

City of Lighthouse Point

Florida



**Comprehensive Annual Financial Report
For the Year Ended September 30, 2013**

THE CITY OF LIGHTHOUSE POINT, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2013

Prepared By:
Finance Department

Frank L. DiPaolo, CPA, CGMA
Finance Director

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2013

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INTRODUCTORY SECTION



March 25, 2014

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2013**

Dear Mayor and Commissioners:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Lighthouse Point, Florida (the "City"), for the fiscal year ended September 30, 2013. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clear perspective of the City's operations and financial activity.

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

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

PROFILE OF THE GOVERNMENT

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

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

ECONOMIC CONDITION AND OUTLOOK

Lighthouse Point is a developed community that is sheltered from its neighbors and the rest of Broward County by Federal Highway on the west and the Intracoastal Waterway on the east. The City is comprised of 2.5 square miles in the northeast section of the County. The City has been affected by the downturn in the economy, especially the value of real estate. The City’s tax base is primarily residential. For the fiscal year ended September 30, 2013, which is the focus of this financial report, the assessed value of property for tax purposes increased by 4.09 percent to \$ 1.707 billion. The fiscal year 2013/2014 tax base has increased by 4.33 percent to \$ 1.778 billion. The 2013/2014 increase was just below the countywide average; 30 of the 31 Broward municipalities recorded varying overall tax roll value increases this year. Only one municipality and the unincorporated area of Broward experienced value declines. For the property valuation on January 1, 2013, the average market and assessed values of single family homes in the City are among the highest in the County. This is attributed to the City’s large amount of waterfront property and strong residential market with few foreclosures. The City’s building permit revenue has been strong over the past several years which bodes well for future tax base numbers. The City is well positioned with a sound General Fund spendable balance as shown in the financial statements in this report. Continued stabilization of the City’s tax base has allowed the City to maintain the same ad valorem millage rates for fiscal year 2013/2014 as were levied in fiscal year 2012/2013. In the fall of 2011, Standard & Poor’s affirmed the City’s unenhanced general obligation bond rating of AA+ partially based on the economic conditions in Lighthouse Point. The commercial sector continues to attract new business and retail establishments.

LONG-TERM FINANCIAL PLANNING

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

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

- Various ongoing repairs and enhancements to the City’s irrigation and landscaping infrastructure.

- Rehabilitation and additions to the City's stormwater infrastructure.
- First stages of construction to replace Bridge 867204 on Lighthouse Drive over the Kingfisher Waterway; entire project managed and funded by the Florida Department of Transportation, to be completed by Summer 2014.
- Renovation of Dixon Ahl Hall, funded by the County CDBG Grant.
- Resurfaced tennis courts at Dan Witt Park.
- Sealcoating of City's Fire Station, eliminating water penetration and extended the building's useful life.

FINANCIAL INFORMATION AND RELEVANT POLICIES

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

Budgetary Control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances are reported as commitments of fund balance on September 30, 2013.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for Fiscal Year 2012/2013. These include:

- A contingency policy that requires certain fund balance to be set aside for emergencies
- An investment policy that protects principal and restricts chasing yield in these uncertain market times
- Conservative budget practices that have resulted in increasing fund balances

Employee Retirement System:

The City offers seven different retirement plans to City employees depending upon their employee group. Four of the plans are defined contributions (401a) that cover General Employees and Management Employees as well as Firefighters and Police Officers hired prior to October 1, 2003. One plan is a defined benefit plan for Firefighters and Police Officers implemented on October 1, 2003. Additionally, the City offers a deferred compensation plan (457) and a retirement health savings plan. The defined contribution plans require fixed contributions from both the City and the participating employee based upon union contracts and City Commission resolutions. The defined benefit plan also requires City and employee contribution which are based upon the initial adoption resolution and modified by annual actuarial valuations. The deferred compensation and retirement health savings plans are funded exclusively through employee contributions. More information on the retirement plans is provided in the financial section of this report.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2013 included the following:

- Completion of single stream recycling conversion, through distribution of new 48 and 64 gallon carts, funded by a County grant.
- Expansion of the License Plate Recognition system, funded by Federal Forfeiture Funds.
- Replaced several of the fleet's aging vehicles, including Police, Fire, and Public Works.
- Authorized the purchase of a new front line Fire Engine, to replace an aging unit; delivery in November 2013.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its report for the fiscal year ended September 30, 2012. This was the nineteenth consecutive year that the City has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

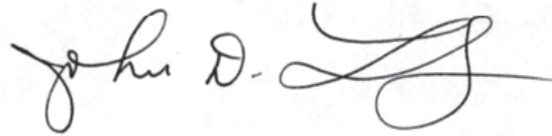
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements of this peer review program and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Handwritten signature of Frank L. DiPaolo in black ink.

Frank L. DiPaolo
Finance Director

Handwritten signature of John D. Laviskey in black ink.

John D. Laviskey
City Administrator



Government Finance Officers Association

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

Presented to

**City of Lighthouse Point
Florida**

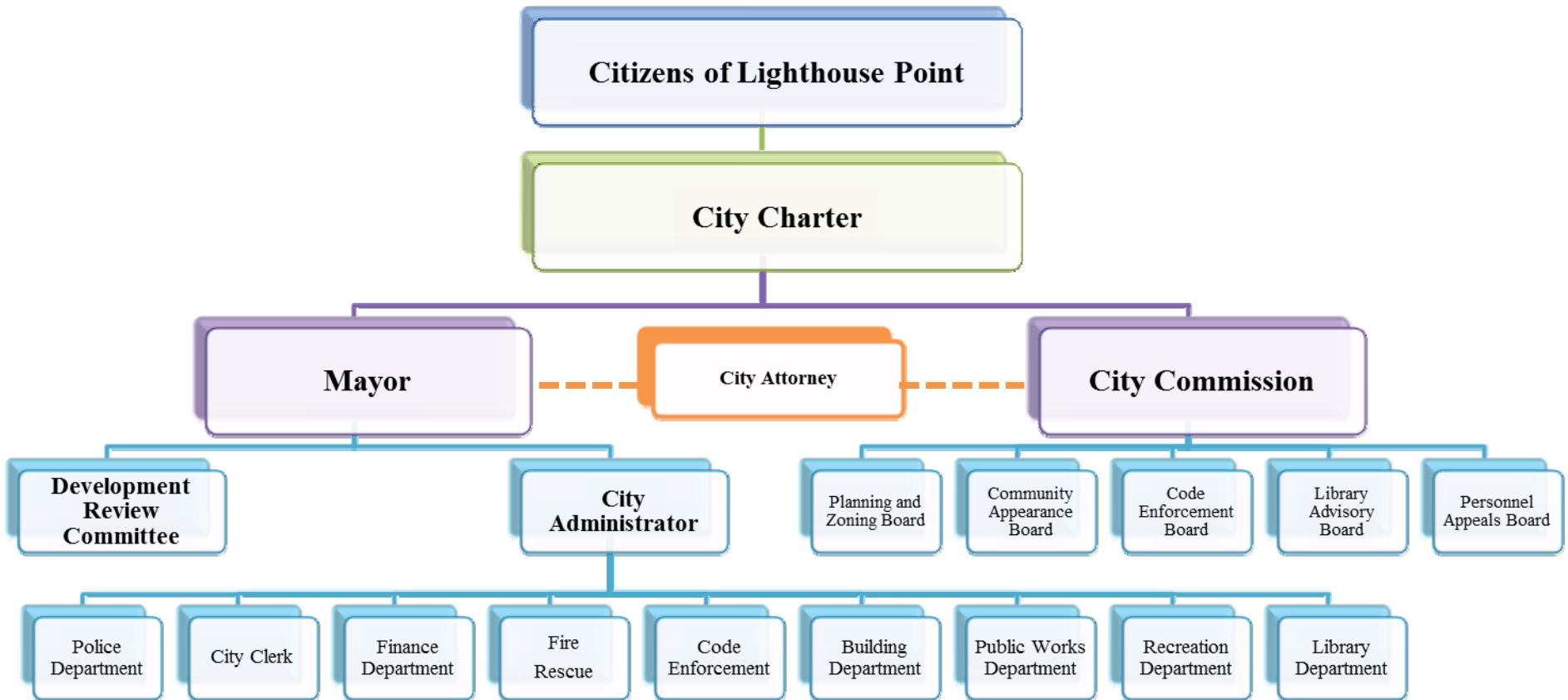
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

CITY OF LIGHTHOUSE POINT CITY GOVERNMENTAL STRUCTURE

September 30, 2013



CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2013

Mayor	Fred Schorr
Commission President	Sandy Johnson
Commission Vice President	Glenn Troast
Commissioner	Michael S. Long
Commissioner	Becky Lysengen
Commissioner	Earl Maucker
City Administrator	John D. Lavisky
City Attorney	Michael Cirullo
Interim City Clerk	Jennifer Oh
Finance Director	Frank L. DiPaolo
Fire Chief	David Donzella
Library Director	Christy Keyes
Police Chief	Ross Licata
Public Works Director	Arthur Graham
Recreation Director	John Trudel

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility for the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police and Fire Defined Benefit Pension Trust Fund, which represent approximately 39% of the City's total fiduciary net position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police and Fire Defined Benefit Pension Trust Fund are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police and Fire Defined Benefit Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

City of Lighthouse Point, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014, on our consideration of the City of Lighthouse Point, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lighthouse Point, Florida's internal control over financial reporting and compliance.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 25, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

As management of the City of Lighthouse Point, we offer readers this overview and analysis of the financial activities of the City of Lighthouse Point for the fiscal year ended September 30, 2013. This section of the financial report is designed to assist the reader in focusing on significant financial issues, changes in the City's financial position and material deviations from the approved budget; further, to identify issues and concerns within each individual fund. Readers are encouraged to review the information presented here in conjunction with the information presented throughout this report, including the letter of transmittal, financial statements, and notes to the financial statements that follow. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ending September 30, 2013:

- The City's total assets exceeded its liabilities by \$ 25,400,418. The entire amount was derived from governmental fund activities. Of this amount, \$ 6,421,799 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 15,423,155, including \$ 4,146,425 for program related services. Expenditures for all governmental activities were \$ 15,234,256.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,163,790, a decrease of \$ 385,474. The General Fund decreased by \$ 314,086.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 5,639,661 including \$ 550,156 Nonspendable; \$ 1,665,151 Committed; \$ 3,250,000 Assigned; and \$ 174,354 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2013 was \$ 9,908,960. The City's balances of cash were down by \$ 2,226,203 and invested funds were up \$ 1,213,545.

OVERVIEW OF FINANCIAL STATEMENTS

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

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
September 30, 2013

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

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

Government-wide financial statements

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

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

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

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

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

Fund financial statements

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

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

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

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

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 33 of this report.

**CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013**

Other information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial health or position. For the City of Lighthouse Point, assets exceeded liabilities by \$ 25,400,418 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2013 compared to September 30, 2012.

City of Lighthouse Point, Florida		
Net Position		
September 30		
	2013	2012
Current and other assets	\$ 12,049,342	\$ 11,695,008
Capital assets, net	19,300,463	19,557,433
Total assets	31,349,805	31,252,441
Current liabilities	704,076	765,431
Long-term liabilities outstanding	5,245,311	5,597,685
Total liabilities	5,949,387	6,363,116
Net position:		
Net investment in capital assets	15,786,710	15,540,755
Restricted	3,191,909	3,331,058
Unrestricted	6,421,799	6,339,706
Total net position	\$ 25,400,418	\$ 25,211,519

The overall financial position of the City increased in total by \$ 188,899 during fiscal year 2013 compared to 2012. Although there are multiple factors that may contribute to this change, the City experienced an increase of \$ 528,778 to the net pension asset of the Police and Fire pension plan (discussed in more detail in the accompanying Notes to the Financial Statements). The changes in revenue and expenses will be discussed later in this analysis.

**CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013**

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

The majority of the City's total net position (\$ 15,786,710 or 62.1%) are in capital assets, such as land, buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related debt that was used to acquire those assets (approximately \$ 3.5 million) that is still outstanding. The City's portion of net assets invested in capital, net of related debt increased by \$ 245,955 due to the net effect of the acquisition of capital items and scheduled debt payments. The City of Lighthouse Point uses its capital assets to provide services to its residents; consequently, these assets are not available for future spending or liquidation. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position (\$ 3,191,909 or 12.6%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2013 balance in restricted net position decreased by \$ 139,149. Although restricted assets of the Stormwater Fund increased, they were offset by a large decrease in restricted assets of the Public Safety Fund.

The remaining balance of \$ 6,421,799 reflects unrestricted net position (25.3%) increased by \$ 82,093, and may be used to meet the government's ongoing obligations to citizens and creditors.

Summary of Changes in Net Position

Governmental activities:

The following schedule is a summary of the fiscal year 2013 Statement of Activities with comparative information for fiscal year 2012:

City of Lighthouse Point, Florida
Change in Net Position
September 30

	2013	2012
REVENUES:		
Program revenues:		
Charges for services	\$ 3,992,931	\$ 4,290,668
Operating grants and contributions	153,494	93,412
Capital grants and contributions	-	155,985
General revenues:		
Ad valorem taxes	6,393,001	6,120,388
Other taxes	3,057,443	3,009,276
Intergovernmental revenues	1,288,713	1,089,223
Miscellaneous	537,573	284,239
Total revenues	15,423,155	15,043,191

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

	2013	2012
EXPENSES:		
General government	1,415,364	1,320,586
Public safety	8,686,485	8,903,618
Physical environment	3,854,194	3,284,930
Transportation	44,667	40,788
Culture and recreation	1,156,366	1,115,321
Debt service	77,180	206,131
Total expenses	15,234,256	14,871,374
Change in net position	188,899	171,817
NET POSITION, BEGINNING OF YEAR		
	25,211,519	25,039,702
NET POSITION, END OF YEAR	\$ 25,400,418	\$ 25,211,519

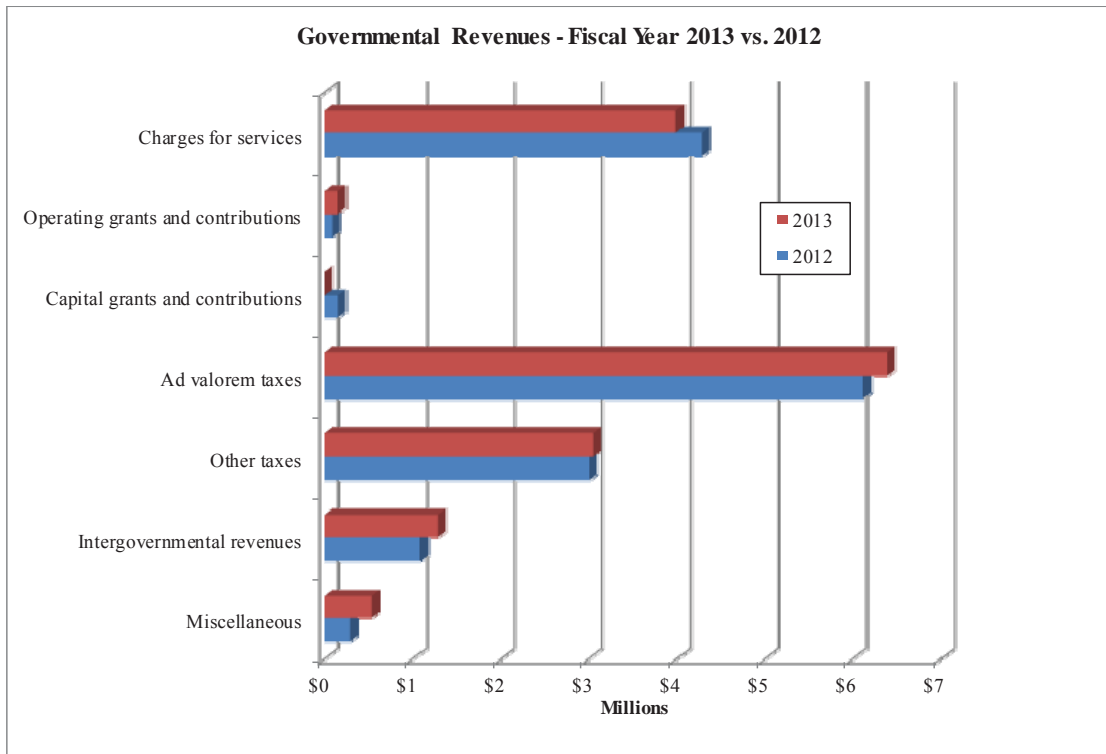
Revenues exceeded the prior year total by \$ 379,964 (2.53%), and expenditures came in higher than the prior year total by \$ 362,882 (2.44%). Net position for the current fiscal year increased by \$ 188,899. The charges for services revenue category decreased by \$ 297,737 (6.94%), due to lower code fines and building permit fees. The increase in ad valorem taxes was a result of an increase in assessed property values, while maintaining the same millage rate.

Additionally, miscellaneous revenues increased by 89.1% due to higher interest earnings, fixed asset disposals, and insurance claim payments to the City. Intergovernmental revenues increased by \$ 199,490 (18.3%) due to a grant in the Garbage and Trash Fund that the City received in fiscal year 2012 and was previously reported as deferred revenue. The City completed that grant and recognized the revenue in the current fiscal year.

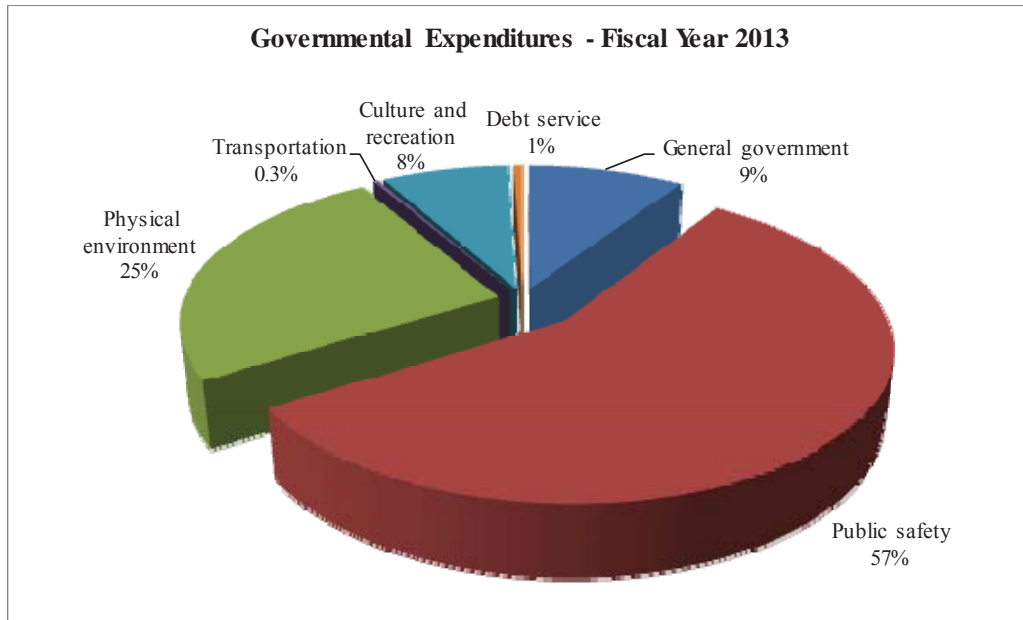
The City's public safety expenditures decreased by \$ 217,133 (2.44%) due to the previously mentioned increase to the net pension asset. Since that pension plan is for Public Safety employees, the increase was offset by a reduction in Public Safety expenses in fiscal year 2013. Several of the other program expense categories experienced increases when compared with the prior year, primarily due to contractual pay increases and increases to City insurance costs. The increase in the Public Works division is a result of contractual pay increases, expenditures of the solid waste grant proceeds, and increased spending on infrastructure maintenance. The dramatic decrease in the interest expense category is due to the refinancing of the GO Bond in fiscal year 2012, that resulted in a lower interest rate. The lower interest rate was the main contributing factor to the \$ 128,951 (62.56%) decrease in interest cost.

**CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013**

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



The following pie chart shows program expenses for governmental activities for fiscal year 2013:



CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the fiscal year 2013, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,163,790. Approximately 5.4% of the fund balance constitutes nonspendable fund balance, or \$ 550,906 that is not available for spending at the City's discretion, and represents prepaid insurance premiums of \$ 79,964 and prepaid expenses of \$ 470,942 for the next fiscal year. The remainder is spendable but falls into four different categories:

- Restricted by external requirements (\$ 3,191,909 or 31.4%), comprised of Federal and state forfeiture funds, stormwater and debt service fund balance;
- Committed by the City Commission (\$ 2,996,621 or 29.5%) for minimum contingency balance, appropriated budget surplus for the following year's budget, and use for purposes other than those restricted or nonspendable;
- Assigned by the Mayor (\$ 3,250,000 or 32%) for emergency recovery purposes;
- Unassigned (\$ 174,354 or 1.7%) is available for spending with no restrictions.

The following is a summary of changes of and the breakdown of fund balances as of September 30, 2013:

	<u>General Fund</u>	<u>Garbage and Trash Fund</u>	<u>Public Safety Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
Fund balances, September 30, 2012	\$ 5,953,747	\$ 520,338	\$ 2,656,131	\$ 1,419,048	\$ 10,549,264
Revenues	12,250,690	2,194,747	9,442	1,019,200	15,474,079
Expenditures	(12,556,287)	(2,188,218)	(337,275)	(777,773)	(15,859,553)
Other financing sources (uses)	<u>(8,489)</u>	<u>(55,000)</u>	<u>-</u>	<u>63,489</u>	<u>-</u>
Fund balances, September 30, 2013	<u>\$ 5,639,661</u>	<u>\$ 471,867</u>	<u>\$ 2,328,298</u>	<u>\$ 1,723,964</u>	<u>\$ 10,163,790</u>
Fund balances are represented as follows:					
Nonspendable	\$ 550,156	\$ -	\$ -	\$ 750	\$ 550,906
Restricted	-	-	2,328,298	863,611	3,191,909
Committed	1,665,151	471,867	-	859,603	2,996,621
Assigned	3,250,000	-	-	-	3,250,000
Unassigned	<u>174,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,354</u>
Fund balances, September 30, 2013	<u>\$ 5,639,661</u>	<u>\$ 471,867</u>	<u>\$ 2,328,298</u>	<u>\$ 1,723,964</u>	<u>\$ 10,163,790</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

General Fund

The general fund is the chief operating fund of the City of Lighthouse Point. At the end of fiscal year 2013, nonspendable and spendable fund balance of the general fund was \$ 5,639,661. As a measure of the general fund's liquidity, it may be useful to compare both spendable fund balance and total fund expenditures. Assigned and unassigned fund balance represents 27% of the total general fund expenditures, while total unrestricted fund balance represents 45% of the same.

The following table summarizes the general fund's revenues compared with the prior year:

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 5,930,470	\$ 5,690,842	\$ 239,628	4.2%
Franchise taxes	864,519	905,559	(41,040)	-4.5%
Utility service taxes	2,239,104	2,138,837	100,267	4.7%
Licenses and permits	605,477	635,114	(29,637)	-4.7%
Intergovernmental revenues	1,271,346	1,328,503	(57,157)	-4.3%
Charges for services	378,199	345,852	32,347	9.4%
Non advalorem assessments	571,709	576,532	(4,823)	-0.8%
Fines and forfeitures	127,814	383,575	(255,761)	-66.7%
Miscellaneous	261,782	118,204	143,578	121.5%
Transfers in and other sources	113,511	181,675	(68,164)	-37.5%
	<u>\$ 12,363,931</u>	<u>\$ 12,304,693</u>	<u>\$ 59,238</u>	0.5%

General fund operating revenue totaled \$ 12,363,931, reflecting a net increase of \$ 59,238 when compared with 2012. The City's property tax base increased by 4.17% in FY 2013 and the City Commission approved the same millage rate as the prior year, resulting in an increase in the level of Ad Valorem revenue. Non-Ad Valorem assessment rates remained the same from the prior year. Franchise Fees, which are collected from Florida Power and Light and Waste Management, declined by approximately 4.5%. Utility Service Taxes rose primarily due to an increase in electricity tax from Florida Power and Light of \$ 70,477. Licenses and Permit revenues were lower due to a slight decline construction activity within the City. Charges for services were higher due to an increase in collections of ambulance transport fees and other public safety fees. Fines and Forfeitures saw a major decline; fiscal year 2013 showed a more typical amount of collections, while collections in 2012 were unusually high. Intergovernmental revenues were down as the City's solar lighting grant was completed in 2012. Miscellaneous revenues were higher compared with the prior year, due to receipt of a loyalty payment from Wheelabrator (primary dumping location for City's trash), a refund from Waste Management of a prior overpayment, and casualty insurance claim payments, which were spent to repair or replace damaged City property. The transfers in and other sources balance in fiscal year 2013 represents a transfer from the Garbage and Trash Fund to offset administrative costs in the general fund, as well as a transfer from the Debt Service Fund for the repayment of prior year subsidy of the millage rate. In 2012, the City received capital lease proceeds used to purchase a fire rescue unit. In 2013, no capital lease proceeds were received.

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

The following table summarizes the general fund expenditures compared with the prior year:

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,382,290	\$ 1,310,793	\$ 71,497	5.5%
Public safety	8,776,640	8,667,770	108,870	1.3%
Physical environment	1,413,757	1,275,076	138,681	10.9%
Transportation	44,579	40,807	3,772	9.2%
Culture/Recreation	769,423	959,634	(190,211)	-19.8%
Debt service	169,598	181,643	(12,045)	-6.6%
Transfers out	122,000	125,000	(3,000)	-2.4%
	<u>\$ 12,678,287</u>	<u>\$ 12,560,723</u>	<u>\$ 117,564</u>	0.9%

General fund expenditures were up \$ 117,564 from fiscal year 2012, or about 1%. General Government increased by 5.5%, due to increases to personal services for contractual pay increases and increases in general insurance costs. Public Safety expenditures were higher mainly due to contractual pay increases. Physical Environment expenditures were higher in fiscal year 2013 due to increased maintenance of the City's infrastructure. Culture/Recreation expenditures were lower due to decreased Library staffing and reduced spending on capital improvements. Transfers out were somewhat lower due to reduced levels of support for the Tennis Center and Recreation Support Funds.

Changes to the City's general fund original revenue budget are summarized as follows:

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 5,872,463	\$ 5,932,363	\$ 59,900	1.0%
Franchise taxes	930,000	930,000	-	-
Utility service taxes	2,127,300	2,176,900	49,600	2.3%
Licenses and permits	516,500	561,100	44,600	7.9%
Intergovernmental revenues	1,143,872	1,187,232	43,360	3.7%
Charges for services	898,776	898,776	-	-
Fines and forfeitures	101,600	101,600	-	-
Miscellaneous	41,450	153,075	111,625	72.9%
Transfers in and other sources	175,847	175,847	-	-
Allocation of fund balance	525,228	525,228	-	-
	<u>\$ 12,333,036</u>	<u>\$ 12,642,121</u>	<u>\$ 309,085</u>	2.4%

Ad Valorem taxes were higher than anticipated due to the collection of delinquent tax levies. Utility Service Taxes came in higher than expected, resulting in an approximate 2.3% increase to the budget. Licenses and Permits were higher due to increased business tax receipts and better than expected building permit activity. The budget for Intergovernmental Revenues was increased to cover a previously unbudgeted revenue item for streets and highway maintenance. The Miscellaneous Revenues was also amended due to some unexpected payments, as explained earlier in this section.

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Changes to the City's general fund original expenditures budget are summarized as follows:

	Original Budget	Final Budget	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,280,415	\$ 1,394,421	\$ 114,006	8.9%
Public safety	8,686,614	8,805,671	119,057	1.4%
Physical environment	1,265,450	1,413,749	148,299	11.7%
Transportation	42,507	44,692	2,185	5.1%
Culture/Recreation	762,599	769,423	6,824	0.9%
Debt service	173,451	169,596	(3,855)	-2.2%
Transfers out	122,000	122,000	-	-
	<u>\$ 12,333,036</u>	<u>\$ 12,719,552</u>	<u>\$ 386,516</u>	3.1%

General government appropriations were increased to cover the cost of renovations to Dixon Ahl Hall (County grant), increased cost of liability insurance, and higher than projected salary costs. Public Safety appropriations were increased to cover the costs of equipment repairs that were reimbursed by insurance proceeds, increased fuel costs for older fleet vehicles (to be replaced in fiscal year 2014), and repairs to the Fire Station. The increase to Physical Environment was due to higher utility costs and unbudgeted maintenance in the Public Works department. Culture/Recreation budgeted for increases to resurface courts and repair fencing in City parks and higher than expected water costs. The budget for debt service was lowered to conform to actual costs. Finally, encumbrances that were carried over from the prior fiscal year increased the budget in several City departments.

Garbage and Trash Fund:

The Garbage and Trash Fund accounts for the activities involved with the collection and disposal of debris in the City. The City contracts for the service with Waste Management and charges a user fee to residential customers. Commercial customers and some condominiums pay for dumpster service directly to the franchisee.

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 1,966,220	\$ 1,998,786	\$ (32,566)	-1.6%
Miscellaneous	161,217	472	160,745	340.6%
Intergovernmental revenues	67,310	54,189	13,121	24.2%
	<u>\$ 2,194,747</u>	<u>\$ 2,053,447</u>	<u>\$ 141,300</u>	6.9%
EXPENDITURES:				
Physical environment	\$ 2,188,218	\$ 2,095,938	\$ 92,280	4.40%
Transfers out	55,000	55,000	-	-
	<u>\$ 2,243,218</u>	<u>\$ 2,150,938</u>	<u>\$ 92,280</u>	4.30%

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Charges for services are governed by the rates adopted by the City and offset by rebates to residents who vacation at least three but no more than six months per year. Although the rates charged by the City for trash services were unchanged from the prior year, continued participation in the City's vacation rebate program contributed to the slight decline in revenues. The fund currently has a reserve balance, committed to continued viable operation of the City's trash disposal function, as well as keeping resident rates as low as possible. The garbage and trash fund balance as of September 30, 2013 is \$ 471,867.

Total Expenditures were higher in fiscal year 2013. While the City's cost to supply trash services through its contract provider actually declined, the City implemented the new recycling program through a grant from Broward County. The City spent nearly \$ 162,000 to purchase and distribute recycling carts to residents, which has already increased recycling activity.

There was a budget amendment in the garbage and trash fund that reflected the expenditure of the recycling grant award, along with a smaller increase to revenue for a balanced amendment. A summary of the changes to the original revenue and expenditure budget is as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 2,100,000	\$ 2,100,000	\$ -	-
Intergovernmental	-	21,975	21,975	100.0%
Miscellaneous	28,000	32,975	4,975	17.8%
Allocation of fund balance	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,183,000</u>	<u>\$ 2,209,950</u>	<u>\$ 26,950</u>	<u>1.2%</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
Physical environment	\$ 2,100,000	\$ 2,126,950	\$ 26,950	1.3%
Transfers out	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,155,000</u>	<u>\$ 2,181,950</u>	<u>\$ 26,950</u>	<u>1.3%</u>

Public Safety Fund:

The Public Safety Fund records the inflow and outflow Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City's other operating funds. There are Federal and State restrictions on the use of these monies and balances are shown in the financial statements as restricted. The funds are typically utilized for capital purchases and to supplement operational needs, including training and overtime. Fiscal year 2013 saw a decrease in the receipt of fines and forfeitures, mainly due to a decrease in interest revenue resulting from a lower fund balance and continued lower investment returns. The most significant capital (non-recurring) expenditures in the current fiscal year included the purchase of completed expansion of the license plate recognition system, along with the purchase of three new crossover-style patrol units.

**CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013**

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Fines and forfeitures	\$ 5,300	\$ 5,603	\$ (303)	-5.4%
Miscellaneous	4,142	9,073	(4,931)	-54.3%
	<u>\$ 9,442</u>	<u>\$ 14,676</u>	<u>\$ (5,234)</u>	-35.7%
EXPENDITURES:				
Public safety	\$ 73,852	\$ 104,945	\$ (31,093)	-29.6%
Capital outlay	263,423	178,978	84,445	47.2%
	<u>\$ 337,275</u>	<u>\$ 283,923</u>	<u>\$ 53,352</u>	18.8%

All expenditures in the Public Safety Fund were approved by the City Commission. Because the appropriations are considered on an as needed basis, no original versus final comparison is provided. The public safety fund balance as of September 30, 2013 is \$ 2,328,298, restricted for future public safety costs and initiatives.

Tennis Center Fund:

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

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 67,755	\$ 74,581	\$ (6,826)	-9.2%
Miscellaneous	2,205	1,000	1,205	120.5%
Transfers in	95,000	98,000	(3,000)	-3.1%
	<u>\$ 164,960</u>	<u>\$ 173,581</u>	<u>\$ (8,621)</u>	-5.0%
EXPENDITURES:				
Culture/Recreation	\$ 167,948	\$ 160,728	\$ 7,220	4.5%
	<u>\$ 167,948</u>	<u>\$ 160,728</u>	<u>\$ 7,220</u>	4.5%

For the current fiscal year, the City lowered the general fund transfer to \$ 95,000, and the fund suffered an operating loss of \$ 2,988. This was caused by a decline in membership revenues. Expenditures were up slightly due to contractual pay increases for employees, along with an increased cost of City benefits. The Tennis Center Fund balance as of September 30, 2013 is \$ 3,343, committed for operations and maintenance of the City's tennis center facility.

CITY OF LIGHTHOUSE POINT, FLORIDA
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September 30, 2013

There was a budget amendment in the Tennis Center Fund for the fiscal year ended September 30, 2013, which did not increase the total budgeted revenue or expenditures. The adjustment transferred \$ 2,785 in available budget from personal services to operating expenditures, to cover higher than expected water consumption.

Debt Service Fund:

The Debt Service Fund accounts for the repayment of long term debt issued by the City. The expenditures are based upon the original amortization schedules. The ad valorem revenue increased in fiscal year 2013 due to a minor increase in the millage rate and an increase to assessed property value, which allowed the City meet debt service requirements and provide repayment to the General Fund for prior-year subsidy of the debt service millage. There were no changes in the budget for this fund.

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Ad valorem taxes	\$ 462,261	\$ 429,546	\$ 32,715	7.6%
Miscellaneous	66	59	7	11.9%
Transfers in/Other financing sources	-	3,685,000	(3,685,000)	-100.0%
	<u>\$ 462,327</u>	<u>\$ 4,114,605</u>	<u>\$ (3,652,278)</u>	-88.8%
EXPENDITURES:				
Debt service	\$ 407,719	\$ 501,741	\$ (94,022)	-18.7%
Other financing uses	58,511	3,665,000	(3,606,489)	-98.4%
	<u>\$ 466,230</u>	<u>\$ 4,166,741</u>	<u>\$ (3,700,511)</u>	-88.8%

The debt service fund balance as of September 30, 2013 is \$ 323, restricted for repayment of debt service obligations.

Stormwater Fund

The stormwater fund was established in fiscal year 2010. The purpose of the Fund is to provide resources for stormwater management capital improvements and significant maintenance of stormwater infrastructure that had been funded in past years by grants. Such grant dollars have diminished over time and are now insufficient to meet the City's needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill, shown as stormwater fees in the table below. A consultant study was used to determine the benefit for individual properties of the City's stormwater management program. As the stormwater management and collection system is aging, the City is continuing to build a fund balance for probable major stormwater improvements in the future. The stormwater fund balance as of September 30, 2013 is \$ 863,297, committed to future maintenance and capital improvement projects in the stormwater system.

**CITY OF LIGHTHOUSE POINT, FLORIDA
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September 30, 2013**

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Stormwater fees	\$ 269,845	\$ 265,587	\$ 4,258	1.6%
Miscellaneous	<u>1,040</u>	<u>1,846</u>	<u>(806)</u>	-43.7%
	<u>\$ 270,885</u>	<u>\$ 267,433</u>	<u>\$ 3,452</u>	1.3%
EXPENDITURES:				
Physical environment	<u>\$ 78,298</u>	<u>\$ 25,397</u>	<u>\$ 52,901</u>	208.3%

Stormwater fee revenues were up slightly from the prior year; however there was no change in the assessment rate. Miscellaneous revenues, which are solely comprised of interest earnings, saw a decrease due to continued lower investment returns. Expenditures consisted primarily of repairs to existing storm drain lines, a small amount of installation of new lines, and billing fees for collection of the assessment. There were no changes in the budget for this fund.

Infrastructure Fund:

The infrastructure fund was established by the City Commission to carry out general capital improvement projects, and has been primarily funded with transfers from the general fund either from original budget appropriations or automatic transfers of remaining balances in infrastructure capital outlay accounts within the general fund at year end. The infrastructure fund balance as of September 30, 2013 is \$ 639,367, committed to future capital improvement projects. The following table summarizes the fund activity for fiscal year 2013.

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Percent Change
REVENUES:				
Miscellaneous	<u>\$ 126,493</u>	<u>\$ 1,688</u>	<u>\$ 124,805</u>	7393.7%
	<u>\$ 126,493</u>	<u>\$ 1,688</u>	<u>\$ 124,805</u>	7393.7%
EXPENDITURES:				
Physical environment	<u>\$ 22,553</u>	<u>\$ 47,973</u>	<u>\$ (25,420)</u>	-53.0%
	<u>\$ 22,553</u>	<u>\$ 47,973</u>	<u>\$ (25,420)</u>	-53.0%

Appropriations are approved typically on a project by project basis. During fiscal year 2013, the City received a disbursement from the dissolved County Resource Recovery Board of approximately \$ 125,000. This amount was added to the Infrastructure Fund, to be utilized for future capital improvement projects as deemed appropriate by the City Commission, based on input from the City Administration. Interest earnings saw a decline due to continued unfavorable economic conditions. The City spent \$ 22,253 on infrastructure projects, including installation of new landscaping, repairs to solar lighting, and seawall repairs.

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Lighthouse Point's investment in capital assets for its governmental activities as of September 30, 2013 amounts to \$ 19,300,463 (net of accumulated depreciation). This investment includes land, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset acquisitions or improvements during the fiscal year include the following:

- Dixon Ahl Hall – building renovation (County grant) that included a new HVAC system, flooring, and kitchen
- Fire Station – sealcoating of entire building, new HVAC system, and a replacement vehicle for the Fire Chief
- Public Works – purchase of a replacement vehicle
- Recreation – replacement of basketball goals at Frank McDonough park, resurfaced tennis courts at Dan Witt Park
- Police Department – purchase of three new patrol vehicles, expanded license plate recognition system with 18 new cameras
- Technology – the City replaced a number of aged or obsolete computers, printers, and servers

	2013	2012
Capital assets:		
Buildings and land improvements	\$ 6,509,453	\$ 6,754,556
Land	7,040,140	7,040,140
Infrastructure	4,614,842	4,717,187
Equipment and fixtures	675,277	494,704
Vehicles	460,751	548,096
Construction in progress	-	2,750
	\$ 19,300,463	\$ 19,557,433

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

Long-Term Debt and Other Long-Term Liabilities:

At the end of the fiscal year, the City had total debt and other long-term liabilities outstanding of \$ 5,245,311. A general fund pledge to appropriate supports the capital leases, while ad valorem taxes provide the revenue stream for the repayment of the notes payable. Compensated absences are paid out upon termination based upon City policy and labor agreements. See Notes K and L for more information on the litigation payable and the other post-employment benefit obligation liability.

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes payable	\$ 3,684,000	\$ -	\$ 336,778	\$ 3,347,222
Capital leases	328,452	-	162,244	166,208
Compensated absences	1,397,233	157,351	6,703	1,547,881
Litigation payable	20,000	-	15,000	5,000
Other post-employment benefit obligation liability	<u>168,000</u>	<u>11,000</u>	<u>-</u>	<u>179,000</u>
	<u>\$ 5,597,685</u>	<u>\$ 168,351</u>	<u>\$ 520,725</u>	<u>\$ 5,245,311</u>

Additional information about the City's long-term debt can be found in Note H.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The General Fund budget for fiscal year 2014 was approved at the level of \$ 13,026,877, which represents a decrease of \$ 384,756 (just over 3%) under the final amended budget for fiscal year 2012. The 2014 budget includes \$ 470,192 for the purchase of a new fire engine. Excluding this item, the adopted fiscal year 2014 budget is below the final amended budget for fiscal year 2013. The operating millage rate has been set at 3.5893 mills, equal to the rate for the prior fiscal year. Since taxable values increased, using the same millage rate resulted in an increase in the ad valorem levy for fiscal year 2013. Additionally, the City appropriated \$ 306,405 for spending in the 2013 fiscal year budget.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013

		Governmental Activities
ASSETS:		
Cash and cash equivalents	\$	2,164,646
Investments		7,744,314
Accounts receivable		390,410
Due from other governments		328,427
Prepays and other assets		550,906
Capital assets:		
Nondepreciable		7,040,140
Depreciable, net		12,260,323
Net pension asset		870,639
		31,349,805
Total assets		31,349,805
 LIABILITIES:		
Accounts payable		464,631
Accrued payroll and related taxes		145,846
Accrued interest payable		11,080
Deposits		20,800
Licenses collected in advance		43,105
Unearned revenues		18,614
Due within one year:		
Compensated absences payable		97,297
Notes and capital leases payable		469,135
Due in more than one year:		
Compensated absences payable		1,450,584
Notes and capital leases payable		3,044,295
Other postemployment benefit obligation liability		179,000
Litigation payable		5,000
		5,949,387
Total liabilities		5,949,387
 NET POSITION:		
Net investment in capital assets		15,786,710
Restricted for:		
Debt service		323
Law enforcement trust		2,328,298
Stormwater improvements		863,288
Unrestricted		6,421,799
		25,400,418
Total net position	\$	25,400,418

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

	Program Revenues				Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
FUNCTIONS/PROGRAMS:					
Governmental activities:					
General government	\$ 1,415,364	\$ 27,335	\$ -	\$ -	\$ (1,388,029)
Public safety	8,686,485	1,603,627	77,786	-	(7,005,072)
Physical environment	3,854,194	2,236,065	-	-	(1,618,129)
Transportation	44,667	-	22,650	-	(22,017)
Culture/recreation	1,156,366	125,904	53,058	-	(977,404)
Interest expense and other	77,180	-	-	-	(77,180)
Total governmental activities	\$ 15,234,256	\$ 3,992,931	\$ 153,494	\$ -	(11,087,831)
General revenues:					
Taxes:					
Ad-valorem taxes					6,393,001
Franchise taxes					862,148
Utility service taxes					2,195,295
Intergovernmental revenues (unrestricted)					1,288,713
Miscellaneous					537,573
Total general revenues					11,276,730
Change in net position					188,899
NET POSITION, BEGINNING OF YEAR, as restated (Note M)					25,211,519
NET POSITION, END OF YEAR					\$ 25,400,418

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

CITY OF LIGHTHOUSE POINT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013

	Major Governmental	
	General Fund	Garbage and Trash Fund
ASSETS:		
Cash and cash equivalents	\$ 1,015	\$ 613,433
Investments	7,734,167	-
Due from other funds	-	-
Accounts receivable	383,784	1,067
Due from other governments	319,377	8,906
Prepaid expenditures	550,156	-
Total assets	\$ 8,988,499	\$ 623,406
LIABILITIES:		
Accounts payable	\$ 285,322	\$ 150,801
Accrued payroll and related taxes	144,078	-
Due to other funds	2,518,383	-
Deposits	20,800	-
Licenses collected in advance	43,105	-
Unearned revenue	15,233	738
Total liabilities	3,026,921	151,539
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - utility service taxes	145,501	-
Unavailable revenue - intergovernmental	92,251	-
Unavailable revenue - franchise and other revenues	84,165	-
Total deferred inflows of resources	321,917	-
FUND BALANCES:		
Nonspendable	550,156	-
Restricted	-	-
Committed	1,665,151	471,867
Assigned	3,250,000	-
Unassigned	174,354	-
Total fund balances	5,639,661	471,867
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,988,499	\$ 623,406

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

<u>Funds</u>		
<u>Public Safety Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 486,037	\$ 1,064,161	\$ 2,164,646
-	10,147	7,744,314
1,866,907	651,476	2,518,383
-	5,559	390,410
99	45	328,427
-	750	550,906
<u>2,353,043</u>	<u>1,732,138</u>	<u>13,697,086</u>
\$ 24,745	\$ 3,763	\$ 464,631
-	1,768	145,846
-	-	2,518,383
-	-	20,800
-	-	43,105
-	2,643	18,614
<u>24,745</u>	<u>8,174</u>	<u>3,211,379</u>
-	-	145,501
-	-	92,251
-	-	84,165
<u>-</u>	<u>-</u>	<u>321,917</u>
-	750	550,906
2,328,298	863,611	3,191,909
-	859,603	2,996,621
-	-	3,250,000
-	-	174,354
<u>2,328,298</u>	<u>1,723,964</u>	<u>10,163,790</u>
\$ <u>2,353,043</u>	\$ <u>1,732,138</u>	\$ <u>13,697,086</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2013

Fund balances - total governmental funds	\$	10,163,790
<p>Amounts reported for governmental activities in the statement of net position are difference because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
The cost of capital assets is	\$ 27,048,443	
Accumulated depreciation is	<u>(7,747,980)</u>	19,300,463
Net pension asset resulting in excess contributions to pension plans is not reported in the fund financial statements.		870,639
Certain revenues are considered deferred inflows of resources in the fund statements due to availability of funds; under full accrual accounting they are considered revenues.		321,917
<p>Long-term liabilities, including leases and bonds payable are not due and payable in the current period and therefore are not reported in the funds:</p>		
Notes and capital leases payable	(3,513,430)	
Compensated absences payable	(1,547,881)	
Accrued interest payable	(11,080)	
Other postemployment benefit obligation liability	(179,000)	
Litigation payable	<u>(5,000)</u>	<u>(5,256,391)</u>
Net position of governmental activities	\$	<u><u>25,400,418</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	Major Governmental	
	General Fund	Garbage and Trash Fund
REVENUES:		
Ad valorem taxes	\$ 5,930,740	\$ -
Franchise taxes	864,519	-
Utility service taxes	2,239,104	-
Licenses and permits	605,477	-
Intergovernmental revenues	1,271,346	161,217
Charges for services	378,199	1,966,220
Non advalorem assessments	571,709	-
Fines and forfeitures	127,814	-
Miscellaneous	261,782	67,310
	<u>12,250,690</u>	<u>2,194,747</u>
Total revenues		
EXPENDITURES:		
Current:		
General government	1,345,069	-
Public safety	8,708,219	-
Physical environment	1,391,868	2,188,218
Transportation	44,579	-
Culture/recreation	762,885	-
Capital outlay	134,069	-
Debt service:		
Principal	162,243	-
Interest	7,355	-
	<u>12,556,287</u>	<u>2,188,218</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>(305,597)</u>	<u>6,529</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	113,511	-
Transfers out	(122,000)	(55,000)
	<u>(8,489)</u>	<u>(55,000)</u>
Total other financing sources (uses)		
Net change in fund balance	(314,086)	(48,471)
FUND BALANCES, BEGINNING OF YEAR	<u>5,953,747</u>	<u>520,338</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,639,661</u>	<u>\$ 471,867</u>

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

<u>Funds</u>		<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Public Safety Fund			
\$ -	\$	462,261	\$ 6,393,001
-		-	864,519
-		-	2,239,104
-		-	605,477
-		-	1,432,563
-		68,367	2,412,786
-		269,845	841,554
5,300		-	133,114
4,142		218,727	551,961
9,442		1,019,200	15,474,079
-		-	1,345,069
73,852		-	8,782,071
-		132,600	3,712,686
-		-	44,579
-		237,454	1,000,339
263,423		-	397,492
-		336,778	499,021
-		70,941	78,296
337,275		777,773	15,859,553
(327,833)		241,427	(385,474)
-		122,000	235,511
-		(58,511)	(235,511)
-		63,489	-
(327,833)		304,916	(385,474)
2,656,131		1,419,048	10,549,264
\$ 2,328,298	\$	1,723,964	\$ 10,163,790

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

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds	\$	(385,474)
<p>Amounts reported for governmental activities in the statement of activities are difference because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:</p>		
Expenditures for capital assets	\$ 397,492	
Less current year provision for depreciation	<u>(654,462)</u>	(256,970)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.</p>		
		(50,924)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:</p>		
Principal payments	<u>499,022</u>	499,022
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>		
Change in accrued interest payable	1,115	
Change in compensated absences payable	(150,648)	
Change in litigation payable	15,000	
Change net pension asset	528,778	
Change in other postemployment benefit obligation liability	<u>(11,000)</u>	<u>383,245</u>
Change in net position of governmental activates	\$	<u><u>188,899</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2013

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 5,872,463	\$ 5,932,363	\$ 5,930,740	\$ (1,623)
Franchise fees	930,000	930,000	864,519	(65,481)
Utility service taxes	2,127,300	2,176,900	2,239,104	62,204
Licenses and permits	516,500	561,100	605,477	44,377
Intergovernmental revenues	1,143,872	1,187,232	1,271,346	84,114
Charges for services	328,776	328,776	378,199	49,423
Non advalorem assessments	570,000	570,000	571,709	1,709
Fines and forfeitures	101,600	101,600	127,814	26,214
Miscellaneous	41,450	153,075	261,782	108,707
Allocation of fund balance	525,228	525,228	-	(525,228)
Total revenues	<u>12,157,189</u>	<u>12,466,274</u>	<u>12,250,690</u>	<u>(215,584)</u>
EXPENDITURES:				
Current:				
General government	1,280,415	1,338,135	1,345,069	(6,934)
Public safety	8,652,960	8,692,380	8,708,219	(15,839)
Physical environment	1,246,950	1,321,394	1,391,868	(70,474)
Transportation	42,507	44,692	44,579	113
Culture/recreation	666,973	663,258	762,885	(99,627)
Capital outlay	147,780	368,097	134,069	234,028
Debt service:				
Principal	165,899	162,239	162,243	(4)
Interest	7,552	7,357	7,355	2
Total expenditures	<u>12,211,036</u>	<u>12,597,552</u>	<u>12,556,287</u>	<u>41,265</u>
Excess of revenues over expenditures	<u>(53,847)</u>	<u>(131,278)</u>	<u>(305,597)</u>	<u>(174,319)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	117,347	117,347	113,511	(3,836)
Transfers out	(122,000)	(122,000)	(122,000)	-
Capital lease proceeds	58,500	58,500	-	(58,500)
Total other financing sources (uses)	<u>53,847</u>	<u>53,847</u>	<u>(8,489)</u>	<u>(62,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (77,431)</u>	<u>(314,086)</u>	<u>\$ (236,655)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,953,747</u>	
FUND BALANCE, END OF YEAR			<u>\$ 5,639,661</u>	

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

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - GARBAGE AND TRASH FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
County grant	\$ -	\$ 21,975	\$ 161,217	\$ 139,242
Charges for services:				
Garbage/solid waste fees	2,100,000	2,100,000	1,966,220	(133,780)
Miscellaneous:				
Recycling proceeds	25,000	29,975	65,985	36,010
Interest income	3,000	3,000	1,325	(1,675)
Total miscellaneous	28,000	32,975	67,310	34,335
Allocation of fund balance	55,000	55,000	-	(55,000)
Total revenues	2,183,000	2,209,950	2,194,747	39,797
EXPENDITURES:				
Trash collection:				
Operating expenditures	2,100,000	2,126,950	2,188,218	(61,268)
Total expenditures	2,100,000	2,126,950	2,188,218	(61,268)
OTHER FINANCING SOURCES (USES):				
Transfers out	(55,000)	(55,000)	(55,000)	-
Total other financing sources (uses)	(55,000)	(55,000)	(55,000)	-
Net change in fund balance	\$ 28,000	\$ 28,000	(48,471)	\$ (21,471)
FUND BALANCE, BEGINNING OF YEAR			520,338	
FUND BALANCE, END OF YEAR			\$ 471,867	

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
September 30, 2013

ASSETS:

Investments:

U.S. stock funds	\$	12,147,561
Money market funds		9,196,734
Bond funds		6,389,865
Balanced funds		5,791,370
International stock funds		1,901,963
Specialty funds		<u>197,382</u>

Total		35,624,875
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Participant loans receivable		<u>369,785</u>
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Total assets		35,994,660
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LIABILITIES

-

NET POSITION:

Held in trust for pension and other benefits	\$	<u><u>35,994,660</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2013

ADDITIONS:

Contributions:

City	\$	1,149,620
Employees		<u>1,070,667</u>

Total contributions		<u>2,220,287</u>
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Investment earnings and expenses:

Interest, dividends and investment value changes	3,559,204
Investment expense	<u>(209,602)</u>

Net investment earnings	<u>3,349,602</u>
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Total additions	<u>5,569,889</u>
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DEDUCTIONS:

Benefits paid	1,511,554
Refund of contributions	<u>53,123</u>

Total deductions	<u>1,564,677</u>
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Change in net position	4,005,212
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NET POSITION HELD IN TRUST FOR PENSION
AND OTHER EMPLOYEE BENEFITS:

At Beginning of Year	<u>31,989,448</u>
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At End of Year	\$ <u><u>35,994,660</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting entity:

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

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

Government-Wide and Fund Financial Statements:

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

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

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City has only governmental activities for the fiscal year ended September 30, 2013.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The City has only governmental and fiduciary funds for the fiscal year ended September 30, 2013.

Measurement focus and basis of accounting:

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

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

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Public Safety Fund - This fund is used to account for the receipt and expenditure of Federal and State forfeitures stemming from the Police Department's participation in anti-crime task forces. The City received over \$ 3 million in Federal forfeitures in fiscal year 2007/2008 which has provided significant resources for public safety improvements for the next several years.

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

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

Assets, liabilities, and net position or fund balance:

1. Cash and cash equivalents: Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Accounts receivable: Accounts receivable consist of amounts due for services rendered. Management believes all accounts to be fully collectible; therefore, no allowance for doubtful accounts has been provided for in the accompanying financial statements.
3. Investments: All City investments are stated at fair value. Operating funds have been invested in a pooled arrangement. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.
4. Capital assets: Capital assets, which include land, buildings and land improvements, equipment and fixtures, vehicles, and infrastructure, are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$ 500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 such as landscaping or road paving. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the City are depreciated using the straight-line method over their estimated useful lives as follows:

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

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net position. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences payable from expendable available financial resources and only if they have matured.
6. Unearned revenue: Inflows that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.
7. Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists primarily of bonds, leases and accrued compensated absences payable. In the fund financial statements, debt proceeds are reported as other financing sources. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Deferred outflows/inflows of resources: In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from utility service taxes, intergovernmental revenues and franchise and other revenues that were earned but not received within 30 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

Nonspendable: For the City, nonspendable for the reported fiscal year is comprised exclusively of prepaid items.

Restricted: Includes general obligation debt service and public safety fund balance, which is comprised of Federal and State fines and forfeitures.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed: Includes all amounts that can be used only for specific purposes pursuant to constraints imposed by City Commission motion, including all encumbrances, except for the public safety fund, minimum contingency amounts established by City Commission policy, fund balance designated for the following fiscal year's budget as part of budget adoption, and all non-general fund balances (except for restricted balances discussed earlier).

Assigned: This classification includes amounts that are constrained by the Mayor or his designee and, for this report, includes \$ 2.5 million for hurricane recovery and \$ 750,000 for emergency bridge replacement.

Unassigned: This category includes any fund balance remaining after calculating the previous reporting categories.

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

Other policies:

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. However, encumbrances are also utilized in other funds, where appropriations are approved by the City Commission on an as needed basis, to formally recognize commitments of City resources. Encumbrances outstanding at year end are reported as committed fund balance and they do not constitute expenditures or liabilities. At September 30, 2013, encumbrances outstanding are as follows:

General Fund	\$	107,401
Infrastructure Fund		25,000
Public Safety Fund		10,962
Tennis Center Fund		7,930
Garbage and Trash Fund		4,678
Stormwater Fund		1,500
Special Purpose Fund:		
Environmental		625
Cultural support		573
		158,669
Total	\$	158,669

3. Subsequent events: These include events have been evaluated by management through March 25, 2014, which is the date the financial statements were available to be issued.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

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

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. At the end of May, the Mayor, as the City's Chief Executive Officer, submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of financing.
3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by ordinance. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered nor specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the general fund, tennis center fund, garbage and trash fund, stormwater fund and debt service fund. The budgets are adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original General Fund budget was amended during the year to provide for \$ 309,085 of supplemental appropriations in addition to the \$ 77,431 in encumbrances automatically added to the fiscal year 2012/2013 appropriations. The budget was increased to provide for costs associated with termination pay for retiring employees, purchase of Community Development software, and other technology expenditures. Funding for the increased expenditures came from building permit fees and code fines.

NOTE C - PROPERTY TAX

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE C - PROPERTY TAX (continued)

The assessed value of property at January 1, 2012, upon which the 2012-2013 levy was based, was approximately \$ 1,708,589,545. The Broward County Revenue Collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2013 was \$ 3.5893 per \$ 1,000 and \$ 0.2798 per \$ 1,000 for debt service.

NOTE D - DEPOSITS AND INVESTMENTS

Governmental Funds

Deposits:

The City's deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. As of September 30, 2013, all non-interest bearing deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) and interest bearing deposits are insured up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

At September 30, 2013, the carrying amount of the City's deposits was \$ 2,164,646 and the combined bank balances was \$ 2,198,941.

Investments:

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

Total governmental fund investments at September 30, 2013 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Mutual funds	\$ 1,416,205	\$ 1,045,231	\$ 370,974	\$ -
Certificates of deposit	2,257,451	2,257,451	-	-
Money market funds	4,040,543	4,040,543	-	-
Local government investment pool	30,115	-	30,115	-
Total	\$ 7,744,314	\$ 7,343,225	\$ 401,089	\$ -

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

The City's investment policy is designed to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates, by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and by structuring the investment portfolio so that securities do not have to be sold prior to maturity to meet cash flow requirements. Protection of principal is paramount in the City's investment policy.

Credit risk:

The City's investment policy specifically sets parameters to minimize the City's credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions and broker/dealers with which the City will do business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Disclosure by Investment Type:

The Local Government Investment Pool is managed by the Florida State Board of Administration (SBA). Oversight of the pool is the responsibility of the Board of Trustees consisting of the Governor, the State's Chief Financial Officer, and the Attorney General. At September 30, 2013, the City held \$ 1 in Fund A and \$ 30,114 in Fund B. The SBA will not invest in instruments of foreign banks unless they have capital, surplus, and undivided profits of over \$ 100,000,000. The City is seeking to minimize its exposure by reducing its investments with the SBA.

- Fund A (Florida PRIME) is considered a SEC 2a7-like fund. The City owns a share of the pool, not the underlying securities. The current Standard and Poor's rating is AAAM. The weighted average days-to-maturity is 44 days. The Florida PRIME was not exposed to any foreign currency risk during the fiscal year ended September 30, 2013. The fair value of the position in the pool is equal to the value of the pool shares.
- Fund B does not meet the requirements of a SEC 2a7-like fund. Therefore, the amount shown as the fair value of the City's share of the pool has been discounted by unrealized losses in the securities held in the portfolio. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (based on expected future cash flows) of Fund B at September 30, 2013 is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life. This investment type as a percentage of the total portfolio is less than 1%.

The City has invested in mutual funds with three different financial institutions:

- The Florida Municipal Investment Trust (FMIVT) is a local government investment pool which offers both fixed income and equity portfolios. As of September 30, 2013, the City had invested in three of the fixed income portfolios, with a total investment of approximately \$ 1.4 million. The City owns shares in this investment pool and the specific portfolios, not the individual securities held within each portfolio. There is no foreign currency risk with these funds. The following is a breakdown of the City's investments in the FMIVT:
 - 0-2 Year High Quality Bond Fund – rated AAA/V1 by Fitch with effective duration of 0.72 and weighted average maturity of 0.68 years.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE D - DEPOSITS AND INVESTMENTS (continued)

- 1-3 Year High Quality Bond Fund – rated AAA/V2 by Fitch with effective duration of 1.59 and weighted average maturity of 1.52 years.
- Intermediate High Quality Bond Fund – rated AAA/V3 by Fitch with effective duration of 3.78 and weighted average maturity of 3.71 years.

At September 30, 2013, the City had invested in both certificates of deposit (CD) and a public depository money market account with Florida Shores Bank. The CD amounts, interest rates, and maturity dates are as follows: 1) \$ 1,004,736 with a fixed interest rate of 0.75% annually, maturing on February 08, 2014; and 2) \$ 499,798 with a fixed interest rate of 0.65% annually, maturing on February 22, 2014. The City’s money market account with Florida Shores had an ending balance of \$ 810,570 at September 30, 2013. Interest rates fluctuate on the money market account based upon market and economic conditions.

The City also held funds with Bank United, in both a certificate of deposit (CD) and public depository money market account at year end. The CD had a balance at September 30, 2013 of \$ 752,917, fixed interest rate of 0.70% annually and maturing on April 08, 2014. The City’s money market account with Bank United had an ending balance of \$ 1,514,287 at September 30, 2013. Interest rates fluctuate based upon market and economic conditions.

The City also has a public depository money market with Florida Community Bank, which had an ending balance of \$ 1,503,431 at September 30, 2013. As with the other money market accounts, interest rates fluctuate on the money market account based upon market and economic conditions.

The City also has a public depository money market with TD Bank, which had an ending balance of \$ 212,255 at September 30, 2013. As with the other money market accounts, interest rates fluctuate on the money market account based upon market and economic conditions.

Fiduciary Funds

The City has seven different pension plans included in the fiduciary funds. Four plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City’s IRS 457 deferred compensation plan, and one is a retirement health savings plan. All six of these plans are administered by the International City Management Association Retirement Corporation (ICMA-RC). Employees select from a varied group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who were chosen to convert from the 401a plan at that time. The defined benefit plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board. Total fiduciary fund investments as of September 30, 2013 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
U.S. Stock Funds	\$ 12,147,561	\$ -	\$ 12,147,561	\$ -
Money Market Funds	9,196,734	183,726	9,013,008	-
Bond Funds	6,389,865	-	6,389,865	-
Balanced Funds	5,791,370	-	5,791,370	-
International Stock Funds	1,901,963	-	1,901,963	-
Specialty funds	197,382	-	197,382	-
Total	\$ 35,624,875	\$ 183,726	\$ 35,441,149	\$ -

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

To mitigate its exposure to losses in fair value, the City's fiduciary funds are invested in a well-diversified and balanced portfolio. The overall focus is on long-term growth given that the funds are for employee retirement purposes. For the defined benefit plan, the investment plan is 40% in fixed income high quality bond funds and 60% in equities. The bond fund carries a Fitch Rating of AA/V4 with a weighted average maturity of 5.54 years.

Credit risk:

The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, and retirement health savings plan. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. No one issuer holds 5% or more of the fiduciary fund portfolio.

Foreign currency risk:

The ICMA-RC funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds which has a balance of \$ 1,901,963 at September 30, 2013. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

NOTE E - INTERFUND TRANSACTIONS

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

Interfund receivables and payables at September 30, 2013 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General fund	\$ -	\$ 2,518,383
Public safety fund	1,866,907	-
Nonmajor Funds:		
Infrastructure fund	639,367	
Tennis center fund	4,051	-
Special purpose fund	8,058	-
	<hr/>	<hr/>
Total	\$ <u>2,518,383</u>	\$ <u>2,518,383</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE E - INTERFUND TRANSACTIONS (continued)

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Budgeted Funds:		
Major Funds:		
General fund	\$ 113,511	\$ 122,000
Garbage and trash fund	-	55,000
Nonmajor Funds:		
Tennis center fund	95,000	-
Debt service fund	-	58,511
Total budgeted funds	<u>208,511</u>	<u>235,511</u>
Nonbudgeted Funds:		
Nonmajor Funds:		
Special purpose fund	<u>27,000</u>	-
Total nonbudgeted funds	<u>27,000</u>	-
Total	<u>\$ 235,511</u>	<u>\$ 235,511</u>

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

In fiscal year 2013, the General Fund transferred \$ 122,000 to other funds including \$ 95,000 for the Tennis Center budgeted subsidy for facility operations and \$ 27,000 to the Special Purpose Fund for the City's Keeper Day and Lighthouse A'Glow celebrations. Additionally, the Garbage and Trash Fund transferred \$ 55,000 and the Debt Service Fund transferred \$ 58,511 to the General Fund for administrative cost allocation and for repayment of prior year subsidy of the debt service millage, respectively.

NOTE F - SPECIAL REVENUE FUNDS

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE F - SPECIAL REVENUE FUNDS (continued)

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

As of September 30, 2013, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

Recreational Support:	
Keeper Days for annual city anniversary	\$ 9,906
Sponsor fees for recreation programs	1,897
LHP A'Glow for annual holiday celebration	6,424
DeGroff park	<u>30</u>
Total	<u>18,257</u>
Environmental:	
Waterway cleanup and protection	131,302
Beautification improvements in the City	<u>16,860</u>
Total	<u>148,162</u>
Cultural Support:	
Library	26,959
Senior outreach	1,547
Historical committee	123
Cultural arts committee	<u>3,005</u>
Total	<u>31,634</u>
Bond fund	<u>18,367</u>
Capital projects fund	<u>1,223</u>
Total special purpose fund	<u>\$ 217,643</u>

As reflected above, the projects of the Bond Construction Fund, which accounted for the proceeds of the 2002 General Obligation Bond issue (\$ 6,190,000), have been completed. The balance reflects invested residual bond funds that are being held by the State Board of Administration in Fund B until maturity. As the Fund B investments mature, the remaining funds are transferred to the Debt Service Fund to retire outstanding debt. Likewise, the Capital Projects Fund represents other major capital improvement projects funded with non-bond resources that have been completed. The small remaining balance is reserved for future improvements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	<u>Balance October 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2013</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 7,040,140	\$ -	\$ -	\$ -	\$ 7,040,140
Construction in progress	<u>2,750</u>	<u>-</u>	<u>-</u>	<u>(2,750)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>7,042,890</u>	<u>-</u>	<u>-</u>	<u>(2,750)</u>	<u>7,040,140</u>
Capital assets, being depreciated					
Buildings and land improvements	10,204,202	29,051	-	-	10,233,253
Equipment and fixtures	2,352,442	353,170	-	2,750	2,708,362
Infrastructure	5,136,446	-	-	-	5,136,446
Vehicles	<u>1,914,971</u>	<u>15,271</u>	<u>-</u>	<u>-</u>	<u>1,930,242</u>
Total capital assets being depreciated	<u>19,608,061</u>	<u>397,492</u>	<u>-</u>	<u>2,750</u>	<u>20,008,303</u>
Less accumulated depreciation for:					
Buildings and land improvements	3,449,646	274,154	-	-	3,723,800
Equipment and fixtures	1,857,738	175,347	-	-	2,033,085
Infrastructure	419,259	102,345	-	-	521,604
Vehicles	<u>1,366,875</u>	<u>102,616</u>	<u>-</u>	<u>-</u>	<u>1,469,491</u>
Total accumulated depreciation	<u>7,093,518</u>	<u>654,462</u>	<u>-</u>	<u>-</u>	<u>7,747,980</u>
Total capital assets, being depreciated, net	<u>12,514,543</u>	<u>(256,970)</u>	<u>-</u>	<u>2,750</u>	<u>12,260,323</u>
Governmental activities, capital assets, net	<u>\$ 19,557,433</u>	<u>\$ (256,970)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,300,463</u>
Total governmental activities, capital assets, net	\$ 19,557,433	\$ (256,970)	\$ -	\$ -	\$ 19,300,463
Related debt	4,012,452	-	499,022	-	3,513,430
Debt service reserve	<u>4,226</u>	<u>-</u>	<u>3,903</u>	<u>-</u>	<u>323</u>
Invested in capital assets, net of related debt	<u>\$ 15,540,755</u>	<u>\$ (256,970)</u>	<u>\$ (502,925)</u>	<u>\$ -</u>	<u>\$ 15,786,710</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE G - CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 76,794
Public safety	290,038
Physical environment	145,610
Transportation	11
Culture and recreation	<u>142,009</u>
Total depreciation expense - governmental activities	<u>\$ 654,462</u>

NOTE H - LONG-TERM DEBT

The following is a summary of the changes in the long-term debt of the City for the year ended September 30, 2013:

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013	Due Within One Year
Governmental Activities:					
Notes and capital lease payable:					
Notes payable	\$ 3,684,000	\$ -	\$ 336,778	\$ 3,347,222	\$ 343,445
Capital leases	<u>328,452</u>	<u>-</u>	<u>162,244</u>	<u>166,208</u>	<u>125,690</u>
Total notes and capital leases payable	<u>\$ 4,012,452</u>	<u>\$ -</u>	<u>\$ 499,022</u>	<u>\$ 3,513,430</u>	<u>\$ 469,135</u>
Other liabilities:					
Compensated absences payable	\$ 1,397,233	\$ 157,351	\$ 6,703	\$ 1,547,881	\$ 97,297
Other post-employment benefits	168,000	11,000	-	179,000	-
Litigation payable	<u>20,000</u>	<u>-</u>	<u>15,000</u>	<u>5,000</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,585,233</u>	<u>\$ 168,351</u>	<u>\$ 21,703</u>	<u>\$ 1,731,881</u>	<u>\$ 97,297</u>

Because almost all employees are funded by the general fund, it is that fund that has predominately been used to liquidate the liability for compensated absences.

Notes Payable:

The City's Series 2002 General Obligation Bonds were refunded during fiscal year 2011-2012 and covered in detail by previous year's report. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022. The outstanding principal balance as of September 30, 2013 is \$ 3,347,222. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for fiscal year 2012-13 was 0.2798.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE H - LONG-TERM DEBT (continued)

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

Year Ending September 30	Principal	Interest	Total
2014	\$ 343,445	\$ 64,274	\$ 407,719
2015	350,244	57,475	407,719
2016	357,045	50,674	407,719
2017	364,247	43,472	407,719
2018	371,458	36,261	407,719
2019-2022	1,560,783	70,092	1,630,875
	<u>\$ 3,347,222</u>	<u>\$ 322,248</u>	<u>\$ 3,669,470</u>

Capital leases:

As of September 30, 2013, the City had obligations under three separate lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Annual debt service payments are funded by General Fund revenues. The carrying value of these assets is approximately \$ 596,400

Series 2008: comprised of one lease; one issued in the amount of \$ 596,913 for a fire ladder truck and extrication equipment.

Series 2010: lease purchase in the amount of \$ 63,795 funded the replacement of three police cars.

Series 2012: lease purchase in the amount of \$ 126,675 funded the acquisition of a fire rescue unit.

The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2013

Year Ending September 30,	Series 2008	Series 2010	Series 2012	Total
2014	\$ 82,852	\$ 12,584	\$ 32,832	\$ 128,268
2015	-	-	32,832	32,832
2016	-	-	8,208	8,208
Total minimum lease payments	82,852	12,584	73,872	169,308
Less: amount representing interest	<u>1,391</u>	<u>153</u>	<u>1,556</u>	<u>3,100</u>
Present value of future minimum lease payments	<u>\$ 81,461</u>	<u>\$ 12,431</u>	<u>\$ 72,316</u>	<u>\$ 166,208</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE I - RECEIVABLES AND PAYABLES

Receivables at September 30, 2013 were as follows:

	Accounts	Inter- governmental	Total
Governmental activities:			
General fund	\$ 383,784	\$ 319,377	\$ 703,161
Garbage and trash fund	1,067	8,906	9,973
Public fund	-	99	99
Tennis center fund	5,559	-	5,559
Stormwater fund	-	45	45
	\$ 390,410	\$ 328,427	\$ 718,837

Payables at September 30, 2013 were as follows:

	Total
Governmental activities:	
General fund	\$ 285,322
Garbage and trash fund	150,801
Public safety fund	24,745
Tennis center fund	2,706
Stormwater fund	9
Special purpose fund	1,052
Total governmental activities	\$ 464,635

All amounts at September 30, 2013 are payable to vendors.

NOTE J - PENSION PLAN

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 73-76.

The Florida Municipal Pension Trust Fund has an annual audit performed by an independent auditor. The audited financial statements can be obtained from the Florida League of Cities, Retirement Services Division, P.O. Box 1757, Tallahassee, Florida 32302. The International City Management Association – Retirement Corporation also publishes an annual financial report that can be obtained at ICMA-RC, 777 North Capitol Street NE, Washington, DC 20002-4240.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE J - PENSION PLAN (continued)

Municipal Employees' Retirement Fund - Defined Contribution:

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later. In fiscal year 2012, the City made biweekly contributions to the defined contribution plan equal to 12.5% for general employees and 14% for fire, police and management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the defined contribution plan: 3% of base salary for general employees, 8% of base salary for fire employees, and 6% of base salary for all other police and management employees.

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

Each participant's interest in their accrued benefits from employer contributions and associated investment earnings is vested 20% after three years of credited service and 20% for each additional year of service for the next four years. Employee contributions vest immediately. Contributions made by the City for the fiscal year ended September 30, 2013 are as follows:

Employee Classification	Covered Payroll	Required Contribution Amount			Percentage of Contributions to Total Covered Payroll
		City	Employee	Total	
General Employees	\$ 1,413,090	\$ 176,636	\$ 42,393	\$ 219,029	15.50%
Firefighters	307,509	43,051	24,601	67,652	22.00%
Police Officers	86,895	12,165	5,214	17,379	20.00%
Management	793,520	111,093	47,611	158,704	20.00%
Total	\$ 2,601,014	\$ 342,945	\$ 119,819	\$ 462,764	17.79%

Plan membership at September 30, 2013, consisted of the following:

	General	Fire	Police	Management
Retirees and beneficiaries currently receiving benefits	3	3	2	9
Terminated members entitled to but not yet benefits	6	1	1	2
Current employees:				
Fully vested	26	11	9	6
Partially vested	4	-	-	-
Nonvested	1	-	-	3
Total current employees	31	11	9	9
Total membership	40	15	12	20

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE J - PENSION PLAN (continued)

Investment summaries at September 30, 2013, are as follows:

<u>Investment Type</u>	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>	<u>Management Employees</u>
Money Market Funds	42%	35%	55%	48%
Balanced Funds	42%	17%	31%	17%
U.S. Stock Funds	12%	42%	13%	21%
Bond Funds	4%	1%	1%	8%
International Stock Funds	0%	3%	0%	4%
Specialty Funds	0%	2%	0%	2%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Fair Value of Investments	\$ <u>3,308,929</u>	\$ <u>3,216,793</u>	\$ <u>2,774,466</u>	\$ <u>5,464,675</u>

All defined contribution (401a) plans provide for employee loans. Loans are limited to 50% of the employee's vested balance not to exceed \$ 50,000. Interest rates are based on prime plus 0.5%. As of September 30, 2013, participant loans outstanding amounted to \$ 369,785.

Police and Fire - Defined Benefit:

Effective October 1, 2003, the City established a defined benefit pension plan for full-time police officers and firefighters. The defined benefit pension plan is a single-employer variety. In accordance with Ordinance 835, the defined benefit pension plan is mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. In fiscal year 2013, the City contributed 20.87% of employee base salaries and employees contributed 14.63%. All investments, totaling \$ 14,132,771 at September 30, 2013, are managed by the Florida League of Cities, Inc. in its Florida Municipal Investment Trust Fund. The plan has no past service costs because any employees who opt to purchase past service credits were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in fiscal year 2009. As of September 30, 2013, the membership in the plan consists of 52 active participants, eight former employees who are either vested or entitled to a refund of employee contributions, and eight retirees/beneficiaries receiving a benefit. A separate audited GAAP-basis pension plan is completed annually and is available for review in the City's Finance Department.

An actuarial valuation was completed as of October 1, 2013 which reports a net pension asset of \$ 870,639.

The City's annual pension costs for the police and fire defined benefit plan for the current year is as follows:

Annual required contribution (ARC)	\$ 677,508
Interest on the net pension obligation (asset)	(26,494)
Adjustment to the ARC	<u>15,071</u>
Annual pension cost	666,085

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE J - PENSION PLAN (continued)

City contributions	1,194,863
Increase in net pension obligation (asset)	(528,778)
Net pension obligation (asset), (beginning of year)	(341,861)
Net pension obligation (asset), (end of year)	\$ (870,639)

The following information reflects the pension cost trend included in the latest completed valuation as of October 1, 2013:

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2011	\$ 567,294	134%	\$ 562,664	135%
2012	\$ 599,233	132%	\$ 587,925	135%
2013	\$ 677,508	176%	\$ 666,085	179%

Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the current year follows:

Valuation date	October 1, 2013
Actuarial cost method	Aggregate
Amortization method	Level-dollar amount, closed
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.75%*
Individual salary increases**	5.58%

* Includes inflation at 2.75% per annum

** Actuarial assumptions are as follows: 7% per annum for participants under age 35; 6% per annum for participants between 35 and 45 years of age; 5% per annum for participants between 45 and 55; and 4% per annum for those age 55 and older

The funded status of the Plan as of October 1, 2013, the most recent actuarial valuation date is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
\$ 14,132,771	\$ 16,158,726	\$ 2,025,955	87.5%	\$ 3,125,632	64.82%

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE J - PENSION PLAN (continued)

Deferred Compensation Plan:

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

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

Retirement Health Saving Plan:

As a voluntary supplement to the employees' required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$ 288,413 at September 30, 2013 and is invested by the International City Management Association Retirement Corporation per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations. Should funds not be expended, they revert back to the City plan. Based upon employee group commitments, the plan currently includes Fire Lieutenants, Police Department non-union employees, Administrative Secretaries and the Chief Clerk of the Police Department.

Pension costs and contributions:

The pension costs and contributions for the current year and two preceding years are as follows:

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
General Employees - Defined Contribution				
2011	\$ 233,299	\$ 233,299	\$ 1,505,152	15.50%
2012	\$ 222,368	\$ 222,368	\$ 1,434,623	15.50%
2013	\$ 219,029	\$ 219,029	\$ 1,413,090	15.50%

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE J - PENSION PLAN (continued)

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
Firefighter - Defined Contribution				
2011	\$ 66,594	\$ 66,594	\$ 302,698	22.00%
2012	\$ 66,048	\$ 66,048	\$ 300,219	22.00%
2013	\$ 67,652	\$ 67,652	\$ 307,509	22.00%
Police Officer - Defined Contribution				
2011	\$ 26,771	\$ 26,771	\$ 133,857	20.00%
2012	\$ 16,873	\$ 16,873	\$ 84,366	20.00%
2013	\$ 17,379	\$ 17,379	\$ 86,895	20.00%
Management - Defined Contribution				
2011	\$ 199,027	\$ 199,027	\$ 995,132	20.00%
2012	\$ 171,332	\$ 171,332	\$ 856,662	20.00%
2013	\$ 158,704	\$ 158,704	\$ 793,520	20.00%
Police/Fire Defined Benefit				
2011	\$ 1,296,643	\$ 1,296,643	\$ 3,673,081	35.30%
2012	\$ 1,323,276	\$ 1,323,276	\$ 3,727,532	35.50%
2013	\$ 1,372,160	\$ 1,372,160	\$ 3,865,239	35.50%
Retirement Health Savings				
2011	\$ 47,215	\$ 47,215	\$ 971,079	4.86%
2012	\$ 48,108	\$ 48,108	\$ 941,183	5.11%
2013	\$ 44,369	\$ 44,369	\$ 1,123,739	3.95%

The City has contributed 100% of the required contributions. The contribution rates for both the defined benefit and defined contribution plans remained the same as in fiscal year 2012. Although the covered payroll for the retirement health savings plan increased, the contribution amount decreased due to large lump sum contributions upon retirement.

NOTE K - COMMITMENTS AND CONTINGENCIES

Litigation:

The City as a municipality is subject to lawsuits in the conduct of its business. The City has reviewed its outstanding litigation and recorded a \$ 5,000 contingent liability representing the potential payout as of September 30, 2013 in the Government-wide financial statements.

Risk management:

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE K - COMMITMENTS AND CONTINGENCIES (continued)

Grants compliance:

The City receives financial assistance from Federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the Florida Single Audit Act, the City was not required to conduct a “single audit” for Federal or State grants. The threshold for such audits is \$ 500,000 for either level of government. The City has included the expenditure of Federal forfeitures under the Federal grant section. The following summarizes grant activity for the year ended September 30, 2013:

Grant	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>	<u>CFDA/ CSDA</u>
Federal Grants:				
Federal Forfeitures	\$ -	\$ 335,480	\$ -	16.922
Community Development				
Block Grant	40,809	57,451	16,642	14.218
Department of Law Enforcement	2,008	2,008	-	16.738
Drug Enforcement Administration	1,827	1,827	-	n/a
Department of Justice	2,673	2,673	-	16.607
	<u>47,317</u>	<u>399,439</u>	<u>16,642</u>	
Total Federal grants	\$ <u>47,317</u>	\$ <u>399,439</u>	\$ <u>16,642</u>	
State Grants:				
Division of Emergency Management	\$ <u>22,860</u>	<u>22,860</u>	<u>-</u>	64.003
Total state grants	\$ <u>22,860</u>	\$ <u>22,860</u>	\$ <u>-</u>	
Local Grants:				
Marine Law Enforcement	\$ 47,536	\$ 55,054	\$ 7,518	n/a
Broward County	<u>22,650</u>	<u>22,650</u>	<u>-</u>	n/a
Total local grants	\$ <u>70,186</u>	\$ <u>77,704</u>	\$ <u>7,518</u>	

NOTE L – OTHER POST-EMPLOYMENT BENEFITS

The City’s only post-retirement benefit is offering retired employees the opportunity to retain the City’s health insurance coverage by paying the full premium paid by the City for active employees. For department directors only, employees who retire at age 62 with at least ten years of service receive the City health insurance until age 65 with the City paying the full premium for the retiree. At age 55 with at least ten years of service, a department director may receive 33% of the premium subsidy from the City. At present, one former director is receiving this benefit. Elected officials, who have served five years, are eligible to retain City health insurance at their own expense. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. An actuarial valuation was completed as of September 30, 2013 and reflects the most current estimate of the other post-employment benefit obligation liability. As of September 30, 2013, the net obligation was \$ 179,000. Consequently, the statement of net position reflects this amount. The actuarial methods and assumptions are as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE L – OTHER POST EMPLOYMENT BENEFITS (continued)

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit
Amortization method	15-year open period; level-dollar payment
Investment return	4.00% per annum
Inflation	2.75% per annum
Healthcare cost trend	
Select rates	9.00% for fiscal year 2013/14 graded to 5.50% for fiscal year 2020/21
Ultimate rate	5.00% per annum

The net other post-employment benefit obligation outstanding as of September 30, 2013 is calculated as follows:

	As of September 30, 2013
Development of the Annual OPEB Cost	
1 ARC	\$ 51,000
2 Interest on the Net OPEB Obligation	7,000
3 Adjustment to the ARC	<u>(15,000)</u>
4 Total Annual OPEB Cost	<u>\$ 43,000</u>
Development of the Net OPEB Obligation	
1 Annual OPEB Cost	\$ 43,000
2 Employer Contributions	(31,000)
3 Interest on Employer Contributions	<u>(1,000)</u>
4 Increase in the Net OPEB Obligation	11,000
5 Net OPEB Obligation (beginning of year)	<u>168,000</u>
6 Net OPEB Obligation (end of year)	<u>\$ 179,000</u>

The liabilities and costs used in the valuation studies were based on numerous assumptions concerning the cost of benefits to be provided in the future, the contributions expected to be made by retirees in the future, the incidence and level of benefit coverage in the future, and the future demographic experience of the current active employees of the City and current retirees and their covered dependents. The cost developed pursuant to GASB Statement 45 is only an estimate of the true cost of providing post-employment benefits. The basis for these benefits is authorized by the City Commission by resolution.

Three Year Trend Information

Fiscal Year	Annual OPEB Cost	Percent Contributed	Net Other Post-employment Benefit Obligation
2010/2011	\$ 40,000	62%	\$ 156,000
2011/2012	\$ 40,000	70%	\$ 168,000
2012/2013	\$ 43,000	74%	\$ 179,000

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE L – OTHER POST EMPLOYMENT BENEFITS (continued)

The plan is not pre-funded and is therefore supported on a pay-as-you-go basis. For the latest actuarial valuation date of October 1, 2013, the actuarial accrued liability for benefits was \$ 349,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 349,000. The covered payroll was \$ 5,344,000 for fiscal year 2013, and the ratio of unfunded actuarial accrued liability to the covered payroll was 6.5%.

The schedule of funding progress for the other post-employment benefits is provided in the section immediately following these notes to the financial statements and includes multi-year trend information about the actuarial value of the plan assets relative to the actuarial accrued liability for benefits over time. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations also reflect a long-term perspective.

NOTE M – RESTATEMENT OF BEGINNING NET POSITION

For the year ended September 30, 2013 the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This resulted in a decrease to the beginning net position on the statement of activities of \$ 19,667 for governmental activities to remove deferred financing costs in accordance with GASB 65. In addition the beginning net position was increased by \$ 341,861, which represents the net pension asset as of September 30, 2012 for the City's defined benefit plan.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE LAST SIX FISCAL YEARS
 POLICE AND FIRE DEFINED BENEFIT PENSION PLAN

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded AAA (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/08	\$ 5,578,515	\$ 5,719,803	\$ 141,288	97.5%	\$ 2,441,440	5.8%
10/01/09	6,043,934	6,183,342	139,408	97.7%	2,572,144	5.4%
10/01/10	7,008,924	7,146,306	137,382	98.1%	2,718,225	5.1%
10/01/12	9,555,049	9,687,897	132,848	98.6%	3,108,447	4.3%
10/01/13	14,132,771	16,158,726	2,025,955	87.5%	3,125,632	64.8%

NOTE: No valuation was performed on 10/01/11.

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
 AND EMPLOYEES
 FOR THE LAST SIX FISCAL YEARS
 POLICE AND FIRE DEFINED BENEFIT PENSION PLAN

Fiscal Year Ended	Member		Employer	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
09/30/2008	285,782	100%	291,631	100%
09/30/2009	386,012	100%	490,822	100%
09/30/2010	637,229	100%	431,963	100%
09/30/2011	517,602	100%	738,370	100%
09/30/2012	545,338	100%	777,937	100%
09/30/2013	565,485	100%	806,675	100%

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS

<u>Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAA (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/01/07	\$ -	\$ 174,769	\$ 174,769	0.0%	\$ 4,461,556	3.9%
10/01/08	-	636,000	636,000	0.0%	5,047,000	12.6%
06/01/11	-	295,000	295,000	0.0%	5,351,000	5.5%
10/01/13	-	349,000	349,000	0.0%	5,344,000	6.5%

NOTE: There was no valuation performed in fiscal year 2009 and 2010 because it was not required.

**OTHER SUPPLEMENTARY
INFORMATION**

CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 5,872,463	\$ 5,778,063	\$ 5,778,082	\$ 19
Delinquent	-	154,300	152,658	(1,642)
	<u>5,872,463</u>	<u>5,932,363</u>	5,930,740	(1,623)
Franchise taxes:				
Electricity	815,000	815,000	767,419	(47,581)
Solid waste	115,000	115,000	97,100	(17,900)
	<u>930,000</u>	<u>930,000</u>	864,519	(65,481)
Utility service taxes:				
Electricity	945,000	945,000	1,015,477	70,477
Water	470,000	470,000	460,268	(9,732)
Gas	2,000	2,000	890	(1,110)
Propane	35,300	35,300	39,328	4,028
Communications services	675,000	724,600	723,141	(1,459)
	<u>2,127,300</u>	<u>2,176,900</u>	2,239,104	62,204
Licenses and permits:				
Business license tax	62,000	62,000	69,536	7,536
Building permits	180,000	200,000	205,802	5,802
Plumbing permits	30,000	40,000	44,239	4,239
Electrical permits	55,000	59,600	65,075	5,475
Other	189,500	199,500	220,825	21,325
	<u>516,500</u>	<u>561,100</u>	605,477	44,377
Intergovernmental revenues:				
State revenue sharing	267,000	267,000	272,608	5,608
Other state revenue sharing	-	-	39,002	39,002
Alcoholic beverage license	7,000	7,000	6,461	(539)
Gasoline tax	190,000	190,000	177,618	(12,382)
Half cent sales tax	578,000	578,000	606,903	28,903
Firefighters supplemental	10,000	10,000	13,330	3,330
Motor fuel rebate	5,000	5,000	4,789	(211)
County occupational license	10,000	10,000	10,273	273
Federal grants	19,872	38,372	45,308	6,936
State grants	-	24,860	24,868	8
Local grants	57,000	57,000	70,186	13,186
	<u>1,143,872</u>	<u>1,187,232</u>	1,271,346	84,114

Continued on next page

CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	8,000	8,000	13,620	5,620
Zoning fees	10,000	10,000	13,364	3,364
Merchandise sales	20	20	7	(13)
Certification, copying, research	500	500	298	(202)
Accident reports	556	556	1,096	540
Fingerprinting fees	2,500	2,500	3,670	1,170
Alarm fees	6,000	6,000	7,315	1,315
Special detail fees	20,000	20,000	28,571	8,571
Fire inspection fees	20,000	20,000	22,014	2,014
Construction inspection fees	5,000	5,000	8,464	3,464
Other fees - fire	400	400	975	575
Ambulance fees	190,000	190,000	221,222	31,222
Library fees	700	700	1,359	659
Photostat and other fees	1,100	1,100	1,079	(21)
Registration - recreation	11,000	11,000	12,254	1,254
Summer recreation fees	46,000	46,000	36,925	(9,075)
Other fees - city clerk	-	-	46	46
Other recreation fees	7,000	7,000	5,920	(1,080)
	<u>328,776</u>	<u>328,776</u>	<u>378,199</u>	<u>49,423</u>
Non advalorem assessments:				
Special assessments - fire	570,000	570,000	571,709	1,709
	<u>570,000</u>	<u>570,000</u>	<u>571,709</u>	<u>1,709</u>
Fines and forfeitures:				
Court fines	18,000	18,000	11,811	(6,189)
Library fines	1,000	1,000	863	(137)
Parking citations	2,600	2,600	4,120	1,520
Code enforcement fines	80,000	80,000	111,020	31,020
	<u>101,600</u>	<u>101,600</u>	<u>127,814</u>	<u>26,214</u>
Miscellaneous income:				
Interest income	25,000	25,000	23,160	(1,840)
Other	16,450	128,075	238,622	110,547
	<u>41,450</u>	<u>153,075</u>	<u>261,782</u>	<u>108,707</u>
Allocation of fund balance	525,228	525,228	-	(525,228)
Total revenues	<u>12,157,189</u>	<u>12,466,274</u>	<u>12,250,690</u>	<u>(215,584)</u>

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	37,141	32,581	31,658	923
Operating expenditures	10,934	13,622	14,552	(930)
Capital outlay	-	750	745	5
Grants and aids	8,521	7,876	7,877	(1)
	<u>56,596</u>	<u>54,829</u>	<u>54,832</u>	<u>(3)</u>
Executive - Mayor:				
Personal services	25,927	27,562	27,609	(47)
Operating expenditures	17,118	17,150	17,104	46
	<u>43,045</u>	<u>44,712</u>	<u>44,713</u>	<u>(1)</u>
Administration/finance:				
Personal services	547,459	561,484	561,486	(2)
Operating expenditures	83,075	98,350	103,596	(5,246)
Capital outlay	-	55,536	36,476	19,060
	<u>630,534</u>	<u>715,370</u>	<u>701,558</u>	<u>13,812</u>
City attorney:				
Operating expenditures	123,499	122,509	122,507	2
Support services:				
Personal services	75,038	83,378	85,059	(1,681)
Operating expenditures	351,703	373,623	373,621	2
	<u>426,741</u>	<u>457,001</u>	<u>458,680</u>	<u>(1,679)</u>
Total general government	1,280,415	1,394,421	1,382,290	12,131
Public safety:				
Police department:				
Personal services	4,506,214	4,449,474	4,449,476	(2)
Operating expenditures	239,929	291,119	297,310	(6,191)
Capital outlay	-	7,880	1,689	6,191
	<u>4,746,143</u>	<u>4,748,473</u>	<u>4,748,475</u>	<u>(2)</u>

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	3,131,655	3,079,815	3,079,817	(2)
Operating expenditures	166,655	206,180	207,231	(1,051)
Capital outlay	32,900	64,120	63,067	1,053
	<u>3,331,210</u>	<u>3,350,115</u>	<u>3,350,115</u>	-
Building department:				
Personal services	135,508	139,703	139,702	1
Operating expenditures	257,290	295,910	300,209	(4,299)
Capital outlay	754	20,975	1,786	19,189
	<u>393,552</u>	<u>456,588</u>	<u>441,697</u>	14,891
Code enforcement:				
Personal services	197,459	208,329	208,326	3
Operating expenditures	18,250	21,850	26,148	(4,298)
Capital outlay	-	20,316	1,879	18,437
	<u>215,709</u>	<u>250,495</u>	<u>236,353</u>	14,142
Total public safety	8,686,614	8,805,671	8,776,640	29,031
Physical environment:				
Public works:				
Personal services	932,768	940,103	940,105	(2)
Operating expenditures	314,182	381,291	451,763	(70,472)
Capital outlay	18,500	92,355	21,889	70,466
Total physical environment	1,265,450	1,413,749	1,413,757	(8)
Transportation:				
Community bus:				
Personal services	29,457	31,062	31,059	3
Operating expenditures	13,050	13,630	13,520	110
Total transportation	42,507	44,692	44,579	113

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	246,967	240,157	240,154	3
Operating expenditures	28,550	26,455	70,814	(44,359)
Capital outlay	64,626	48,561	4,205	44,356
	<u>340,143</u>	<u>315,173</u>	<u>315,173</u>	-
Recreation department:				
Personal services	270,181	269,681	269,679	2
Operating expenditures	121,275	126,965	182,238	(55,273)
Capital outlay	31,000	57,604	2,333	55,271
	<u>422,456</u>	<u>454,250</u>	<u>454,250</u>	-
Total culture/recreation	762,599	769,423	769,423	-
Debt service:				
Principal	165,899	162,239	162,243	(4)
Interest	7,552	7,357	7,355	2
Total debt service	173,451	169,596	169,598	(2)
Total expenditures	<u>12,211,036</u>	<u>12,597,552</u>	<u>12,556,287</u>	<u>41,265</u>
Excess of revenues over expenditures	(53,847)	(131,278)	(305,597)	(174,319)
Other financing sources (uses):				
Transfers in	117,347	117,347	113,511	(3,836)
Transfers out	(122,000)	(122,000)	(122,000)	-
Capital lease proceeds	58,500	58,500	-	(58,500)
Total other financing sources (uses)	<u>53,847</u>	<u>53,847</u>	<u>(8,489)</u>	<u>(62,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (77,431)</u>	(314,086)	<u>\$ (236,655)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,953,747</u>	
FUND BALANCE, END OF YEAR			<u>\$ 5,639,661</u>	

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - TENNIS CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Membership fees	\$ 52,000	52,000	\$ 38,822	\$ (13,178)
Daily use fees	13,000	13,000	16,317	3,317
Revenue sharing	15,000	15,000	11,979	(3,021)
Lighting fees	700	700	637	(63)
	<u>80,700</u>	<u>80,700</u>	<u>67,755</u>	<u>(12,945)</u>
Miscellaneous:				
Interest income			-	-
Other	1,000	1,000	2,205	1,205
	<u>1,000</u>	<u>1,000</u>	<u>2,205</u>	<u>1,205</u>
Total revenues	<u>81,700</u>	<u>81,700</u>	<u>69,960</u>	<u>(11,740)</u>
EXPENDITURES:				
Culture/recreation:				
Personal services	147,722	144,937	145,966	(1,029)
Operating expenditures	28,978	31,763	21,982	9,781
Total expenditures	<u>176,700</u>	<u>176,700</u>	<u>167,948</u>	<u>8,752</u>
Excess (deficiency) of revenues over expenditures	(95,000)	(95,000)	(97,988)	(2,988)
OTHER FINANCING SOURCES:				
Transfers in	95,000	95,000	95,000	-
Total other financing sources	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(2,988)	<u>\$ (2,988)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,331</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,343</u>	

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Non advalorem assessments:				
Stormwater fees	\$ 265,000	265,000	\$ 269,845	\$ 4,845
	<u>265,000</u>	<u>265,000</u>	<u>269,845</u>	<u>4,845</u>
Miscellaneous:				
Interest income	1,000	1,000	1,040	40
	<u>1,000</u>	<u>1,000</u>	<u>1,040</u>	<u>40</u>
 Total revenues	 <u>266,000</u>	 <u>266,000</u>	 <u>270,885</u>	 <u>4,885</u>
EXPENDITURES:				
Physical environment:				
Operating expenditures	-	-	78,298	(78,298)
Capital outlay	100,000	100,000	-	100,000
	<u>100,000</u>	<u>100,000</u>	<u>78,298</u>	<u>21,702</u>
 Total expenditures	 <u>100,000</u>	 <u>100,000</u>	 <u>78,298</u>	 <u>21,702</u>
 Net change in fund balance	 <u>\$ 166,000</u>	 <u>\$ 166,000</u>	 192,587	 <u>\$ 26,587</u>
 FUND BALANCE, BEGINNING OF YEAR			 <u>670,701</u>	
 FUND BALANCE, END OF YEAR			 <u>\$ 863,288</u>	

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes	\$ 454,399	\$ 454,399	\$ 462,261	\$ 7,862
Miscellaneous:				
Interest income	200	200	66	(134)
Allocation of fund balance	<u>15,467</u>	<u>15,467</u>	<u>-</u>	<u>(15,467)</u>
Total revenues	<u>470,066</u>	<u>470,066</u>	<u>462,327</u>	<u>(7,739)</u>
EXPENDITURES:				
Debt service:				
Principal	336,778	336,778	336,778	-
Interest	<u>70,941</u>	<u>70,941</u>	<u>70,941</u>	<u>-</u>
Total expenditures	<u>407,719</u>	<u>407,719</u>	<u>407,719</u>	<u>-</u>
OTHER FINANCING USES:				
Transfers out	<u>(62,347)</u>	<u>(62,347)</u>	<u>(58,511)</u>	<u>3,836</u>
Total other financing sources	<u>(62,347)</u>	<u>(62,347)</u>	<u>(58,511)</u>	<u>3,836</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(3,903)	<u>\$ (3,903)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,226</u>	
FUND BALANCE, END OF YEAR			<u>\$ 323</u>	

**OTHER
FINANCIAL INFORMATION**

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Infrastructure Fund - This fund accounts for improvements to storm drainage, bridges, seawalls, sidewalks, street paving, canals, buildings, and Commission projects.

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

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

Debt Service Fund

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
ASSETS:			
Cash and cash equivalents	\$ 100	\$ -	\$ 863,252
Investments	-	-	-
Due from other funds	4,051	639,367	-
Accounts receivable	5,559	-	-
Due from other governments	-	-	45
Prepaid expenditures	750	-	-
	<u>10,460</u>	<u>639,367</u>	<u>863,297</u>
Total assets	\$ <u>10,460</u>	\$ <u>639,367</u>	\$ <u>863,297</u>
 LIABILITIES AND FUND BALANCES:			
Accounts payable	\$ 2,706	\$ -	\$ 9
Accrued payroll and related taxes	1,768	-	-
Deferred revenue	2,643	-	-
	<u>7,117</u>	<u>-</u>	<u>9</u>
Total liabilities	<u>7,117</u>	<u>-</u>	<u>9</u>
 Fund balances:			
Nonspendable	750	-	-
Restricted	-	-	863,288
Committed	2,593	639,367	-
Unassigned	-	-	-
	<u>3,343</u>	<u>639,367</u>	<u>863,288</u>
Total fund balances	<u>3,343</u>	<u>639,367</u>	<u>863,288</u>
Total liabilities and fund balances	\$ <u>10,460</u>	\$ <u>639,367</u>	\$ <u>863,297</u>

Special Purpose Fund	Total	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 200,486	\$ 1,063,838	\$ 323	\$ 1,064,161
10,147	10,147	-	10,147
8,058	651,476	-	651,476
-	5,559	-	5,559
-	45	-	45
-	750	-	750
<u>\$ 218,691</u>	<u>\$ 1,731,815</u>	<u>\$ 323</u>	<u>\$ 1,732,138</u>
\$ 1,048	\$ 3,763	\$ -	\$ 3,763
-	1,768	-	1,768
-	2,643	-	2,643
<u>1,048</u>	<u>8,174</u>	<u>-</u>	<u>8,174</u>
-	750	-	750
-	863,288	323	863,611
217,643	859,603	-	859,603
-	-	-	-
<u>217,643</u>	<u>1,723,641</u>	<u>323</u>	<u>1,723,964</u>
<u>\$ 218,691</u>	<u>\$ 1,731,815</u>	<u>\$ 323</u>	<u>\$ 1,732,138</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2013

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
REVENUES:			
Ad valorem taxes	\$ -	\$ -	\$ -
Charges for services	67,755	-	-
Non advalorem assessments	-	-	269,845
Miscellaneous	2,205	126,493	1,040
Total revenues	<u>69,960</u>	<u>126,493</u>	<u>270,885</u>
EXPENDITURES:			
Current:			
Physical environment	-	22,553	78,298
Culture/recreation	167,948	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>167,948</u>	<u>22,553</u>	<u>78,298</u>
Excess (deficiency) of revenues over expenditures	<u>(97,988)</u>	<u>103,940</u>	<u>192,587</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	95,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>95,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,988)	103,940	192,587
FUND BALANCE, BEGINNING OF YEAR	<u>6,331</u>	<u>535,427</u>	<u>670,701</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,343</u>	<u>\$ 639,367</u>	<u>\$ 863,288</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 462,261	\$ 462,261
612	68,367	-	68,367
-	269,845	-	269,845
<u>88,923</u>	<u>218,661</u>	<u>66</u>	<u>218,727</u>
<u>89,535</u>	<u>556,873</u>	<u>462,327</u>	<u>1,019,200</u>
31,749	132,600	-	132,600
69,506	237,454	-	237,454
-	-	336,778	336,778
<u>-</u>	<u>-</u>	<u>70,941</u>	<u>70,941</u>
<u>101,255</u>	<u>370,054</u>	<u>407,719</u>	<u>777,773</u>
<u>(11,720)</u>	<u>186,819</u>	<u>54,608</u>	<u>241,427</u>
27,000	122,000	-	122,000
<u>-</u>	<u>-</u>	<u>(58,511)</u>	<u>(58,511)</u>
<u>27,000</u>	<u>122,000</u>	<u>(58,511)</u>	<u>63,489</u>
15,280	308,819	(3,903)	304,916
<u>202,363</u>	<u>1,414,822</u>	<u>4,226</u>	<u>1,419,048</u>
\$ <u><u>217,643</u></u>	\$ <u><u>1,723,641</u></u>	\$ <u><u>323</u></u>	\$ <u><u>1,723,964</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 September 30, 2013

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
ASSETS:					
Investments	\$ 3,308,929	\$ 3,216,793	\$ 2,774,466	\$ 5,464,675	\$ 14,764,863
Participant loans receivable	<u>192,347</u>	<u>86,410</u>	<u>72,160</u>	<u>18,868</u>	<u>369,785</u>
Total assets	3,501,276	3,303,203	2,846,626	5,483,543	15,134,648
LIABILITIES					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Held in trust for pension and other benefits	<u>\$ 3,501,276</u>	<u>\$ 3,303,203</u>	<u>\$ 2,846,626</u>	<u>\$ 5,483,543</u>	<u>\$ 15,134,648</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 14,132,771	\$ 6,438,828	\$ 288,413	\$ 35,624,875
<u>-</u>	<u>-</u>	<u>-</u>	<u>369,785</u>
14,132,771	6,438,828	288,413	35,994,660
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 14,132,771</u>	<u>\$ 6,438,828</u>	<u>\$ 288,413</u>	<u>\$ 35,994,660</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal year Ended September 30, 2013

	Defined Contribution Pension Plans				
	General	Fire	Police	Management	Total
ADDITIONS:					
Contributions					
City	\$ 176,636	\$ 43,051	\$ 12,165	\$ 111,093	\$ 342,945
Employees	<u>42,393</u>	<u>24,601</u>	<u>5,214</u>	<u>47,611</u>	<u>119,819</u>
Total contributions	<u>219,029</u>	<u>67,652</u>	<u>17,379</u>	<u>158,704</u>	<u>462,764</u>
Investment earnings and expenses:					
Interest, dividend and investment value changes	310,284	381,313	284,131	469,514	1,445,242
Less investment expense	<u>27,367</u>	<u>25,817</u>	<u>22,249</u>	<u>42,859</u>	<u>118,292</u>
Net investment earnings	<u>282,917</u>	<u>355,496</u>	<u>261,882</u>	<u>426,655</u>	<u>1,326,950</u>
Total additions	<u>501,946</u>	<u>423,148</u>	<u>279,261</u>	<u>585,359</u>	<u>1,789,714</u>
DEDUCTIONS:					
Benefits paid	<u>202,773</u>	<u>216,353</u>	<u>208,444</u>	<u>185,646</u>	<u>813,216</u>
Refund of contributions:					
City	7,971	59	7,132	37,961	53,123
Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>210,744</u>	<u>216,412</u>	<u>215,576</u>	<u>223,607</u>	<u>866,339</u>
Change in net position	291,202	206,736	63,685	361,752	923,375
NET POSITION HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
BEGINNING OF YEAR	<u>3,210,074</u>	<u>3,096,467</u>	<u>2,782,941</u>	<u>5,121,791</u>	<u>14,211,273</u>
END OF YEAR	<u>\$ 3,501,276</u>	<u>\$ 3,303,203</u>	<u>\$ 2,846,626</u>	<u>\$ 5,483,543</u>	<u>\$ 15,134,648</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 806,675	\$ -	\$ -	\$ 1,149,620
565,485	340,994	44,369	1,070,667
1,372,160	340,994	44,369	2,220,287
1,445,321	634,258	34,383	3,559,204
35,606	51,877	3,827	209,602
1,409,715	582,381	30,556	3,349,602
2,781,875	923,375	74,925	5,569,889
160,581	490,636	47,121	1,511,554
-	-	-	53,123
-	-	-	-
160,581	490,636	47,121	1,564,677
2,621,294	432,739	27,804	4,005,212
11,511,477	6,006,089	260,609	31,989,448
\$ 14,132,771	\$ 6,438,828	\$ 288,413	\$ 35,994,660

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2013

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

Contents	<u>Page</u>
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.	81-88
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	89-95
Debt Capacity These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	96-101
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.	102-103
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.	104-109

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal			
	2013	2012	2011	2010
Governmental activities				
Net investment in				
capital assets	\$ 15,786,710	\$ 15,540,755	\$ 15,392,168	\$ 15,316,538
Restricted	3,191,909	3,331,058	3,410,406	4,048,277
Unrestricted	6,421,799	6,339,706	6,237,128	6,110,724
Total governmental				
activities net position	\$ 25,400,418	\$ 25,211,519	\$ 25,039,702	\$ 25,475,539

Notes: The City has no business-type activities.

Table 1

Year					
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 14,921,902	\$ 14,713,746	\$ 13,755,926	\$ 10,101,398	\$ 7,497,567	\$ 6,923,964
4,529,846	5,112,882	1,021,484	1,701,725	2,773,331	2,391,806
<u>5,407,842</u>	<u>4,958,569</u>	<u>5,635,518</u>	<u>4,405,822</u>	<u>3,432,485</u>	<u>2,660,227</u>
<u>\$ 24,859,590</u>	<u>\$ 24,785,197</u>	<u>\$ 20,412,928</u>	<u>\$ 16,208,945</u>	<u>\$ 13,703,383</u>	<u>\$ 11,975,997</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses:				
Governmental activities:				
General government	\$ 1,415,364	\$ 1,320,586	\$ 1,370,967	\$ 1,363,611
Public safety	8,686,485	8,903,618	8,569,761	8,428,182
Physical environment	3,854,194	3,284,930	3,989,844	4,413,816
Transportation	44,667	40,788	40,474	39,679
Culture/recreation	1,156,366	1,115,321	1,201,806	1,166,238
Interest expense	77,180	206,131	197,849	215,231
	<u>15,234,256</u>	<u>\$ 14,871,374</u>	<u>\$ 15,370,701</u>	<u>\$ 15,626,757</u>
Program Revenues:				
Charges for services:				
General government	\$ 27,335	\$ 30,614	\$ 22,940	\$ 13,861
Public safety	1,603,627	1,858,897	1,609,068	1,363,035
Physical environment	2,236,065	2,264,373	2,369,597	2,487,291
Culture/recreation	125,904	136,784	142,928	139,700
Operating grants and contributions	153,494	93,412	222,371	188,259
Capital grants and contributions	-	155,985	102,386	261,156
	<u>4,146,425</u>	<u>\$ 4,540,065</u>	<u>\$ 4,469,290</u>	<u>\$ 4,453,302</u>
Total governmental activities program revenues	<u>\$ 4,146,425</u>	<u>\$ 4,540,065</u>	<u>\$ 4,469,290</u>	<u>\$ 4,453,302</u>
Total governmental activities net expense	<u>\$ 11,087,831</u>	<u>\$ 10,331,309</u>	<u>\$ 10,901,411</u>	<u>\$ 11,173,455</u>
General Revenues and Change in Net Position:				
Taxes:				
Ad valorem taxes	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909	\$ 6,945,061
Franchise taxes	862,148	825,196	929,559	970,558
Utility service taxes	2,195,295	2,184,080	2,135,681	2,116,737
Intergovernmental revenues	1,288,713	1,089,223	1,073,390	1,352,185
Miscellaneous	537,573	284,239	188,035	404,863
Special item, donation of of park land	-	-	-	-
	<u>11,276,730</u>	<u>10,503,126</u>	<u>10,465,574</u>	<u>11,789,404</u>
Total general revenues	<u>\$ 11,276,730</u>	<u>\$ 10,503,126</u>	<u>\$ 10,465,574</u>	<u>\$ 11,789,404</u>
Change in net position	<u>\$ 188,899</u>	<u>\$ 171,817</u>	<u>\$ (435,837)</u>	<u>\$ 615,949</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Table 2

		Year									
		2009	2008	2007	2006	2005	2004				
\$	1,440,339	\$	1,491,969	\$	1,140,397	\$	1,107,630	\$	1,171,742	\$	1,259,380
	8,161,594		8,078,961		7,454,524		7,028,043		6,725,610		6,307,172
	4,776,528		4,007,031		3,909,260		5,948,269		3,186,329		2,807,414
	40,852		53,925		46,492		45,563		51,022		50,684
	1,141,223		1,258,251		1,138,481		1,048,900		1,091,936		1,027,757
	229,439		212,550		216,500		238,762		253,352		247,274
\$	<u>15,789,975</u>	\$	<u>15,102,687</u>	\$	<u>13,905,654</u>	\$	<u>15,417,167</u>	\$	<u>12,479,991</u>	\$	<u>11,699,681</u>
\$	11,479	\$	84,577	\$	150,626	\$	148,617.00	\$	94,712	\$	92,604
	1,256,534		1,392,705		1,759,972		1,592,243		1,456,603		1,034,492
	1,901,360		2,055,722		2,526,006		1,502,879		1,297,520		1,282,860
	142,078		146,133		151,540		139,381		134,621		133,723
	214,979		4,025,992		223,088		2,569,879		336,822		391,655
	369,768		349,741		1,327,828		222,861		291,877		55,029
\$	<u>3,896,198</u>	\$	<u>8,054,870</u>	\$	<u>6,139,060</u>	\$	<u>6,175,860</u>	\$	<u>3,612,155</u>	\$	<u>2,990,363</u>
\$	<u>11,893,777</u>	\$	<u>7,047,817</u>	\$	<u>7,766,594</u>	\$	<u>9,241,307</u>	\$	<u>8,867,836</u>	\$	<u>8,709,318</u>
\$	7,080,510	\$	6,950,839	\$	7,422,102	\$	6,580,068	\$	5,762,042	\$	5,259,301
	1,011,721		1,015,706		1,058,761		961,067		838,136		792,957
	1,930,017		1,768,345		1,748,164		1,764,945		1,783,890		1,756,771
	1,276,444		1,143,836		1,204,632		1,256,336		1,235,660		1,132,499
	669,478		541,360		536,918		1,184,453		975,494		954,180
	-		-		-		-		-		3,578,070
\$	<u>11,968,170</u>	\$	<u>11,420,086</u>	\$	<u>11,970,577</u>	\$	<u>11,746,869</u>	\$	<u>10,595,222</u>	\$	<u>13,473,778</u>
\$	<u>74,393</u>	\$	<u>4,372,269</u>	\$	<u>4,203,983</u>	\$	<u>2,505,562</u>	\$	<u>1,727,386</u>	\$	<u>4,764,460</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:				
Nonspendable	\$ 550,156	\$ 64,938	\$ 89,064	\$ 414,244
Restricted	-	-	-	-
Committed	1,665,151	1,889,680	2,245,350	2,028,184
Assigned	3,250,000	3,750,000	3,750,000	3,823,043
Unassigned	174,354	249,129	125,363	142,563
Total general fund	\$ 5,639,661	\$ 5,953,747	\$ 6,209,777	\$ 6,408,034
All Other Governmental Funds:				
Garbage and trash fund:				
Committed	\$ 471,867	\$ 520,338	\$ 617,829	\$ 796,575
Public safety fund:				
Restricted	2,328,298	2,656,131	2,925,378	2,984,981
Committed	-	-	-	1,225
Debt service fund:				
Restricted	323	4,226	56,363	50,095
Capital projects fund:				
Committed	-	-	-	-
Nonmajor funds:				
Nonspendable	750	-	-	-
Restricted	863,288	670,701	428,665	172,244
Committed	859,603	744,121	761,417	989,080
Unassigned	-	-	(6,522)	(1,847)
Total all other governmental funds	\$ 4,524,129	\$ 4,595,517	\$ 4,783,130	\$ 4,992,353

Table 3

						Year
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
\$ 363,675	\$ 393,116	\$ 66,154	\$ 67,943	\$ -	\$ -	
-	-	-	-	-	-	
1,208,392	1,258,087	1,310,452	1,395,358	1,229,257	1,127,986	
3,794,819	2,569,115	2,136,490	709,956	465,897	210,341	
183,131	344,758	75,902	796,400	1,026,411	1,444,863	
<u>\$ 5,550,017</u>	<u>\$ 4,565,076</u>	<u>\$ 3,588,998</u>	<u>\$ 2,969,657</u>	<u>\$ 2,721,565</u>	<u>\$ 2,783,190</u>	
\$ 861,392	\$ 1,121,534	\$ 1,047,626	\$ 432,996	\$ 432,996	\$ 312,818	
3,290,715	3,269,697	144,927	53,274	66,483	506,944	
-	132,081	12,151	12,663	10,084	7,918	
43,319	45,163	78,022	51,716	24,731	22,253	
-	10,903	786,384	1,429,294	2,672,033	1,854,691	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,318,266	1,790,913	1,813,554	1,813,308	1,260,978	677,335	
-	-	-	-	-	-	
<u>\$ 5,513,692</u>	<u>\$ 6,370,291</u>	<u>\$ 3,882,664</u>	<u>\$ 3,793,251</u>	<u>\$ 4,467,305</u>	<u>\$ 3,381,959</u>	

CITY OF LIGHTHOUSE POINT, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2012	2011	2010
Revenues:				
Ad valorem taxes	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909	\$ 6,945,061
Franchise fees	864,519	905,559	929,559	970,558
Utility service taxes	2,239,104	2,138,837	2,139,372	2,120,424
Licenses and permits	605,477	635,114	529,905	530,797
Intergovernmental revenues	1,432,563	1,328,975	1,398,147	1,455,493
Charges for services	2,412,786	2,689,844	2,789,909	2,891,524
Nonadvalorem assessments	841,554	576,532	577,446	581,566
Fines and forfeitures	133,114	389,178	247,273	346,107
Interest income	33,226	49,056	42,643	117,250
Miscellaneous	518,735	228,658	153,676	294,943
Total revenues	15,474,079	15,062,141	14,946,839	16,253,723
Expenditures:				
General government	1,345,069	1,307,179	1,291,841	1,284,206
Public safety	8,782,071	8,578,790	8,184,831	7,943,944
Physical environment	3,712,686	3,470,209	3,845,327	4,254,355
Transportation	44,579	40,807	40,365	39,662
Culture/recreation	1,000,339	1,037,569	1,061,719	1,013,857
Capital outlay	397,492	534,520	284,292	769,111
Debt service:				
Interest	499,021	202,774	199,025	217,673
Principal	78,296	460,611	446,369	457,481
Other	-	20,000	550	550
Total expenditures	15,859,553	15,652,459	15,354,319	15,980,839
Excess of revenues over (under) expenditures	(385,474)	(590,318)	(407,480)	272,884
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	-
Capital leases	-	126,675	-	63,795
Net proceeds of notes payable	-	3,685,000	-	-
Payment to fiscal agent	-	(3,665,000)	-	-
Transfers in	235,511	180,000	221,051	118,564
Transfers out	(235,511)	(180,000)	(221,051)	(118,564)
Total other financing sources (uses)	-	146,675	-	63,795
Net change in fund balances	\$ (385,474)	\$ (443,643)	\$ (407,480)	\$ 336,679
Debt service as a % of noncapital expenditures	3.7%	4.4%	4.3%	4.4%

Table 4

		Fiscal year									
		2009	2008	2007	2006	2005	2004				
\$	7,080,510	\$	6,950,839	\$	7,422,102	\$	6,580,068	\$	5,762,042	\$	5,259,301
	1,011,721		1,015,706		1,039,813		940,568		788,445		787,205
	1,932,024		1,763,939		1,747,964		1,761,194		1,785,206		1,757,313
	417,812		517,443		774,232		896,506		814,855		652,083
	1,587,770		2,249,872		2,762,796		4,051,484		1,857,598		1,584,915
	2,339,440		2,476,338		2,989,505		1,951,969		1,731,541		1,689,303
	554,199		527,540		409,707		397,115		386,470		373,384
	273,421		3,427,513		414,700		137,530		437,059		202,293
	123,842		158,098		474,058		379,691		211,407		111,222
	606,343		424,998		541,190		851,267		399,204		480,225
	<u>15,927,082</u>		<u>19,512,286</u>		<u>18,576,067</u>		<u>17,947,392</u>		<u>14,173,827</u>		<u>12,897,244</u>
	1,285,048		1,186,532		1,375,913		1,189,441		1,112,111		1,190,309
	7,656,733		7,428,115		7,059,064		6,757,601		6,380,681		6,044,963
	4,579,722		4,233,546		3,831,248		5,116,482		2,477,986		2,426,329
	43,198		53,719		46,345		45,172		52,573		50,595
	1,009,842		1,016,718		1,027,277		973,317		875,005		796,813
	590,233		2,513,393		4,320,003		4,401,549		1,724,411		4,242,804
	229,641		222,993		217,256		231,707		239,503		248,797
	451,335		389,098		392,747		387,533		386,950		424,957
	550		5,300		300		813		2,550		2,850
	<u>15,846,302</u>		<u>17,049,414</u>		<u>18,270,153</u>		<u>19,103,615</u>		<u>13,251,770</u>		<u>15,428,417</u>
	<u>80,780</u>		<u>2,462,872</u>		<u>305,914</u>		<u>(1,156,223)</u>		<u>922,057</u>		<u>(2,531,173)</u>
	-		300,000		300,000		626,021		-		-
	47,562		700,833		102,840		104,240		101,664		161,000
	-		-		-		-		-		-
	-		-		-		-		-		-
	306,017		481,463		1,015,020		1,242,569		2,327,284		335,331
	(306,017)		(481,463)		(1,015,020)		(1,242,569)		(2,327,284)		(335,331)
	<u>47,562</u>		<u>1,000,833</u>		<u>402,840</u>		<u>730,261</u>		<u>101,664</u>		<u>161,000</u>
\$	<u>128,342</u>	\$	<u>3,463,705</u>	\$	<u>708,754</u>	\$	<u>(425,962)</u>	\$	<u>1,023,721</u>	\$	<u>(2,370,173)</u>
	4.5%		4.2%		4.4%		4.2%		5.4%		6.0%

CITY OF LIGHTHOUSE POINT, FLORIDA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Tax Year	Real Property			Personal Property
		Residential	Commercial	Other	
2004	2003	\$ 1,747,754	\$ 101,156	\$ 12,330	\$ 26,563
2005	2004	2,019,789	106,128	13,925	26,914
2006	2005	2,414,460	119,104	16,761	26,353
2007	2006	2,977,383	133,053	17,824	25,499
2008	2007	3,142,495	152,286	18,307	26,707
2009	2008	2,830,154	158,127	22,048	25,537
2010	2009	2,269,144	161,598	22,154	24,775
2011	2010	1,853,180	151,486	23,355	22,922
2012	2011	1,897,551	144,278	22,972	23,332
2013	2012	1,994,093	143,483	24,009	21,967

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

Table 5

<u>Less: Exemptions</u>		<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Net Assessed Value as a Percentage of Estimated Actual Value</u>
<u>Real Property</u>	<u>Personal Property</u>				
\$ 500,425	\$ 314	\$ 1,387,064	3.9669	\$ 1,887,803	73.48%
616,285	314	1,550,157	3.8860	2,166,756	71.54%
796,223	319	1,780,136	3.8387	2,576,678	69.09%
1,111,498	319	2,041,942	3.7823	3,153,759	64.75%
1,138,178	8	2,201,609	3.2934	3,339,795	65.92%
941,210	5,159	2,089,497	3.5142	3,035,867	68.83%
617,028	4,568	1,856,075	3.8825	2,477,671	74.91%
406,911	4,075	1,639,957	3.8825	2,050,943	79.96%
435,107	4,230	1,648,796	3.8602	2,088,133	78.96%
472,386	3,996	1,707,170	3.8691	2,183,551	78.18%

**CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City of Lighthouse Point			Broward County			School Board
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage
2003/04	3.6107	0.3562	3.9669	6.6065	0.5815	7.1880	8.1240
2004/05	3.5746	0.3114	3.8860	6.4831	0.5399	7.0230	8.0140
2005/06	3.5630	0.2757	3.8387	6.2942	0.4888	6.7830	7.8410
2006/07	3.5440	0.2383	3.7823	6.0661	-	6.0661	7.6790
2007/08	3.0887	0.2047	3.2934	4.8889	0.3979	5.2868	7.4770
2008/09	3.2822	0.2320	3.5142	4.8889	0.4256	5.3145	7.4170
2009/10	3.6188	0.2637	3.8825	4.8889	0.4256	5.3145	7.4310
2010/11	3.6188	0.2637	3.8825	5.1021	0.4509	5.5530	7.6310
2011/12	3.5893	0.2709	3.8602	5.1860	0.3670	5.5530	7.4180
2012/13	3.5893	0.2798	3.8691	5.2576	0.2954	5.5530	7.4560

Source: Broward County Property Appraiser

Table 6

School Board		Overlapping Rates					Total Direct and Overlapping Rate
Debt Service Millage	Total School Board Millage	Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet	
0.2936	8.4176	0.3920	0.6970	0.0385	2.5000	0.2490	23.4490
0.2555	8.2695	0.4231	0.6970	0.0385	2.4803	0.1845	23.0019
0.2213	8.0623	0.4231	0.6970	0.0385	2.1746	0.1845	22.2017
0.1897	7.8687	0.4073	0.6970	0.0385	1.8317	0.1170	20.8086
0.1714	7.6484	0.3572	0.6240	0.0345	1.6255	0.0860	18.9558
-	7.4170	0.3754	0.6240	0.0345	1.7059	0.0860	19.0715
-	7.4310	0.4243	0.6240	0.0345	1.7059	0.0860	19.5027
-	7.6310	0.4696	0.6240	0.0345	1.8750	0.0860	20.1556
-	7.4180	0.4789	0.4363	0.0345	1.8750	0.0860	19.7419
-	7.4560	0.4902	0.4289	0.0345	1.8564	0.0860	19.7741

**CITY OF LIGHTHOUSE POINT, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	Fiscal Year 2013			Fiscal Year 2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Centro Heritage Venetian Isle	\$ 18,536,180	1	1.09%	\$ 15,024,420	1	1.09%
Beacon Light Partners LTD	9,974,230	2	0.58%	8,630,860	3	0.63%
Lighthouse Point at Vintage LLC	8,992,320	3	0.53%	-		-
Acheson, James C & Suzanne J	8,001,480	4	0.47%	10,502,370	2	0.76%
Silver Seas Hotel, Inc.	6,407,270	5	-	5,315,020	6	0.39%
Florida Power & Light Co	5,851,077	6	0.34%	-		-
RHPH LLC	5,539,510	7	0.32%	-		-
J.H. and T.M. Verillo	5,270,260	8	0.31%	4,353,170	8	0.32%
Grove Gateway LLC &	5,023,380	9	0.29%	-		-
Foxman, Leonard A. Trustee	4,891,630	10	0.29%	-		-
Sherwood Sheehan Tr	-		-	6,185,810	4	0.45%
Hollywood Pines, Inc.	-		-	5,350,860	5	0.39%
Robert and Beverly Plath	-		-	5,203,800	7	0.38%
TT of Lighthouse Point, Inc.	-		-	4,301,860	9	0.31%
LGT Point Auto Investors, Inc. LLC	-		-	4,271,720	10	0.31%
Total	\$ 78,487,337		4.22%	\$ 69,139,890		5.03%

Source: Broward County Revenue Collector

CITY OF LIGHTHOUSE POINT, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year		
	Gross Levy	Discount	Net Levy
2004	\$ 5,438,248	\$ 172,723	\$ 5,265,525
2005	5,972,826	209,048	5,763,778
2006	6,797,975	291,858	6,506,117
2007	7,704,041	330,278	7,373,763
2008	7,251,082	310,816	6,940,266
2009	7,368,624	316,056	7,052,568
2010	7,208,468	309,283	6,899,185
2011	6,380,071	273,740	6,106,331
2012	6,382,448	273,944	6,108,504
2013	6,610,703	283,841	6,326,862

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

Collections in subsequent years include prior year's collections, corrections, and penalties.
A new appraiser placed renewed emphasis on tax compliance in fiscal year 2006.

Source: Broward County Property Appraiser

Table 8

Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
Amount	Percentage of Levy		Amount	Percentage of Levy
\$ 5,259,949	96.72%	\$ (648)	\$ 5,259,301	96.71%
5,758,072	96.40%	214,754	5,972,826	100.00%
6,358,133	93.53%	257,066	6,615,199	97.31%
7,165,036	93.00%	11,477	7,176,513	93.15%
6,939,363	95.70%	311,719	7,251,082	100.00%
6,627,949	89.95%	98,399	6,726,348	91.28%
6,846,662	94.98%	212,441	7,059,103	97.93%
5,926,606	92.89%	188,496	6,115,102	92.89%
5,931,892	92.94%	164,493	6,096,385	92.94%
6,228,508	94.22%	-	6,228,508	94.22%

**CITY OF LIGHTHOUSE POINT, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government
	General Obligation Bonds	Capital Leases	Notes Payable	
2004	5,740,000	372,019	-	6,112,019
2005	5,505,000	333,032	-	5,838,032
2006	5,265,000	296,534	-	5,561,534
2007	5,020,000	263,558	-	5,283,558
2008	4,765,000	805,281	-	5,570,281
2009	4,505,000	661,440	-	5,166,440
2010	4,235,000	537,755	-	4,772,755
2011	3,955,000	371,386	-	4,326,386
2012	-	328,452	3,684,000	4,012,452
2013	-	166,208	3,347,222	3,513,430

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

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

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

<u>Per Capita Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
36,337	1.54%	564
39,713	1.36%	539
42,013	1.22%	512
43,750	1.11%	485
43,274	1.17%	508
40,437	1.16%	469
41,481	1.05%	436
42,194	0.99%	418
43,351	0.88%	381
N/A	N/A	N/A

CITY OF LIGHTHOUSE POINT, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004	\$ 5,740,000	\$ 1,370,906,078	0.42%	\$ 530
2005	5,505,000	1,536,602,273	0.36%	508
2006	5,265,000	1,769,803,806	0.30%	485
2007	5,020,000	2,026,591,173	0.25%	461
2008	4,765,000	2,187,108,778	0.22%	435
2009	4,505,000	2,076,613,016	0.22%	409
2010	4,235,000	1,843,382,439	0.23%	387
2011	3,955,000	1,631,901,386	0.24%	382
2012	-	1,648,795,869	0.00%	-
2013	-	1,707,169,924	0.00%	-

Source: Broward County Property Appraiser's Office

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

CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING ACTIVITIES DEBT
As of September 30, 2013

Jurisdiction	Net Debt Outstanding	Estimate Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Broward County	\$ 279,630,000	1.35%	\$ 3,775,005
School Board of Broward County	<u>1,947,509,000</u>	0.96%	<u>18,696,086</u>
Subtotal, overlapping debt		0.96%	<u>22,471,091</u>
City direct debt			<u>3,513,430</u>
Total direct and overlapping debt			<u>\$ 25,984,521</u>

Sources: Debt outstanding data provided by each governmental unit.

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

Note: The School Board of Broward County debt outstanding is as of June 30, 2013.

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

CITY OF LIGHTHOUSE POINT, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2013

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEDGED REVENUE COVERAGE
September 30, 2013

The City does not have any pledged revenue.

**CITY OF LIGHTHOUSE POINT, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population	School Enrollment	Unemployment Rate	Personal Income	
				Total	Per Capita
2004	10,836	271,339	5.8%	63,266,735	36,337
2005	10,836	272,691	5.1%	69,375,144	39,713
2006	10,857	270,935	4.2%	73,075,813	42,013
2007	10,899	262,616	3.6%	75,286,103	43,750
2008	10,964	258,905	4.1%	74,588,165	43,274
2009	11,020	255,738	6.0%	70,090,397	40,437
2010	10,955	255,203	10.0%	72,712,604	41,481
2011	10,344	256,872	11.5%	75,315,293	42,194
2012	10,536	258,803	9.0%	78,687,882	43,351
2013	10,401	260,796	8.4%	N/A	N/A

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

Notes: School Enrollment data is County-wide.

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

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

CITY OF LIGHTHOUSE POINT, FLORIDA
PRINCIPAL EMPLOYERS
September 30, 2013

Information about the employers within the City of Lighthouse Point is not readily available. Due to the limited commercial base in the City, most employed residents work outside of the City limits. Lighthouse Point is part of a larger metropolitan area with many employers and does not rely upon the viability of a few employers.

**CITY OF LIGHTHOUSE POINT, FLORIDA
NUMBER OF EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>
General government:				
Finance and Administration	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Subtotal	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Public Safety:				
Police	42.50	42.50	41.50	43.00
Fire	27.00	27.00	27.00	27.00
Building	2.00	3.00	3.00	3.00
Code Enforcement	3.00	<u>3.00</u>	<u>2.50</u>	<u>3.07</u>
Subtotal	74.50	<u>75.50</u>	<u>74.00</u>	<u>76.07</u>
Public Works	12.00	12.00	14.00	15.00
Transportation	0.88	0.88	0.88	0.88
Culture/Recreation:				
Library	3.45	4.45	4.45	3.45
Recreation	6.04	<u>6.04</u>	<u>6.04</u>	<u>6.04</u>
Subtotal	9.49	<u>10.49</u>	<u>10.49</u>	<u>9.49</u>
Total authorized employees	101.87	<u>103.87</u>	<u>104.37</u>	<u>106.44</u>

Note: Reporting staffing as Full-Time Equivalent (FTE) beginning with FY 2012. FTE not available for prior fiscal years.

Table 16

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>
<u>5.00</u>	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
<u>5.00</u>	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
42.60	43.08	44.08	42.97	41.96	42.01
27.00	27.00	27.00	27.00	27.00	27.00
3.00	3.00	3.00	3.00	4.00	4.00
<u>3.07</u>	<u>3.07</u>	<u>3.47</u>	<u>2.87</u>	<u>2.94</u>	<u>2.95</u>
<u>75.67</u>	<u>76.15</u>	<u>77.55</u>	<u>75.84</u>	<u>75.90</u>	<u>75.96</u>
15.00	17.00	17.00	16.00	16.00	16.00
1.09	1.09	1.09	1.10	1.00	0.98
3.95	4.30	5.30	5.72	5.73	5.79
<u>6.04</u>	<u>6.04</u>	<u>6.04</u>	<u>6.54</u>	<u>6.30</u>	<u>6.44</u>
<u>9.99</u>	<u>10.34</u>	<u>11.34</u>	<u>12.26</u>	<u>12.03</u>	<u>12.23</u>
<u>106.75</u>	<u>110.58</u>	<u>112.98</u>	<u>112.20</u>	<u>111.93</u>	<u>112.17</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,894	7,894	7,622	7,771
Votes cast in last election	2,639	2,639	2,614	2,614
Lien searches processed	459	440	346	361
Business licenses issued	460	462	481	500
Ordinances prepared and adopted	3	9	8	4
Resolutions prepared and adopted	51	57	50	61
Commission minutes prepared and adopted	25	26	28	24
Agenda packets prepared	20	26	24	24
Public safety:				
Police				
Stations	1	1	1	1
Uniformed employees	34	33	33	33
Calls-for-service handled	8,516	8,330	7,986	7,925
Traffic accidents handled	347	324	362	339
Traffic citations/warnings issued	2,366	2,299	2,530	2,086
Fire				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,235	1,297	1,293	1,242
Building				
Permits issued	2,634	1,548	2,322	2,288
Value of construction	\$ 26,680,297	\$ 25,131,177	\$ 19,231,270	\$ 18,457,987
Physical environment				
Miles of streets	41.12	41.12	41.12	41.12
Miles of waterways	18.00	18.00	18.00	18.00
Culture/Recreation				
Library				
Books in collection	38,323	42,227	41,662	37,721
Circulation	42,673	42,681	59,759	71,910
Volunteer hours	10,200	10,166	8,600	8,250
Recreation				
Facilities				
Al Fletcher Park acreage	0.50	0.50	0.50	0.50
Dan Witt Park acreage	6.00	6.00	6.00	6.00
DeGroff Park acreage	4.60	4.60	4.60	4.60
Exchange Club park acreage	14.00	14.00	14.00	14.00
Frank McDonough Park acreage	6.10	6.10	6.10	6.10
Tennis Center	1	1	1	1

Notes: Library was closed for expansion during fiscal year 2007.

Library circulation dropped when the City changed to a fee-for-service library for non-residents (adults over the age of 14 years) as of July 1, 2011.

Table 17

2009	2008	2007	2006	2005	2004
2.49	2.49	2.49	2.49	2.49	2.49
7,578	7,540	7,317	7,841	8,353	8,222
2,614	2,614	2,614	2,614	2,614	3,274
246	207	263	278	N/A	N/A
509	502	522	546	N/A	N/A
5	6	10	8	N/A	N/A
60	59	61	73	N/A	N/A
28	31	27	27	29	N/A
24	28	28	27	29	N/A
1	1	1	1	1	1
35	35	33	34	34	33
8,387	9,122	8,806	8,251	N/A	N/A
314	384	422	414	N/A	N/A
4,308	4,485	4,248	3,768	N/A	N/A
1	1	1	1	1	1
26	26	26	26	26	26
1,202	1,246	1,241	1,226	1,454	1,196
1,801	1,444	1,667	1,945	1,535	1,497
\$ 14,663,933	\$ 22,612,828	\$ 36,002,643	\$ 43,886,924	\$ 37,657,625	\$ 35,664,875
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
38,756	36,507	42,220	46,223	44,056	42,485
70,693	57,996	N/A	50,691	57,875	58,171
8,600	8,600	N/A	8,672	8,500	8,500
0.50	0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00	6.00
4.60	4.60	4.60	4.60	4.60	4.60
14.00	14.00	14.00	14.00	14.00	14.00
6.10	6.10	6.10	6.10	6.10	6.10
1	1	1	1	1	1

**CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:				
General government				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	55,208	55,208	55,208	55,208
Public safety:				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
Culture/Recreation:				
Libraries	1	1	1	1
Acres of parks	31	31	31	31
Number of parks	5	5	5	5

* Data not available from City departments

Source: City Departments
Building Square Footage - Maximus, Inc. completed during 2006

Table 18

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 *	41.12 *
1 1	1 1	1 1	1 1	1 1	1 1
1 31 5	1 31 5	1 31 5	1 31 5	1 31 5	1 31 5

OTHER REPORTS OF INDEPENDENT AUDITOR'S

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

Independent Auditor's Report to City Management



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida (the "City") as of and for the year ended September 30, 2013, 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 25, 2014. Our report includes a reference to other auditors who audited the financial statements of the Police and Fire Defined Benefit Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 25, 2014



INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

We have audited the basic financial statements of City of Lighthouse Point, Florida (the "City") as of and for the year ended September 30, 2013, and have issued our report thereon dated March 25, 2014.

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 25, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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 significant findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit include a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that City complied with Section 218.415., Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., 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 was established in 1957 under the provision of Chapter 57-1534 of the laws of the State of Florida. The City does not have any component units.

City of Lighthouse Point, Florida

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 25, 2014