19,782	2,289,447	3,226,576	513,806	61,724	-	397,055	16,341,826
Fund Balances, Ending	$ 8,460,838	$ 938,547	$ 10,052	$ 2,446,438	$ 1,427,511	$ 714,129	$ 62,258	$ 30,903	$ 540,316	$ 14,630,992

City of Margate, Florida
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2023

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
Assets:			
Cash, cash equivalents, and investments	$ 43,957	$ 18,977	$ 62,934
Accounts receivable, net	278	127	405
Total assets	$ 44,235	$ 19,104	$ 63,339
Fund Balances:			
Restricted for:			
Debt service	$ 44,235	$ 19,104	$ 63,339
Total fund balances	44,235	19,104	63,339
Total liabilities and fund balances	$ 44,235	$ 19,104	$ 63,339

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2023

	General Obligation Refunding Bonds, Series 2016 Debt Service Fund	General Obligation Bonds, Series 2019 Debt Service Fund	Total
Revenues:			
Property taxes	$ 1,458,028	$ 663,217	$ 2,121,245
Investment income	4,806	2,154	6,960
Total revenues	1,462,834	665,371	2,128,205
Expenditures:			
Debt service:			
Principal retirement	710,000	335,000	1,045,000
Interest and other charges	766,831	321,246	1,088,077
Total expenditures	1,476,831	656,246	2,133,077
Net change in fund balance	(13,997)	9,125	(4,872)
Fund Balances, Beginning	58,232	9,979	68,211
Fund Balances, Ending	$ 44,235	$ 19,104	$ 63,339

City of Margate, Florida
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2023

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Margate Community Redevelopment Agency Loan Proceeds Fund	Total
Assets:				
Cash, cash equivalents, and investments	$ 7,303,941	$ 5,078,336	$ 2,940,343	$ 15,322,620
Accounts receivable, net	88	-	969	1,057
Total assets	$ 7,304,029	$ 5,078,336	$ 2,941,312	$ 15,323,677
Liabilities:				
Accounts payable and accrued liabilities	$ 365,968	$ 650	$ 2,693	$ 369,311
Fund Balances:				
Restricted for:				
Capital projects	-	5,077,686	-	5,077,686
Redevelopment projects	-	-	2,938,619	2,938,619
Assigned for:				
Capital projects	6,938,061	-	-	6,938,061
Total fund balances	6,938,061	5,077,686	2,938,619	14,954,366
Total liabilities and fund balances	$ 7,304,029	$ 5,078,336	$ 2,941,312	$ 15,323,677

City of Margate, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2023

	General Capital Projects Fund	General Obligation Bonds Proceeds 2019 Fund	Margate Community Redevelopment Agency Loan Proceeds Fund	Total
Revenues:				
Investment income	$ 298,046	$ 43,034	$ 24,513	$ 365,593
Expenditures:				
Current:				
General government	3,193	-	-	3,193
Public safety	921,820	-	-	921,820
Economic and physical environment	-	-	1,869,103	1,869,103
Culture and recreation	642,552	50,685	-	693,237
Public works	54,704	-	-	54,704
Total expenditures	1,622,269	50,685	1,869,103	3,542,057
(Deficiency) of revenues (under) expenditures	(1,324,223)	(7,651)	(1,844,590)	(3,176,464)
Other Financing Sources:				
Transfers in	1,543,169	-	-	1,543,169
Net change in fund balances	218,946	(7,651)	(1,844,590)	(1,633,295)
Fund Balances, Beginning	6,719,115	5,085,337	4,783,209	16,587,661
Fund Balances, Ending	$ 6,938,061	$ 5,077,686	$ 2,938,619	$ 14,954,366

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 1,856,000	$ 1,921,700	$ 65,700
Investment income	25,000	332,215	307,215
Miscellaneous	-	566	566
Total revenues	1,881,000	2,254,481	373,481
Expenditures:			
Public works	2,525,036	1,942,669	582,367
Debt service:			
Principal retirement	-	7,273	(7,273)
Interest and other charges	-	464	(464)
Total expenditures	2,525,036	1,950,406	574,630
Net change in fund balance	(644,036)	304,075	948,111
Fund Balance, Beginning	8,156,763	8,156,763	-
Fund Balance, Ending	$ 7,512,727	$ 8,460,838	$ 948,111

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 500	$ 51,208	$ 50,708
Impact fees	20,000	36,192	16,192
Total revenues	20,500	87,400	66,900
Expenditures:			
Public safety	1,731,908	825,526	906,382
Net change in fund balance	(1,711,408)	(738,126)	973,282
Fund Balance, Beginning	1,676,673	1,676,673	-
Fund Balance, Ending	$ (34,735)	$ 938,547	$ 973,282

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 100	$ 139	$ 39
Fines and forfeitures	-	4,767	4,767
Total revenues	100	4,906	4,806
Expenditures:			
Public safety	14,725	14,636	89
Net change in fund balance	(14,625)	(9,730)	4,895
Fund Balance, Beginning	19,782	19,782	-
Fund Balance, Ending	$ 5,157	$ 10,052	$ 4,895

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 1,500	$ 80,589	$ 79,089
Fines and forfeitures	35,000	515,537	480,537
Miscellaneous	-	10,000	10,000
Total revenues	36,500	606,126	569,626
Expenditures:			
Public safety	849,617	779,577	70,040
Debt service:			
Principal retirement	-	132,017	(132,017)
Interest and other charges	-	3,991	(3,991)
Total expenditures	849,617	915,585	(65,968)
Excess (deficiency) of revenues over (under) expenditures	(813,117)	(309,459)	503,658
Other Financing Sources:			
Issuance of leases	-	-	-
Issuance of SBITAs	-	287,856	287,856
Proceeds from sale of capital assets	-	178,594	178,594
Total other financing sources	-	466,450	466,450
Net change in fund balance	(813,117)	156,991	970,108
Fund Balance, Beginning	2,289,447	2,289,447	-
Fund Balance, Ending	$ 1,476,330	$ 2,446,438	$ 970,108

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses and permits	$ 2,404,900	$ 2,632,067	$ 227,167
Intergovernmental	-	2,040	2,040
Investment income	5,000	78,989	73,989
Miscellaneous	797,927	833,519	35,592
Total revenues	3,207,827	3,546,615	338,788
Expenditures:			
Public safety	4,769,359	4,376,833	392,526
Debt service:			
Principal retirement	-	149,386	(149,386)
Interest and other charges	-	7,258	(7,258)
Total expenditures	4,769,359	4,533,477	235,882
Excess (deficiency) of revenues over (under) expenditures	(1,561,532)	(986,862)	574,670
Other Financing Sources (Uses):			
Issuance of leases	-	47,666	47,666
Issuance of SBITAs	-	243,131	243,131
Transfers in	60,000	60,000	-
Transfers out	(1,163,000)	(1,163,000)	-
Total other financing sources (uses)	(1,103,000)	(812,203)	290,797
Net change in fund balance	(2,664,532)	(1,799,065)	865,467
Fund Balance, Beginning	3,226,576	3,226,576	-
Fund Balance, Ending	$ 562,044	$ 1,427,511	$ 865,467

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 1,259,113	$ 334,166	$ (924,947)
Investment income	-	5,166	5,166
Total revenues	1,259,113	339,332	(919,781)
Expenditures:			
Economic and physical environment	1,748,813	139,009	1,609,804
Net change in fund balance	(489,700)	200,323	690,023
Fund Balance, Beginning	513,806	513,806	-
Fund Balance, Ending	$ 24,106	$ 714,129	$ 690,023

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 300	$ 585	$ 285
Miscellaneous	50,000	-	(50,000)
Total revenues	50,300	585	(49,715)
Expenditures:			
Economic and physical environment	300	51	249
Net change in fund balance	50,000	534	(49,466)
Fund Balance, Beginning	61,724	61,724	-
Fund Balance, Ending	$ 111,724	$ 62,258	$ (49,466)

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 1,102,466	$ 877,823	$ (224,643)
Investment income	1,000	1,528	528
Charges for services	13,500	64,279	50,779
Miscellaneous	217,000	226,381	9,381
Total revenues	1,333,966	1,170,011	(163,955)
Expenditures:			
Culture and recreation	1,518,796	1,026,750	492,046
Net change in fund balance	(184,830)	143,261	328,091
Fund Balance, Beginning	397,055	397,055	-
Fund Balance, Ending	$ 212,225	$ 540,316	$ 328,091

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, 2023

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

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	$ 1,441,500	$ 1,458,028	$ 16,528
Investment income	1,400	4,806	3,406
Total revenues	1,442,900	1,462,834	19,934
Expenditures:			
Debt service:			
Principal retirement	710,000	710,000	-
Interest and other charges	767,900	766,831	1,069
Total expenditures	1,477,900	1,476,831	1,069
Net change in fund balance	(35,000)	(13,997)	21,003
Fund Balance, Beginning	58,232	58,232	-
Fund Balance, Ending	$ 23,232	$ 44,235	$ 21,003

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	$ 656,100	$ 663,217	$ 7,117
Investment income	600	2,154	1,554
Total revenues	656,700	665,371	8,671
Expenditures:			
Debt service:			
Principal retirement	335,000	335,000	-
Interest and other charges	321,700	321,246	454
Total expenditures	656,700	656,246	454
Net change in fund balance	-	9,125	9,125
Fund Balance, Beginning	9,979	9,979	-
Fund Balance, Ending	$ 9,979	$ 19,104	$ 9,125

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 1,000,000	$ -	$ (1,000,000)
Investment income	2,500	298,046	295,546
Total revenues	1,002,500	298,046	(704,454)
Expenditures:			
General government	589,025	3,193	585,832
Public safety	5,030,793	921,820	4,108,973
Economic and physical environment	25,000	-	25,000
Culture and recreation	1,680,954	642,552	1,038,402
Public works	272,866	54,704	218,162
Total expenditures	7,598,638	1,622,269	5,976,369
Excess (deficiency) of revenues over (under) expenditures	(6,596,138)	(1,324,223)	5,271,915
Other Financing Sources:			
Transfers in	1,543,169	1,543,169	-
Net change in fund balance	(5,052,969)	218,946	5,271,915
Fund Balance, Beginning	6,719,115	6,719,115	-
Fund Balance, Ending	$ 1,666,146	$ 6,938,061	$ 5,271,915

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 10,000	$ 43,034	$ 33,034
Expenditures:			
Culture and recreation	7,428,401	50,685	7,377,716
Net change in fund balance	(7,418,401)	(7,651)	7,410,750
Fund Balance, Beginning	5,085,337	5,085,337	-
Fund Balance, Ending	$ (2,333,064)	$ 5,077,686	$ 7,410,750

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ -	$ 1,126,386	$ 1,126,386
Expenditures:			
Economic and physical environment	30,185,392	2,607,366	27,578,026
Excess (deficiency) of revenues over (under) expenditures	(30,185,392)	(1,480,980)	28,704,412
Other Financing Sources:			
Transfers in	8,266,008	8,266,008	-
Net change in fund balance	(21,919,384)	6,785,028	28,704,412
Fund Balance, Beginning	23,266,774	23,266,774	-
Fund Balance, Ending	$ 1,347,390	$ 30,051,802	$ 28,704,412

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	$ 1,000	$ 24,513	$ 23,513
Expenditures:			
Economic and physical environment	4,701,000	1,869,103	2,831,897
Net change in fund balance	(4,700,000)	(1,844,590)	2,855,410
Fund Balance, Beginning	4,783,209	4,783,209	-
Fund Balance, Ending	$ 83,209	$ 2,938,619	$ 2,855,410

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS	PAGE
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.	101-111
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	112-115
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.	116-119
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.	120-121
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.	122-124

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			
	2014 [1]	2015	2016	2017 [2]
Governmental Activities:				
Net investment in capital assets	$ 59,679,684	$ 60,387,578	$ 60,133,494	$ 60,215,424
Restricted	25,349,566	25,929,103	26,152,283	23,718,734
Unrestricted (deficit)	(35,371,656)	(31,134,727)	(32,416,624)	(53,488,962)
Total governmental activities net position	$ 49,657,594	$ 55,181,954	$ 53,869,153	$ 30,445,196
Business-type Activities:				
Net investment in capital assets	$ 40,903,406	$ 43,771,693	$ 46,413,559	$ 48,831,575
Restricted	500,000	500,000	500,000	500,000
Unrestricted	32,016,559	36,780,207	40,415,771	37,633,944
Total business-type activities net position	$ 73,419,965	$ 81,051,900	$ 87,329,330	$ 86,965,519
Primary Government:				
Net investment in capital assets	$ 100,583,090	$ 104,159,271	$ 106,547,053	$ 109,046,999
Restricted	25,849,566	26,429,103	26,652,283	24,218,734
Unrestricted (deficit)	(3,355,097)	5,645,480	7,999,147	(15,855,018)
Total government net position	$ 123,077,559	$ 136,233,854	$ 141,198,483	$ 117,410,715

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

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

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

Table 1

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022** [3]	**2023**
$ 62,969,641	$ 65,787,214	$ 71,662,265	$ 75,507,061	$ 71,754,583	$ 75,020,706
26,704,283	26,488,946	30,818,826	33,240,371	45,514,761	48,922,323
(31,336,561)	(34,912,594)	(46,410,934)	(38,433,081)	(38,362,239)	(31,536,061)
$ 58,337,363	$ 57,363,566	$ 56,070,157	$ 70,314,351	$ 78,907,105	$ 92,406,968
$ 51,915,054	$ 53,195,346	$ 56,090,223	$ 57,740,290	$ 58,472,473	$ 80,287,233
500,000	500,000	500,000	500,000	500,000	500,000
44,735,364	50,535,278	55,023,954	61,885,510	64,206,779	47,478,005
$ 97,150,418	$ 104,230,624	$ 111,614,177	$ 120,125,800	$ 123,179,252	$ 128,265,238
$ 114,884,695	$ 118,982,560	$ 127,752,488	$ 133,247,351	$ 130,227,056	$ 155,307,939
27,204,283	26,988,946	31,318,826	33,740,371	46,014,761	49,422,323
13,398,803	15,622,684	8,613,020	23,452,429	25,844,540	15,941,944
$ 155,487,781	$ 161,594,190	$ 167,684,334	$ 190,440,151	$ 202,086,357	$ 220,672,206

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	$ 11,010,723	$ 10,237,660	$ 12,111,517	$ 15,566,363
Public safety	37,593,750	33,491,912	40,320,179	44,439,211
Economic and physical environment	2,623,786	2,332,157	2,186,059	1,656,356
Culture and recreation	4,981,341	5,136,787	5,643,172	6,171,871
Public works	10,981,715	7,099,119	5,691,156	6,402,118
Interest expense	1,651,830	1,537,960	1,729,592	986,383
Total governmental activities	68,843,145	59,835,595	67,681,675	75,222,302
Business-type activities:				
Water and wastewater	18,693,949	17,201,687	17,268,787	18,353,056
Stormwater utility	1,035,953	1,094,793	1,239,865	1,805,252
Interest expense	-	-	-	-
Total business-type activities	19,729,902	18,296,480	18,508,652	20,158,308
Total expenses	$ 88,573,047	$ 78,132,075	$ 86,190,327	$ 95,380,610
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	$ 886,109	$ 112,679	$ 102,527	$ 1,247,307
Public safety	18,469,940	19,009,361	18,905,230	20,764,031
Economic and physical environment	568,145	606,746	644,712	614,604
Culture and recreation	511,007	620,378	590,480	626,102
Public works	23,209	26,793	182,365	153,528
Operating grants and contributions	2,158,337	2,054,187	1,234,999	1,672,897
Capital grants and contributions	-	-	315,776	-
Total governmental activities	22,616,747	22,430,144	21,976,089	25,078,469
Business-type activities:				
Charges for services:				
Water and wastewater	22,732,250	23,119,770	23,041,571	23,679,881
Stormwater utility	1,248,354	1,249,029	1,674,706	1,890,702
Operating grants and contributions	-	-	-	161,670
Capital grants and contributions	318,930	3,574,749	1,429,870	753,965
Total business-type activities	24,299,534	27,943,548	26,146,147	26,486,218
Total program revenues	$ 46,916,281	$ 50,373,692	$ 48,122,236	$ 51,564,687
Net (Expense)/Revenue:				
Governmental activities	$ (46,226,398)	$ (37,405,451)	$ (45,705,586)	$ (50,143,833)
Business-type activities	4,569,632	9,647,068	7,637,495	6,327,910
Total net expense	$ (41,656,766)	$ (27,758,383)	$ (38,068,091)	$ (43,815,923)

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 16,029,823	$ 17,375,785	$ 18,651,598	$ 17,628,396	$ 21,797,531	$ 20,663,294
23,748,248	50,009,874	54,520,281	42,003,377	38,588,704	55,250,504
2,149,791	2,727,004	1,997,008	2,201,710	2,427,507	2,457,223
4,392,717	5,771,761	6,089,205	6,483,972	6,874,049	7,464,434
5,529,471	7,445,183	5,594,085	7,454,869	7,293,006	6,823,613
959,049	1,026,789	1,088,437	995,383	930,811	999,334
52,809,099	84,356,396	87,940,614	76,767,707	77,911,608	93,658,402
13,355,780	19,199,737	19,292,589	17,609,210	19,991,966	22,681,192
1,613,594	2,070,907	2,080,996	2,213,950	3,064,050	3,335,452
-	-	-	-	4,513	13,392
14,969,374	21,270,644	21,373,585	19,823,160	23,060,529	26,030,036
$ 67,778,473	$ 105,627,040	$ 109,314,199	$ 96,590,867	$ 100,972,137	$ 119,688,438
$ 1,265,458	$ 1,864,890	$ 2,101,684	$ 2,111,702	$ 2,233,761	$ 2,776,240
25,109,960	23,755,654	24,416,207	26,009,064	16,146,820	15,568,628
577,234	583,439	469,784	658,430	707,788	783,587
609,489	588,010	115,464	349,315	1,331,184	1,488,536
164,019	143,718	153,479	196,231	708,899	547,417
3,331,804	2,783,414	2,139,714	3,126,078	2,103,143	12,584,034
204,500	200,000	1,000,000	-	173,588	-
31,262,464	29,919,125	30,396,332	32,450,820	23,405,183	33,748,442
23,814,914	25,479,357	25,049,915	25,257,239	25,768,232	25,794,595
1,920,205	1,977,995	3,010,498	3,469,136	3,652,934	3,838,480
-	-	176,522	40,579	-	-
712,549	752,643	608,478	1,336,200	309,442	902,087
26,447,668	28,209,995	28,845,413	30,103,154	29,730,608	30,535,162
$ 57,710,132	$ 58,129,120	$ 59,241,745	$ 62,553,974	$ 53,135,791	$ 64,283,604
$ (21,546,635)	$ (54,437,271)	$ (57,544,282)	$ (44,316,887)	$ (54,506,425)	$ (59,909,960)
11,478,294	6,939,351	7,471,828	10,279,994	6,670,079	4,505,126
$ (10,068,341)	$ (47,497,920)	$ (50,072,454)	$ (34,036,893)	$ (47,836,346)	$ (55,404,834)

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

	Fiscal Year			
	2014	2015	2016	2017
General Revenues:				
Governmental activities:				
Taxes:				
Property	$ 15,211,654	$ 15,587,799	$ 16,775,348	$ 17,564,660
Franchise	4,062,878	4,181,165	4,227,712	4,187,221
Utility service	6,573,918	6,583,890	6,549,625	6,721,183
Sales	4,817,410	5,109,632	5,255,180	5,406,711
Gas	1,450,728	1,493,761	1,518,724	1,590,299
Tax incremental revenue	4,326,277	4,180,496	4,419,493	4,977,575
Intergovernmental not restricted to specific program	174,228	176,397	185,753	192,551
Investment income (loss)	152,571	221,859	392,078	594,024
Miscellaneous	1,893,816	3,049,471	3,287,990	2,584,095
Gain (loss) on disposal of capital assets	-	69,179	26,444	3,728
Transfers	1,746,163	2,276,162	1,754,438	1,781,501
Total governmental activities	40,409,643	42,929,811	44,392,785	45,603,548
Business-type activities:				
Investment income (loss)	259,292	227,561	330,676	344,894
Miscellaneous	-	-	-	-
Gain on disposal of capital assets	29,944	33,468	63,697	9,138
Transfers	(1,746,163)	(2,276,162)	(1,754,438)	(1,781,501)
Total business-type activities	(1,456,927)	(2,015,133)	(1,360,065)	(1,427,469)
Total primary government	$ 38,952,716	$ 40,914,678	$ 43,032,720	$ 44,176,079
Change in Net Position:				
Governmental activities	$ (5,816,755)	$ 5,524,360	$ (1,312,801)	$ (4,540,285)
Business-type activities	3,112,705	7,631,935	6,277,430	4,900,441
Total change in net position	$ (2,704,050)	$ 13,156,295	$ 4,964,629	$ 360,156

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 19,434,073	$ 21,038,583	$ 24,590,658	$ 26,368,626	$ 27,725,606	$ 30,404,956
4,219,667	4,328,426	4,238,113	4,341,404	4,822,811	5,730,554
6,798,280	6,620,866	6,543,809	6,704,297	6,905,854	7,834,875
5,706,697	5,840,184	5,285,263	6,258,880	7,488,997	7,625,638
1,602,988	1,615,509	1,432,069	1,484,478	1,595,035	1,583,174
5,867,757	6,362,579	7,187,259	8,061,418	8,937,619	10,011,585
201,399	226,152	209,345	594,641	80,783	154,243
601,435	2,508,447	1,880,591	172,117	(615,693)	4,335,048
3,141,176	3,029,873	3,016,000	2,579,486	3,389,616	3,515,263
49,980	41,198	(37,589)	52,272	631,344	191,814
1,815,350	1,851,657	1,905,355	1,943,462	1,964,840	2,022,673
49,438,802	53,463,474	56,250,873	58,561,081	62,926,812	73,409,823
434,255	1,976,199	1,745,754	120,276	(1,753,430)	2,460,181
-	-	-	-	-	86,350
87,700	16,313	71,326	54,815	101,643	57,002
(1,815,350)	(1,851,657)	(1,905,355)	(1,943,462)	(1,964,840)	(2,022,673)
(1,293,395)	140,855	(88,275)	(1,768,371)	(3,616,627)	580,860
$ 48,145,407	$ 53,604,329	$ 56,162,598	$ 56,792,710	$ 59,310,185	$ 73,990,683
$ 27,892,167	$ (973,797)	$ (1,293,409)	$ 14,244,194	$ 8,420,387	$ 13,499,863
10,184,899	7,080,206	7,383,553	8,511,623	3,053,452	5,085,986
$ 38,077,066	$ 6,106,409	$ 6,090,144	$ 22,755,817	$ 11,473,839	$ 18,585,849

City of Margate, Florida **Table 3**

Governmental Activities Tax Revenues By Source

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

Fiscal Year	Property	Franchise	Utility Service	Sales	Gas	Incremental	Total
2014	$ 15,212	$ 4,063	$ 6,574	$ 4,817	$ 1,451	$ 4,326	$ 36,443
2015	15,588	4,181	6,584	5,110	1,494	4,180	37,137
2016	16,775	4,228	6,550	5,255	1,519	4,419	38,746
2017	17,565	4,320	6,721	5,407	1,590	4,978	40,581
2018	19,434	4,220	6,798	5,707	1,603	5,868	43,630
2019	21,039	4,328	6,621	5,840	1,616	6,363	45,807
2020	24,591	4,238	6,544	5,285	1,432	7,187	49,277
2021	26,369	4,341	6,704	6,259	1,485	8,061	53,219
2022	27,726	4,823	6,906	7,489	1,595	8,938	57,477
2023	30,405	5,731	7,835	7,626	1,583	10,012	63,192

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund:				
Nonspendable	$ 16,447	$ 21,019	$ -	$ 45,717
Restricted	1,498,012	1,240,019	1,737,109	3,402,307
Committed	-	1,060,302	1,060,302	1,088,002
Assigned	19,076,067	22,619,686	23,935,029	21,944,916
Unassigned	7,751,670	7,956,394	8,522,225	9,424,764
Total general fund	$ 28,342,196	$ 32,897,420	$ 35,254,665	$ 35,905,706
All Other Governmental Funds:				
Nonspendable, reported in:				
Special revenue funds	$ 51,961	$ 48,137	$ 46,348	$ 53,312
Capital projects funds	-	-	-	-
Restricted, reported in:				
Special revenue funds	8,401,957	8,751,956	8,674,926	9,939,278
Debt service funds	1,001,488	1,014,927	1,044,678	1,592,104
Capital projects funds	14,690,375	14,922,201	14,695,570	14,398,058
Assigned, reported in:				
Capital projects funds	1,929,942	1,587,696	2,463,140	3,498,201
Unassigned, reported in:				
Special revenue funds	(25,005)	-	(2,441)	-
Total all other governmental funds	$ 26,050,718	$ 26,324,917	$ 26,922,221	$ 29,480,953

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

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 263,640	$ 252,016	$ 227,482	$ 48,416	$ 83,260	$ 90,695
3,794,975	968,156	32,908	28,606	43,977	34,748
1,098,866	1,029,045	857,675	860,323	890,188	934,499
14,858,097	17,577,550	19,165,039	25,038,714	20,937,804	31,278,193
12,069,685	12,580,936	12,323,967	11,368,144	16,139,594	18,081,548
$ 32,085,263	$ 32,407,703	$ 32,607,071	$ 37,344,203	$ 38,094,823	$ 50,419,683
$ 52,026	$ 59,291	$ 68,245	$ 68,050	$ 271,869	$ 470,867
-	-	-	15,000	-	
11,103,937	11,638,472	15,159,066	16,232,877	17,352,590	15,833,815
1,110,957	1,145,063	1,079,040	67,746	68,211	63,339
15,632,982	27,581,864	27,467,823	29,052,108	33,135,320	38,068,107
6,672,756	8,962,518	8,793,904	8,626,949	6,719,115	6,938,061
-	-	-	-	-	-
$ 34,572,658	$ 49,387,208	$ 52,568,078	$ 54,062,730	$ 57,547,105	$ 61,374,189

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Property taxes	$ 15,211,654	$ 15,587,799	$ 16,775,348	$ 17,564,660
Franchise taxes	4,062,878	4,181,165	4,095,079	4,319,854
Utility service taxes	6,573,918	6,583,890	6,549,625	6,721,183
Tax incremental	4,326,277	4,180,496	4,419,493	4,977,575
Licenses and permits	1,877,792	2,567,975	2,213,850	2,805,386
Intergovernmental	8,795,630	8,803,540	8,467,575	8,450,327
Investment income (loss)	152,571	221,859	392,078	594,024
Charges for services	16,972,896	16,521,975	18,272,314	19,099,261
Rental income	568,145	606,746	644,712	614,604
Fines and forfeitures	1,049,448	862,313	750,256	889,820
Impact fees	-	-	19,979	351,226
Miscellaneous	1,689,018	2,966,035	1,507,090	2,287,818
Total revenues	61,280,227	63,083,793	64,107,399	68,675,738
Expenditures:				
General government	9,683,148	9,900,269	11,327,985	14,382,715
Public safety	32,536,389	33,662,839	35,541,311	37,678,550
Economic and physical environment	2,247,114	1,931,976	2,190,024	2,033,200
Culture and recreation	4,152,605	4,365,561	5,049,683	5,926,915
Redevelopment projects	1,064,790	-	-	-
Public works	4,698,554	4,497,875	4,802,219	4,603,535
Debt Service:				
Principal retirement	2,600,937	2,686,915	2,851,608	2,348,141
Interest and other charges	1,650,987	1,561,185	1,464,264	1,243,652
Issuance costs and other fiscal charges	-	-	133,148	-
Capital outlay	812,791	1,923,912	-	-
Total expenditures	59,447,315	60,530,532	63,360,242	68,216,708
Excess (deficiency) of revenues over (under) expenditures	1,832,912	2,553,261	747,157	459,030
Other Financing Sources (Uses):				
Issuance of refunding bond	-	-	18,950,000	-
Premium on refunding bond	-	-	4,210,851	-
Issuance of bond	-	-	-	-
Premium of bond	-	-	-	-
Payment to refunded bonds escrow agent	-	-	(23,025,000)	-
Issuance of leases	-	-	317,103	969,242
Issuance of SBITAs	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	20,503,194	8,358,322	5,572,149	7,033,116
Transfers out	(18,757,031)	(6,082,160)	(3,817,711)	(5,251,615)
Total other financing sources (uses)	1,746,163	2,276,162	2,207,392	2,750,743
Net change in fund balances	$ 3,579,075	$ 4,829,423	$ 2,954,549	$ 3,209,773
Debt service as a percentage of noncapital expenditures	7.3%	7.3%	7.3%	5.5%

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 19,434,073	$ 21,038,583	$ 24,590,658	$ 26,368,626	$ 27,725,606	$ 30,404,956
4,219,667	4,328,426	4,238,113	4,341,404	4,822,811	5,718,901
6,798,280	6,620,866	6,543,809	6,704,297	6,905,854	7,834,875
5,867,757	6,362,579	7,187,259	8,061,418	8,937,619	10,011,585
4,595,434	2,524,880	2,840,947	3,805,477	3,696,594	3,524,885
9,644,517	11,804,119	10,303,130	11,667,156	11,452,118	21,797,212
601,435	2,527,945	1,881,165	172,117	(615,693)	4,335,048
21,692,497	23,401,491	23,630,396	24,367,258	15,211,921	15,932,126
577,234	583,439	469,784	658,430	707,038	782,239
1,179,347	704,115	791,151	592,487	945,881	839,312
402,892	31,511	94,951	255,987	277,773	36,192
2,556,069	2,726,094	2,404,042	2,850,289	3,601,284	3,806,697
77,569,202	82,654,048	84,975,405	89,844,946	83,668,806	105,024,028
18,583,917	17,114,239	17,338,260	17,857,747	19,497,663	22,456,302
40,963,436	43,678,856	45,901,655	47,179,562	44,915,568	48,594,409
2,806,698	3,038,198	3,011,044	4,583,289	2,598,850	5,930,660
6,466,214	6,242,521	8,739,939	7,292,942	7,579,548	7,011,468
-	-	-	-	-	-
4,953,068	5,328,455	4,756,989	5,202,953	5,806,945	5,577,056
3,155,111	2,693,816	2,844,271	3,198,416	1,816,789	2,005,910
1,184,846	1,097,064	1,426,924	1,264,901	1,190,993	1,160,922
-	170,854	-	-	-	-
-	-	-	-	-	-
78,113,290	79,364,003	84,019,082	86,579,810	83,406,356	92,736,727
(544,088)	3,290,045	956,323	3,265,136	262,450	12,287,301
-	-	-	-	-	-
-	-	-	-	-	-
-	9,105,000	-	-	-	-
-	890,288	-	-	-	-
-	-	-	-	-	-
-	-	-	867,861	1,181,595	768,088
-	-	-	-	-	723,815
-	-	518,560	155,325	826,110	350,067
10,976,434	10,040,819	10,569,583	10,795,571	10,105,122	11,973,521
(9,161,084)	(8,189,162)	(8,664,228)	(8,852,109)	(8,140,282)	(9,950,848)
1,815,350	11,846,945	2,423,915	2,966,648	3,972,545	3,864,643
$ 1,271,262	$ 15,136,990	$ 3,380,238	$ 6,231,784	$ 4,234,995	$ 16,151,944
5.9%	5.1%	5.8%	5.8%	4.0%	3.8%

City of Margate, Florida **Table 6**

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Tax Year	Real Property				Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Market Value	Total Assessed Value as a Percentage of Estimated Market Value
		Residential Property	Commercial Property	Industrial Property	Other (1)					
2014	2013	$ 1,894,929	$ 503,368	$ 100,647	$ 264,324	$ 785,633	$ 1,977,635	$ 7.5593	$ 2,984,185	66.27%
2015	2014	2,015,025	509,434	106,087	275,250	792,233	2,113,563	7.3093	3,389,842	62.35%
2016	2015	2,160,635	507,459	110,480	273,271	785,590	2,266,255	7.3093	3,718,806	60.94%
2017	2016	2,300,737	556,026	116,066	275,405	803,051	2,445,183	7.0593	4,061,741	60.20%
2018	2017	2,528,342	610,033	132,996	278,283	831,748	2,717,906	7.0593	4,476,856	60.71%
2019	2018	2,757,756	628,900	143,835	277,644	854,849	2,953,286	7.0593	4,914,410	60.09%
2020	2019	2,958,543	644,400	152,103	291,252	879,029	3,167,269	7.7666	5,283,748	59.94%
2021	2020	3,157,619	662,453	161,746	322,212	910,695	3,393,335	7.7383	5,536,860	61.29%
2022	2021	3,349,655	664,421	190,714	337,825	935,430	3,607,185	7.7145	5,887,967	61.26%
2023	2022	3,695,903	688,729	206,732	351,015	963,774	3,978,605	7.6508	6,810,115	58.42%

Source: Broward County Property Appraiser.

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

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

City of Margate, Florida **Table 7**

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

	City of Margate			Overlapping Rates*						
Fiscal Year	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	Total Direct and Overlapping Rates
2014	7.3300	0.2293	7.5593	7.4800	5.7230	0.4110	0.4882	1.7554	0.0345	23.4514
2015	6.2761	1.0332	7.3093	7.4380	5.7230	0.3842	0.4882	1.5939	0.0345	22.9711
2016	6.3402	0.9691	7.3093	7.2740	5.7230	0.3551	0.4882	1.4425	0.0320	22.6241
2017	6.4554	0.6039	7.0593	6.9063	5.6690	0.3307	0.4882	1.3462	0.0320	21.8317
2018	6.5183	0.5410	7.0593	6.5394	5.6690	0.3100	0.4882	1.2483	0.0320	21.3462
2019	6.5594	0.4999	7.0593	6.4029	5.6690	0.2936	0.4882	1.0855	0.0320	21.0305
2020	7.1171	0.6495	7.7666	6.7393	5.6690	0.2795	0.4882	1.0324	0.0320	22.0070
2021	7.1171	0.6212	7.7383	6.5052	5.6690	0.2675	0.4882	1.1469	0.0320	21.8471
2022	7.1171	0.5974	7.7145	6.4621	5.6690	0.2572	0.4699	1.2770	0.0320	21.8817
2023	7.1171	0.5337	7.6508	6.1383	5.6690	0.2301	0.4500	1.6029	0.0320	21.7731

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 **Table 8**
Principal Property Taxpayers
Current Year and Nine Years Ago

	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Northwest Regional Hospital Inc.	$ 82,746,180	1	2.08%	$ 37,096,540	2	1.88%
Florida Power & Light Company	71,865,632	2	1.81%	37,575,177	1	1.90%
BPP Alphabet MF Pinebrook PTE LLC	63,370,627	3	1.59%	-	-	-
Avalon Toscana LLC	57,837,517	4	1.45%	-	-	-
Celebration Pointe North LLC	57,739,140	5	1.45%	-	-	-
Lakes at Margate Apt Owner LLC	57,081,710	6	1.43%	-	-	-
Isle Multifamily Partners LLC	48,722,750	7	1.22%			
Peppertree Plaza LLC	42,199,680	8	1.06%	-	-	-
WE Fairways of Carolina Owner LLC	35,423,520	9	0.89%	-	-	-
Cross Creek Realty Holdings LLC	31,313,468	10	0.79%	-	-	-
Morguard Blue Isle LLC	-	-	-	35,200,920	3	1.78%
MHC Coral Cay Plantation LLC	-	-	-	27,690,000	5	1.40%
Kimco Realty Corporation	-	-	-	29,580,120	4	1.50%
Mullinax Ford South Inc.	-	-	-	18,300,250	8	0.93%
JM Auto Inc.	-	-	-	21,561,350	7	1.09%
Behringer Harvard Margate LLC	-	-	-	22,462,060	6	1.14%
Lakewood Retail LLC	-	-	-	18,190,850	9	0.92%
Fairfield Fairways Carolina LLC	-	-	-	17,639,050	10	0.89%
Total	$ 548,300,224		13.77%	$ 265,296,317		13.43%

Source: Broward County Revenue Collector.

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

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount*	Percentage of Levy		Amount	Percentage of Levy
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%	9	20,992	95.7%
2020	2019	25,753	24,554	95.3%	99	24,653	95.7%
2021	2020	27,429	26,243	95.7%	2	26,245	95.7%
2022	2021	28,975	27,721	95.7%	11	27,732	95.7%
2023	2022	31,609	30,332	96.0%	-	30,332	96.0%

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

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

City of Margate, Florida **Table 10**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds	Community Redevelopment Bonds	Leases & SBITAs	Water and Sewer Refunding Revenue Bonds	Leases & SBITAs	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2014	$ 25,167	$ 12,661	$ 625	$ 6,075	$ -	$ 44,528	$ 3.72%	$ 804
2015	24,119	11,142	506	5,155	-	40,922	3.30%	733
2016	23,144 (2)	9,574	634	4,205	-	37,557	2.87%	656
2017	22,365 (2)	7,955	1,419	3,215	-	34,954	2.57%	603
2018	21,610 (2)	5,769	1,004	2,185	-	30,568	2.10%	524
2019	30,812 (2)	4,045	620	1,115	-	36,592	2.35%	619
2020	29,727 (2)	2,264	396	-	-	32,387	2.01%	546
2021	28,532 (2)	426	854	-	-	29,812	1.85%	502
2022	27,287 (2)	-	1,645	-	153	29,085	1.63%	495
2023	25,997 (2)	-	5,060	-	638	31,695	1.65%	540

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

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

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

City of Margate, Florida **Table 11**

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: General Obligation Bonds	General Bonded Debt Outstanding: Less: Amounts Available in Debt Service Fund	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita (2)
2014	2013	$ 1,977,635	$ 25,167	$ 45	$ 25,122	1.27%	$ 453.33
2015	2014	2,113,563	24,119	56	24,063	1.14%	430.84
2016	2015	2,266,255	23,144	83	23,061	1.02%	402.98
2017	2016	2,445,183	22,365	110	22,255	0.91%	383.97
2018	2017	2,717,906	21,610	126	21,484	0.79%	368.32
2019	2018	2,953,286	30,812	146	30,666	1.04%	518.74
2020	2019	3,167,269	29,727	76	29,651	0.94%	499.59
2021	2020	3,393,335	28,532	58	28,474	0.84%	479.76
2022	2021	3,607,185	27,287	68	27,219	0.75%	463.22
2023	2022	3,978,605	25,997	63	25,934	0.65%	441.62

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 **Table 12**
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes			
Broward County School Board	$ 2,281,909	1.54%	$ 35,141
Broward County	39,205	1.68%	659
Subtotal, overlapping debt			35,800
City of Margate direct debt			31,057
Total direct and overlapping debt			$ 66,857

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 **Table 13**
Pledged-Revenue Coverage
Water and Wastewater Enterprise Fund
Last Ten Fiscal Years (dollars in thousands)

	Water and Sewer Refunding Revenue Bonds					
	As Defined by Bond Indenture					
Fiscal Year	Revenues	Expenses	Net Revenues	Income Available for Debt Service	Maximum Annual Debt Service	Coverage-Dollars of Income Available for Each Dollar of Maximum Annual Debt Service
2014	$ 22,987	$ 14,693	$ 8,294	$ 8,294	$ 1,163	$ 7.13
2015	22,346	13,500	9,846	9,846	1,160	8.49
2016	23,354	13,933	9,421	9,421	1,160	8.12
2017	24,142	14,979	9,163	9,163	1,160	7.90
2018	24,595	10,188	14,407	14,407	1,160	12.42
2019	26,620	15,821	10,799	10,799	1,160	9.31
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-

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 **Table 14**
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	School Enrollment (3)	Broward County Unemployment Rate (4)
2014	55,417	$ 1,197,783	$ 21,614	7,172	5.20%
2015	55,851	1,240,283	22,207	7,297	4.90%
2016	57,226	1,309,045	22,875	7,446	4.60%
2017	57,961	1,362,547	23,508	7,447	3.30%
2018	58,329	1,453,617	24,921	7,408	2.80%
2019	59,116	1,556,702	26,333	7,490	2.80%
2020	59,351	1,609,480	27,118	7,326	7.80%
2021	59,351	1,609,480	27,118	7,283	4.40%
2022	58,760	1,786,245	30,399	7,243	2.60%
2023	58,725	1,920,719	32,707	7,140	3.00%

Sources:
(1) University of Florida Bureau of Economic and Business Research. 2021 Population restates - was unavailable for 2021 ACFR.
(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 **Table 15**
Principal Employers
Current Year and Nine Years Ago

	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northwest Medical Center *	1,031	1	3.23%	959	2	3.16%
City of Margate, Florida	564	2	1.77%	527	3	1.74%
JM Lexus	385	3	1.21%	414	4	1.36%
Broward County Schools	374	4	1.17%	396	5	1.30%
Centers Plan for Healthy Living	275	5	0.86%	-	-	-
Walmart	260	6	0.81%	300	6	0.99%
Publix **	153	7	0.48%	125	10	0.41%
Arrigo Dodge/Jeep	125	8	0.39%	-	-	-
Broward Meat and Fish	115	9	0.36%	-	-	-
Global Response Corporation ***	-	-	-	1,000	1	3.29%
Penn Dutch	-	-	-	178	7	0.59%
Nationwide Relocation Services	-	-	-	145	8	0.48%
AutoNation Ford Margate	-	-	-	140	9	0.46%
Total	3,282		10.28%	4,184		13.78%

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

* Northwest Medical Center was non-responsive to survey, prior year data used.
** Publix was being renovated in 2023, prior year data used.
*** Global Response Corporation moved out of Margate. A tenth employer could not be obtained in a timely manner for this report.

City of Margate, Florida

Table 16

Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
City commission	5	5	5	5	5	5	5	5	5	5
City manager	7	6	4	4	8	9	9	9	8	9
Development services **	7	7	9	10	8	8	9	8	8	9
Finance	20	21	8	9	9	9	9	9	9	9
Purchasing *	-	-	4	4	4	5	5	5	5	5
Human resources	6	6	6	7	7	7	7	7	8	8
City clerk	7	7	7	7	7	7	7	7	7	7
City attorney	1	1	1	1	1	1	3	2	2	-
Building	13	11	11	13	16	16	17	19	29	28
Information technology	5	5	6	6	6	6	6	6	6	7
Police:										
Officers	111	111	112	111	117	117	117	117	117	117
Non-certified personnel	40	39	35	35	36	37	36	42	37	38
Fire:										
Firefighters/Paramedics ***	108	108	116	116	123	123	123	123	76	76
Firefighters/EMTs	2	2	2	2	2	-	-	-	-	-
Fire Safety Inspectors	-	-	-	-	-	2	2	2	1	2
Non-certified personnel	2	2	2	2	2	3	3	3	3	2
Public Works:										
Administration	3	4	4	4	5	5	6	5	5	5
Building	9	8	7	8	8	9	9	9	9	9
Garage	10	8	9	9	9	9	9	9	9	9
Roads	3	3	3	3	3	3	4	4	4	4
Stormwater utility	9	10	10	11	11	11	11	11	11	11
Parks and Recreation	47	55	50	54	50	49	41	52	54	58
Environment & Engineering Services:										
Treatment	38	37	36	36	38	37	36	36	36	37
Transmission, distribution & collection	30	31	32	32	32	32	32	32	32	32
Utility billing *	-	-	6	6	6	6	6	6	6	6
Administration & engineering	15	15	16	17	18	20	20	21	21	21
Total	498	502	501	512	531	536	532	549	508	514

Source: City's Finance Department

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.
* Purchasing and Utility Billing were previously included in Finance.
** Formerly known as Economic development.
*** Contractual services ended with the City of Coconut Creek reducing staffing accordingly.

City of Margate, Florida **Table 17**

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Building permits issued	4,441	4,836	4,722	5,080	6,608	5,660	5,217	6,017	6,462	6,671
Lien inquiries	1,777	2,241	2,147	2,079	1,873	2,109	1,854	2,342	2,525	1,648
Police:										
Physical arrests	1,024	1,046	1,025	1,093	1,341	1,161	867	820	792	837
Parking citations	63	118	81	126	132	365	213	220	355	1,021
Traffic citations	4,816	5,097	5,253	6,563	8,185	5,760	3,214	3,071	4,428	3,731
Fire:										
Emergency responses	14,950	15,089	16,390	17,627	18,324	17,436	17,119	17,510	9,099	9,566
Inspections	2,849	2,782	3,360	3,512	3,369	2,579	1,400	2,589	3,066	3,233
Public works:										
Total route miles - Margate mini buses	57	58	67	55	55	56	55	55	55	55
Transit passengers - Margate mini buses	66,198	62,981	71,323	93,473	91,914	95,952	73,336	59,814	71,064	70,809
Culture and Recreation:										
Pool admissions	37,795	50,958	39,477	45,274	38,461	34,915	-	25,337	38,279	33,739
Summer camp participants	179	198	209	251	268	262	-	62	97	116
Library circulation	124,833	114,456	100,171	85,974	71,185	85,756	43,718	41,728	47,200	48,192
Environmental and Engineering Services:										
Water and wastewater system:										
Number of billed accounts monthly	16,779	16,811	16,811	16,873	16,877	16,992	17,031	17,027	17,005	17,003
Average number of gallons of water consumed daily (thousands of gallons)	7,425	6,777	6,462	6,093	5,088	5,523	6,028	5,628	5,674	5,540
Average number of gallons of wastewater treated daily (thousands of gallons)	6,602	6,246	6,484	6,716	6,947	6,532	6,532	6,489	6,689	6,703

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 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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)	115	89	89	100	105	101	96	94	96	96
Administrative buildings - Fire	1	1	1	1	1	1	1	1	1	1
Number of fire stations	3	3	3	3	3	3	5	3	3	3
Number of fire engines	10	7	5	5	5	5	5	3	3	6
Number of rescue transport vehicles	9	7	5	5	5	5	5	3	3	6
Public Works:										
Public roads (miles)	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71	110.71
City roads (miles)	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28	101.28
Transit-minibus	4	4	4	4	4	4	4	4	4	4
Culture and Recreation:										
Number of parks	19	19	19	19	19	19	19	19	19	19
Park acreage	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90	131.90
Conservation land use (acres)	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24	52.24
Community Center	2	2	2	2	2	2	2	2	2	2
Libraries	1	1	1	1	1	1	1	1	1	1
Environmental and Engineering Services:										
Administrative buildings	1	1	1	1	1	1	1	1	1	1
Water and wastewater system:										
Miles of water mains	211.27	211.00	212.00	212.67	212.75	213.43	213.43	213.43	213.08	213.23
Miles of wastewater mains	176.68	178.00	179.00	179.09	179.09	180.53	180.53	180.53	178.98	178.99
Water treatment capacity per day (thousands of gallons)	18,000	18,000	20,000	20,000	13,500	13,500	13,500	13,500	13,500	13,500

Sources: Various City Departments.

COMPLIANCE SECTION

Keefe McCullough
CPAs + Trusted Advisors

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control over Financial Reporting

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

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

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

CPAs + Trusted Advisors

Report on Compliance and Other Matters

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

Purpose of this Report

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2024

Keefe McCullough
CPAs + Trusted Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE FLORIDA AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Margate, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the City's major federal program and state project for the year ended September 30, 2023. The City's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

CPAs + Trusted Advisors

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2024

Keefe McCullough
CPAs + Trusted Advisors

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the financial statements of the City of Margate, Florida (the "City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2024, 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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2024

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 9/30/2023	-	18
Number of independent contractors compensated at September 2023	-	-
Employee compensation for FYE 9/30/2023 (paid/accrued)	$ -	$ 620,912
Independent contractor compensation for FYE 9/30/2023 (paid/accrued)	$ -	$ -
Each construction project to begin on or after October 1, 2022; (>$65K):		
Atlantic Boulevard Beautification Improvements	$ 199,455	$ -
Chevy Chase Shopping Center Improvements	$ 303,833	$ -
Serino Park Renovations	$ 1,847,457	$ -
Budget variance report	Pages 70, 99 and 100	Page 93

Keefe McCullough
CPAs + Trusted Advisors

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, 2023. 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, 2023.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 28, 2024

CPAs + Trusted Advisors

City of Margate, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2023

Federal/State Agency, Pass-through Grantor, Federal Program/State Project	Assistance Listing/CSFA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards:				
U.S. Department of Health and Human Services:				
Passed through Florida Department of Elder Affairs -				
Passed through the Areawide Council on Aging of Broward County				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	JA122-08-2022	$ 26,708	$ -
	93.044	JA123-08-2023	158,014	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers - Program Income	93.044	N/A	13,874	-
		93.044 Total and Total Aging Cluster	198,596	-
National Family Caregiver Support, Title III, Part E	93.052	JA122-08-2022	1,275	-
	93.052	JA123-08-2023	3,400	-
		93.052 Total	4,675	-
Low-Income Home Energy Assistance	93.568	JP022-08-2023	7,732	-
	93.568	JP023-08-2023	5,372	-
	93.568	JP023-08-2024	1,607	-
American Rescue Plan Act for Low-Income Home Energy Assistance	93.568	JPP22-08-2022	17,774	-
		93.568 Total	32,485	-

See notes to schedule of expenditures of federal awards and state financial assistance.

Federal/State Agency, Pass-through Grantor, Federal Program/State Project		Assistance Listing/CSFA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards (Continued):					
U.S. Department of Housing and Urban Development:					
Community Development Block Grants - Coronavirus		14.218	B-20-MW-12-0045	93,718	93,718
Community Development Block Grants - Program Income		14.218	N/A	45,291	45,291
			14.218 Total	139,009	139,009
Executive Office of the President:					
Passed through Monroe County Sheriff's Office					
High Intensity Drug Trafficking Areas Program		95.001	G20MI0001A	11,020	-
		95.001	G21MI0001A	4,138	-
			95.001 Total	15,158	-
U.S. Department of Homeland Security:					
Passed through City of Miami					
National Urban Search and Rescue (US&R) Response System	*	97.025	N/A	61,771	-
	**	97.025	N/A	34,107	-
			97.025 Total	95,878	-
Passed through Florida Division of Emergency Management					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	*	97.036	4673 DR	526,101	-
	***	97.036	4337 DR	837	-
			97.036 Total	526,938	-

See notes to schedule of expenditures of federal awards and state financial assistance.

City of Margate, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2023

Federal/State Agency, Pass-through Grantor, Federal Program/State Project	Assistance Listing/CSFA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
Federal Awards (continued):				
U.S. Department of Justice:				
Direct Program				
Bulletproof Vest Partnership Program	16.607	N/A	20,324	-
Equitable Sharing Program	16.922	N/A	516,546	-
Passed through Florida Office of the Attorney General				
Crime Victim Assistance	16.575	VOCA-2022-912	40,725	-
U.S. Department of the Treasury:				
Direct Program				
Equitable Sharing Program	21.016	N/A	11	-
Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act	21.027	N/A	10,000,000	-
Total Expenditures of Federal Awards			$ 11,590,345	$ 139,009

See notes to schedule of expenditures of federal awards and state financial assistance.

Federal/State Agency, Pass-through Grantor, Federal Program/State Project	Assistance Listing/CSFA Number	Contract/Grant Number	Expenditures	Transfer to Sub-recipients
State Financial Assistance:				
Florida Department of Environmental Protection				
Direct Project				
Statewide Water Quality Restoration Projects	37.039	LPA0323	$ 500,000	$ -
Florida Department of Elder Affairs				
Passed through the Areawide Council on Aging of Broward County				
Local Services Programs	65.009	JL122-08-2023	130,422	-
Local Services Programs	65.009	JL023-08-2024	19,168	-
		65.009 Total	149,590	-
Florida Department of Management Services				
Direct Project				
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-254	106,776	-
Total Expenditures of State Financial Assistance			$ 756,366	$ -

* Denotes fiscal year 2021/2022 (Hurricane Ian) expenditures
** Denotes fiscal year 2018/2019 (Hurricane Michael) expenditures
*** Denotes fiscal year 2016/2017 (Hurricane Irma) expenditures

See notes to schedule of expenditures of federal awards and state financial assistance.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state 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)* and Chapter 10.550, *Rules of the Florida Auditor General*. 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, and Chapter 10.550, *Rules of the Florida Auditor General*, 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.

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 and State Projects

Internal control over major programs/projects:			
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) and Chapter 10.550, *Rules of the Florida Auditor General* ?	____ yes	X no	

Identification of major federal program(s)/project(s):

Assistance Listing No.	Federal Program(s)
21.027	United States Department of the Treasury - Coronavirus State and Local Fiscal Recovery Funds

CSFA No.	State Project(s)
37.039	Florida Department of Environmental Protection Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B programs/projects:			
Federal	$ 750,000		
State	$ 300,000		
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.


CITY OF MARGATE
E CONCEPTO UNUS
STATE OF FLORIDA