

City of Lighthouse Point

Florida



**Comprehensive Annual Financial Report
For the Year Ended September 30, 2014**

THE CITY OF LIGHTHOUSE POINT, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2014

Prepared By:
Finance Department

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Finance Director
Cori Olympio, CPA
Accountant

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2014

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INTRODUCTORY SECTION



March 27, 2015

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2014**

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, 2014. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clear perspective of the City's operations and financial activity.

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

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

PROFILE OF THE GOVERNMENT

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

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

ECONOMIC CONDITION AND OUTLOOK

Lighthouse Point is a developed community that is 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's tax base, which is primarily residential, was heavily impacted by the economic downturn of 2008-09. However, taxable values have seen the bottom and are poised for continued growth into the future. For the fiscal year ended September 30, 2014, which is the focus of this financial report, the assessed value of property for tax purposes increased by 4.33 percent to \$ 1.778 billion. The FY 2014/2015 tax base has increased by 6.26 percent to \$ 1.875 billion. Although the 2014/2015 increase was below the countywide average, this marks the fourth consecutive year of assessed value increases for the City of Lighthouse Point. For the property valuation on January 1, 2014, 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 operating ad valorem millage rate for FY 2014/2015 as was levied in FY 2013/2014. 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:

- Replacement of numerous sidewalks throughout the City.

- Various ongoing repairs and enhancements to the City's irrigation and landscaping infrastructure.
- Repair and maintenance to the City's stormwater infrastructure.
- Near completion of construction to replace Bridge 867204 on Lighthouse Drive over the Kingfisher Waterway; entire project managed and funded by the Florida Department of Transportation.

FINANCIAL INFORMATION AND RELEVANT POLICIES

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

Budgetary Control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances are reported as commitments of fund balance on September 30, 2014.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for FY 2013/2014. 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 help to maintain healthy levels of fund balance

Employee Retirement System:

The City offers eight different retirement plan options 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. The City offers a deferred compensation plan (457) and Roth IRA to all employees who wish to contribute, as well as a retirement health savings plan to certain eligible groups of employees. The defined contribution plans require fixed contributions from both the City and the participating employee based upon union contracts and City Commission resolutions. The defined benefit plan also requires City and employee contribution which are based upon the initial adoption resolution and modified by annual actuarial valuations. The deferred compensation, Roth IRA, and retirement health savings plans are funded exclusively through employee contributions. More information on the retirement plans is provided in the financial section of this report.

MAJOR INITIATIVES

The City's major initiatives for FY 2014 included the following:

- Launched the "Playground 2015" fundraising campaign to replace the play system and enhance surrounding amenities at Frank McDonough Park.
- Replaced several of the fleet's aging vehicles in the Police and Fire Departments.
- Purchase of a new front line Fire Engine, which replaced a unit that was far beyond its useful life.
- Negotiated with Florida Power and Light, AT&T, and Comcast to address life-safety matters directly related to the unsafe conditions of utility poles throughout the City.

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, 2013. This was the twentieth 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.

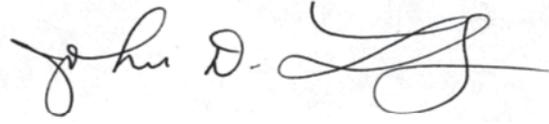
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements of this peer review program and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

A handwritten signature in black ink, appearing to read "DiPaolo".

Frank L. DiPaolo
Finance Director

A handwritten signature in black ink, appearing to read "John D. Lavisky".

John D. Lavisky
City Administrator



Government Finance Officers Association

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

Presented to

**City of Lighthouse Point
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2014

Mayor	Glenn Troast
Commission President	Earl Maucker
Commission Vice President	Becky Lysengen
Commissioner	Michael S. Long
Commissioner	Sandy Johnson
Commissioner	Kyle Van Buskirk
City Administrator	John D. Lavisky
City Attorney	Michael Cirullo
City Clerk	Jennifer Oh
Finance Director	Frank L. DiPaolo
Fire Chief	David Donzella
Library Director	Christy Keyes
Police Chief	Ross Licata
Public Works Director	Charles Schramm
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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police and Fire Defined Benefit Pension Trust Fund, which represent approximately 42% 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.

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, 2014, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Garbage and Trash Fund - a major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for pension and other post-employment benefits, and contributions from the employer and the State of Florida on pages 4 through 20 and 61 through 66, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 financial information and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

City of Lighthouse Point, Florida

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015, on our consideration of the City of Lighthouse Point, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lighthouse Point, Florida's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 27, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, 2014. 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, 2014:

- The City's total assets exceeded its liabilities by \$ 27,386,787 (net position). The entire amount was derived from governmental fund activities. Of this amount, \$ 7,444,696 (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 \$ 16,413,405, including \$ 4,264,785 for program related services. Expenditures for all governmental activities were \$ 15,345,970.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,156,751, a decrease of \$ 7,039. The General Fund decreased by \$ 112,786.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$ 5,526,875 including \$ 57,923 Nonspendable; \$ 1,560,813 Committed; \$ 3,750,000 Assigned; and \$ 158,139 Unassigned.
- The total value of the City's governmental cash and investments at September 30, 2014 was \$ 10,366,342. The City's balances of cash were up \$ 693,814 and invested funds were down \$ 236,432.

OVERVIEW OF FINANCIAL STATEMENTS

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

CITY OF LIGHTHOUSE POINT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, 2014

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

Fund financial statements

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

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

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

The City of Lighthouse Point maintains 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, 2014

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 \$ 27,397,919 at the close of the fiscal year. The table below summarizes Lighthouse Point's net position for the fiscal year ended September 30, 2014 compared to September 30, 2013.

Net Position September 30		
	2014	2013
Current and other assets	\$ 13,131,199	\$ 12,049,342
Capital assets, net	20,157,607	20,219,397
Total assets	33,288,806	32,268,739
Current liabilities	805,708	704,076
Long-term liabilities outstanding	5,175,179	5,245,311
Total liabilities	5,980,887	5,949,387
Net position:		
Net investment in capital assets	16,691,679	16,705,644
Restricted	3,250,412	3,191,909
Unrestricted	7,444,696	6,421,799
Total net position	\$ 27,386,787	\$ 26,319,352

The overall financial position of the City increased in total by \$ 1,067,435 during FY 2014. Although there are multiple factors that may contribute to this change, the City experienced an increase of \$ 199,194 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.

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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 (\$ 16,691,679 or 60.9%) 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 decreased by \$ 13,965 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 (\$ 3,250,412 or 11.9%) represents resources that are subject to either external restrictions or City policy on how they may be used. The 2014 balance in restricted net position increased by \$ 58,503.

The remaining balance of \$ 7,444,696 reflects unrestricted net position (27.18%) increased by \$ 1,022,897, and may be used to meet the government's ongoing obligations to citizens and creditors.

Summary of Changes in Net Position

Governmental activities:

The following schedule is a summary of the FY 2014 Statement of Activities with comparative information for FY 2013:

Change in Net Position

	For the Year Ended September 30,	
	2014	2013
REVENUES:		
Program revenues:		
Charges for services	\$ 4,145,330	\$ 3,992,931
Operating grants and contributions	119,455	153,494
General revenues:		
Ad valorem taxes	6,583,961	6,393,001
Other taxes	3,994,026	3,057,443
Intergovernmental revenues	1,153,978	1,288,713
Miscellaneous	416,655	537,573
	16,413,405	15,423,155
Total revenues		

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	For the Year Ended September 30,	
	2014	2013
EXPENSES:		
General government	1,465,093	1,415,364
Public safety	9,134,305	8,686,485
Physical environment	3,506,609	3,854,194
Transportation	46,027	44,667
Culture and recreation	1,122,567	1,156,366
Debt service	71,369	77,180
Total expenses	15,345,970	15,234,256
Change in net position	1,067,435	188,899
NET POSITION, BEGINNING OF YEAR	26,319,352	26,130,453
NET POSITION, END OF YEAR	\$ 27,386,787	\$ 26,319,352

Revenues exceeded the prior year total by \$ 990,250 (6.42%), and expenditures came in higher than the prior year total by \$ 111,714 (.73%). Net position for the current fiscal year increased by \$ 1,067,435. The main driver behind this increase was the recognition of \$859,220 due to the City for misappropriated Communications Services Taxes. Although this amount will be paid to the City over a six-year period, the entire amount is recognized immediately for the purpose of calculating net position.

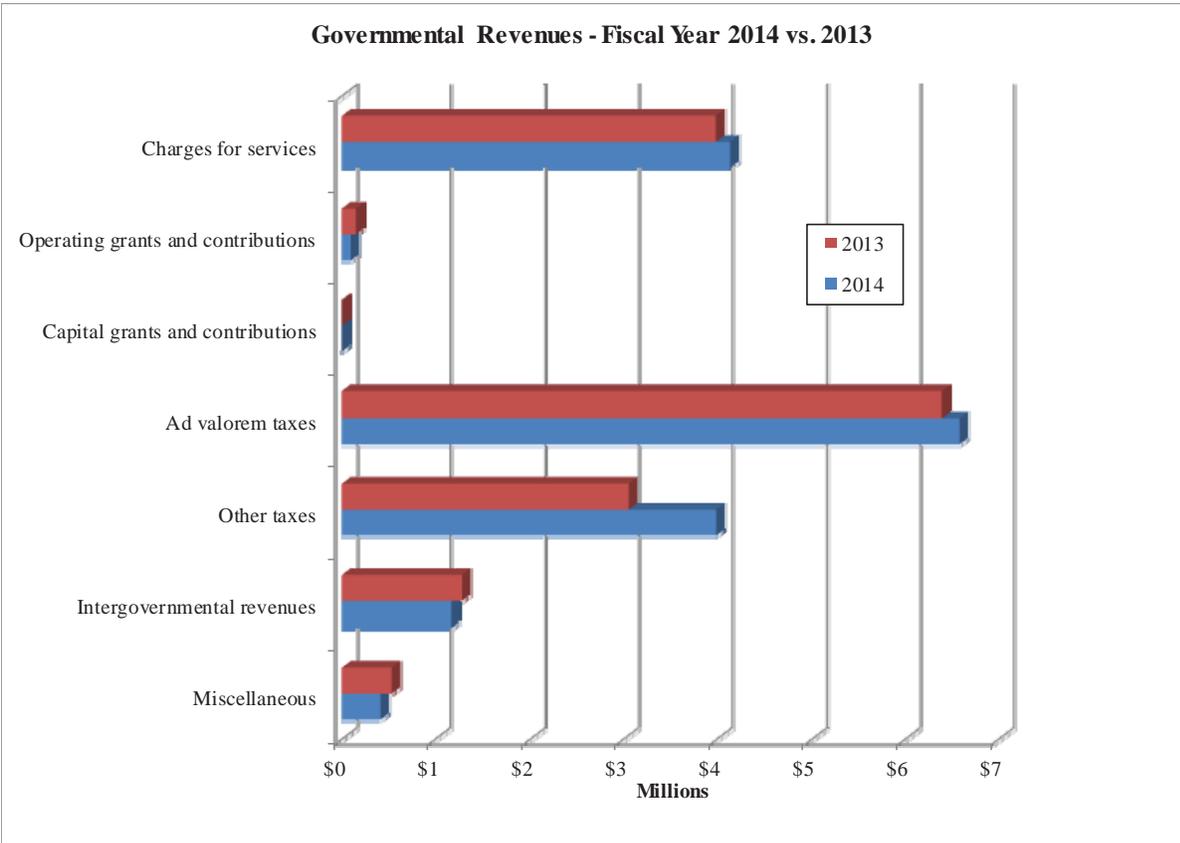
There were fluctuations in some of the other revenue categories. Charges for services increased by \$ 152,399 (3.82%) due to increased building permits and code enforcement fine collections. Ad valorem tax receipts were higher since the City realized an increase to its assessed property values, while maintaining the same millage rate.

Miscellaneous revenues decreased by 22.5% as the prior year saw non-recurring payments from Waste Management due to the City. Intergovernmental revenues also declined primarily due to the reduced grants activity in FY 2014. A recycling cart grant for over \$ 160,000 was recognized in the Garbage and Trash Fund in the prior year.

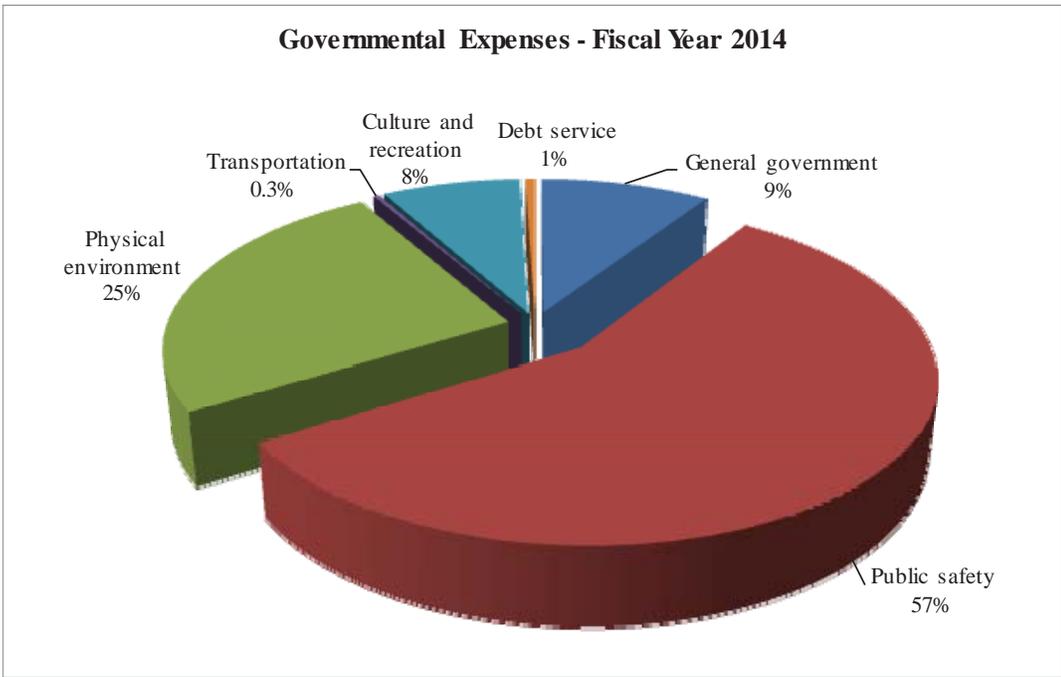
The City's public safety expenses increased by \$ 447,820 (5.16%), which was the net effect of increases in salary and benefits, offset by an increase in the Police and Fire Pension plan net pension asset. The nearly ten percent decrease in the Public Works category is a result of a significant drop in the cost of residential solid waste collection, as there was a reduction in disposal costs due to the dissolution of the County Resource Recovery Board. The remainder of the expense categories saw nominal changes from the prior year.

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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 2014:



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ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the FY 2014, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,156,751.

Less than 1% of the fund balance constitutes nonspendable fund balance, or \$ 57,923 that is not available for spending at the City's discretion, and represents prepaid insurance premiums for the next fiscal year. The remainder is spendable but falls into four different categories:

- Restricted by external requirements (\$ 3,250,412 or 32%), comprised of Federal and State Forfeiture Funds, Stormwater and Debt Service fund balance;
- Committed by the City Commission (\$ 2,949,918 or 29%) for minimum contingency balance, appropriated budget surplus for the following year's budget, and use for purposes other than those restricted or nonspendable, including the balance of the Garbage and Trash Fund and other special purpose funds;
- Assigned by the Mayor (\$ 3,750,000 or 37%) for emergency recovery purposes;
- Unassigned (\$ 148,498 or 1.5%) 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, 2014:

	<u>General Fund</u>	<u>Garbage and Trash Fund</u>	<u>Public Safety Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances, September 30, 2013	\$ 5,639,661	\$ 471,867	\$ 2,328,298	\$ 1,723,964	\$ 10,163,790
Revenues	12,722,385	1,815,237	18,366	1,036,439	15,592,427
Expenditures	(13,226,363)	(1,805,299)	(143,838)	(894,158)	(16,069,658)
Other financing sources (uses)	<u>391,192</u>	<u>(139,000)</u>	<u>-</u>	<u>218,000</u>	<u>470,192</u>
Fund balances, September 30, 2014	<u>\$ 5,526,875</u>	<u>\$ 342,805</u>	<u>\$ 2,202,826</u>	<u>\$ 2,084,245</u>	<u>\$ 10,156,751</u>
Fund balances are represented as follows:					
Nonspendable	\$ 57,923	\$ -	\$ -	\$ -	\$ 57,923
Restricted	-	-	2,202,826	1,047,586	3,250,412
Committed	1,560,813	342,805	-	1,046,300	2,949,918
Assigned	3,750,000	-	-	-	3,750,000
Unassigned (deficit)	<u>158,139</u>	<u>-</u>	<u>-</u>	<u>(9,641)</u>	<u>148,498</u>
Fund balances, September 30, 2014	<u>\$ 5,526,875</u>	<u>\$ 342,805</u>	<u>\$ 2,202,826</u>	<u>\$ 2,084,245</u>	<u>\$ 10,156,751</u>

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General Fund

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of FY 2014, total nonspendable and spendable fund balance of the General Fund was \$ 5,526,875. As a measure of the General Fund's liquidity, it may be useful to compare both spendable fund balance and total fund expenditures. Assigned and unassigned fund balance represents 30% of the total general fund expenditures, while total unrestricted fund balance represents 41% of the same.

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

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,169,049	\$ 5,930,470	\$ 238,579	4.0%
Franchise taxes	862,847	864,519	(1,672)	-0.2%
Utility service taxes	2,260,186	2,239,104	21,082	0.9%
Licenses and permits	707,214	605,477	101,737	16.8%
Intergovernmental revenues	1,278,800	1,271,346	7,454	0.6%
Charges for services	359,826	378,199	(18,373)	-4.9%
Non advalorem assessments	613,342	571,709	41,633	7.3%
Fines and forfeitures	293,935	127,814	166,121	130.0%
Miscellaneous	177,186	261,782	(84,596)	-32.3%
Transfers in and other sources	525,192	113,511	411,681	362.7%
	<u>\$ 13,247,577</u>	<u>\$ 12,363,931</u>	<u>\$ 883,646</u>	7.1%

General Fund operating revenue totaled \$ 13,247,577, reflecting a net increase of \$ 883,646 when compared with 2013. The main drivers of this increase were ad valorem taxes, licenses and permits, fines and forfeitures, and transfers in and other sources. The City's property tax base increased by 4.17% in FY 2014 and the City Commission approved the same millage rate as the prior year, resulting in an increase in ad valorem revenue. Larger than expected building permit activity led to the increase to licenses and permits revenue. Fines and forfeitures were significantly higher due to collection of some substantial code enforcement fines and the surplus proceeds of a tax deed sale. Transfers in and other sources saw a large increase as the City issued a capital lease to purchase a \$ 470,000 fire engine.

The other revenue categories also experienced some fluctuations compared with the prior fiscal year. Non-ad valorem assessments, which consists solely of the fire assessment, was higher due to a rate increase, resulting in additional revenue used to pay for debt service on the new fire engine. Miscellaneous revenues declined by about 32%, since in the prior fiscal year, the City received some additional nonrecurring payments. The remainder of the categories - franchise fees, utility service taxes, charges for services, and intergovernmental revenues - all saw minimal changes from the prior fiscal year.

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

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,434,313	\$ 1,382,290	\$ 52,023	3.8%
Public safety	9,413,423	8,776,640	636,783	7.3%
Physical environment	1,418,081	1,413,757	4,324	0.3%
Transportation	46,027	44,579	1,448	3.2%
Culture/recreation	724,362	769,423	(45,061)	-5.9%
Debt service	190,157	169,598	20,559	12.1%
Transfers out	134,000	122,000	12,000	9.8%
	<u>\$ 13,360,363</u>	<u>\$ 12,678,287</u>	<u>\$ 682,076</u>	5.4%

General Fund expenditures were up \$ 682,076 from FY 2013, or about 5.4%. General Government increased by 3.8%, due to increases to personal services for contractual pay increases and increases in general insurance costs. Public Safety expenditures were higher due to contractual pay increases and an increase in capital purchases, including a new fire engine and replacement vehicles for code enforcement staff. Physical Environment expenditures were nearly flat when compared to prior year; while personal services and operating expenditures were higher, they were offset by decreased spending on infrastructure in the General Fund. Culture/Recreation expenditures were lower due to decreased recreation part-time staffing expenditures and lower spending on capital improvements. Transfers out were higher than the prior fiscal year. Although support for the Recreation Support Funds was reduced, there was an additional transfer of \$ 20,000 from the General Fund to support the 2015 playground project.

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	\$ 6,065,000	\$ 6,166,025	\$ 101,025	1.6%
Franchise taxes	917,000	917,000	-	0.0%
Utility service taxes	2,202,800	2,316,800	114,000	4.9%
Licenses and permits	606,500	680,870	74,370	10.9%
Intergovernmental revenues	1,239,860	1,260,860	21,000	1.7%
Charges for services	340,120	340,120	-	0.0%
Non advalorem assessments	610,000	610,000	-	0.0%
Fines and forfeitures	95,600	95,600	-	0.0%
Miscellaneous	118,400	197,900	79,500	40.2%
Transfers in and other sources	525,192	525,192	-	0.0%
Allocation of fund balance	306,405	127,040	(179,365)	-141.2%
	<u>\$ 13,026,877</u>	<u>\$ 13,237,407</u>	<u>\$ 210,530</u>	1.6%

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 4.9% 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 the receipt of additional CDBG funds. Miscellaneous Revenues was also amended to cover a number of insurance reimbursements for City property damage claims.

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Lastly, allocation of fund balance was adjusted downward to highlight the fact that the City did not utilize the entire budgeted amount of Fund Balance intended to cover FY 2014 operations.

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	\$ 1,413,115	\$ 1,430,650	\$ 17,535	1.2%
Public safety	9,245,542	9,405,839	160,297	1.7%
Physical environment	1,295,920	1,418,852	122,932	9.5%
Transportation	44,315	46,025	1,710	3.9%
Culture/recreation	743,715	723,790	(19,925)	-2.7%
Debt service	170,270	190,155	19,885	11.7%
Transfers out	114,000	114,000	-	-
	<u>\$ 13,026,877</u>	<u>\$ 13,329,311</u>	<u>\$ 302,434</u>	2.3%

General Government appropriations were increased due to a higher than expected cost of liability insurance and termination payouts. Public Safety appropriations were increased to cover insurance repairs in the Police Department and increased operating costs in the Building Division as a result of increased permit activity. The increase to Physical Environment was due to higher utility costs, unforeseen maintenance and repairs, and termination pay in the Public Works department. The budget for Culture/Recreation was lowered due to staff turnover at the Library, and a reduction in part time wages in Recreation.

Garbage and Trash Fund:

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

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 1,798,299	\$ 1,966,220	\$ (167,921)	-8.5%
Miscellaneous	16,938	161,217	(144,279)	-0.9%
Intergovernmental revenues	-	67,310	(67,310)	-100.0%
	<u>\$ 1,815,237</u>	<u>\$ 2,194,747</u>	<u>\$ (379,510)</u>	-17.3%
EXPENDITURES:				
Physical environment	\$ 1,805,299	\$ 2,188,218	\$ (382,919)	-17.50%
Transfers out	139,000	55,000	84,000	1.53%
	<u>\$ 1,944,299</u>	<u>\$ 2,243,218</u>	<u>\$ (298,919)</u>	-13.30%

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The Garbage and Trash Fund currently has a healthy reserve balance, committed to continued viable operation of the City's trash disposal function, as well as keeping resident rates as low as possible. Fund balance as of September 30, 2014 is \$ 342,805.

Total revenues were significantly lower in FY 2014. The fund is almost entirely supported by a service charge, billed to customers on a quarterly basis. The City sets the service rates based on those charged to the City by Waste Management for trash removal services. The contract with Waste Management is based in large part on disposal fees, which dropped sharply due to the dissolution of the County Resource Recovery Board. Therefore the cost of the contract was reduced, allowing the City to adopt lower customer rates, leading to the decline in charges for services revenue in FY 2014. Additionally, these revenues are offset by rebates to residents who vacation at least three but no more than six months per year.

Since the cost of trash removal services declined, total expenditures were much lower in FY 2014. Transfers out were higher than the prior fiscal year since the budget included transferring \$ 84,000 from the Garbage and Trash Fund to the Infrastructure fund to be used for City infrastructure maintenance and rehabilitation projects.

At the time the budget was adopted, the City could not forecast the full budgetary impact of the lower trash rates, and therefore a budget amendment was adopted for the Garbage and Trash Fund that lowered the budget for both revenues and expenditures. A summary of the changes to the original revenue and expenditure budget is as follows:

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 2,100,000	\$ 1,798,660	\$ (301,340)	-14.35%
Miscellaneous	42,000	42,000	-	0.0%
Allocation of fund balance	97,000	102,050	5,050	5.2%
	<u>\$ 2,239,000</u>	<u>\$ 1,942,710</u>	<u>\$ (296,290)</u>	-13.2%
EXPENDITURES:				
Physical environment	\$ 2,100,000	\$ 1,803,710	\$ (296,290)	-14.1%
Transfers out	139,000	139,000	-	0.00%
	<u>\$ 2,239,000</u>	<u>\$ 1,942,710</u>	<u>\$ (296,290)</u>	-13.2%

Public Safety Fund:

The Public Safety Fund records the inflow and outflow of Federal and State forfeiture funds. Expenditures are appropriated on an as needed basis, rather than one annual appropriation like the City's other operating funds. There are external restrictions on the use of these monies and 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. In FY 2014, revenues increased due to receipt of additional fines and forfeitures and an increase in interest revenue. Total expenditures decreased by over 57%, mainly due to a significant decrease in capital expenditures. Although the City did purchase new administrative vehicles and some new equipment, FY 2014 capital purchases were not as extensive as in the prior year, which saw the expansion of the LPR system and purchase of three new patrol units.

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	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Fines and forfeitures	\$ 10,402	\$ 5,300	\$ 5,102	96.3%
Miscellaneous	7,964	4,142	3,822	92.3%
	<u>\$ 18,366</u>	<u>\$ 9,442</u>	<u>\$ 8,924</u>	94.5%
EXPENDITURES:				
Public safety	\$ 73,400	\$ 73,852	\$ (452)	-0.6%
Capital outlay	70,438	263,423	(192,985)	-73.3%
	<u>\$ 143,838</u>	<u>\$ 337,275</u>	<u>\$ (193,437)</u>	-57.4%

All expenditures in the Public Safety Fund were approved by the City Commission. Because no formal budget is adopted and all appropriations are considered on an as needed basis, no original versus final budget comparison is provided. The Public Safety Fund balance as of September 30, 2014 is \$ 2,202,826, 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 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 91,442	\$ 67,755	\$ 23,687	35.0%
Miscellaneous	1,000	2,205	(1,205)	-54.6%
Transfers in	95,000	95,000	-	0.0%
	<u>\$ 187,442</u>	<u>\$ 164,960</u>	<u>\$ 22,482</u>	13.6%
EXPENDITURES:				
Culture/recreation	\$ 200,426	\$ 167,948	\$ 32,478	19.3%
	<u>\$ 200,426</u>	<u>\$ 167,948</u>	<u>\$ 32,478</u>	19.3%

For the current fiscal year, the City kept the General Fund transfer of \$ 95,000 the same, and the fund had an operating loss of \$ 12,984. Although revenues were higher than the previous fiscal year, expenditures were also up due to contractual pay increases for employees, an increased cost of City benefits, and the encumbrance of funds for the rehabilitation of several clay courts. As of September 30, 2014, the Tennis Center Fund had a deficit balance of (\$ 9,641) and is shown as unassigned fund balance in the financial statements.

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There was a budget amendment in the Tennis Center Fund for the fiscal year ended September 30, 2014, which increased the overall budget by \$ 7,931. The amendment increased overall revenues to account for the current year operating loss, and also increase expenditures to account for higher than expected part time staffing.

Debt Service Fund:

The Debt Service Fund accounts for the repayment of long term debt issued by the City. The expenditures are based upon amortization schedules. In the past, the debt service millage was subsidized to an extent by General Fund revenues and each year, the fund would repay a portion of this subsidy. The subsidy had been fully repaid, and the City was able to reduce ad valorem revenue in FY 2014 and meet debt service requirements. There were no changes in the budget for this fund.

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Ad valorem taxes	\$ 414,912	\$ 462,261	\$ (47,349)	-10.2%
Interest income	63	66	(3)	-4.5%
	<u>\$ 414,975</u>	<u>\$ 462,327</u>	<u>\$ (47,352)</u>	-10.2%
EXPENDITURES:				
Debt service	\$ 343,417	\$ 407,719	\$ (64,302)	-15.8%
Other financing uses	64,301	58,511	5,790	9.9%
	<u>\$ 407,718</u>	<u>\$ 466,230</u>	<u>\$ (58,512)</u>	-12.6%

The Debt Service Fund Balance as of September 30, 2014 is \$ 7,580, restricted for repayment of debt service obligations.

Stormwater Fund

The Stormwater Fund was established in FY 2010. The purpose of the fund is to provide resources for capital improvements and significant maintenance of the City's stormwater management infrastructure. Although much of this had been funded by grants in the past, these grant dollars have diminished over time and are now insufficient to meet the City's needs. The primary source of revenue is a non-ad valorem special assessment on the annual property tax bill, 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, 2014 is \$ 1,040,006, committed to future maintenance and capital improvement projects in the stormwater system.

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	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Stormwater fees	\$ 269,802	\$ 269,845	\$ (43)	0.0%
Miscellaneous	<u>3,590</u>	<u>1,040</u>	<u>2,550</u>	245.2%
	<u>\$ 273,392</u>	<u>\$ 270,885</u>	<u>\$ 2,507</u>	0.9%
EXPENDITURES:				
Physical environment	<u>\$ 96,674</u>	<u>\$ 78,298</u>	<u>\$ 18,376</u>	23.5%

There was no change in the assessment rate, and as a result, Stormwater Fee revenues were nearly equal to the prior year. Miscellaneous revenues, which are solely comprised of interest earnings, saw an increase due to better investment returns. Expenditures consisted primarily of repairs to existing storm drain lines, engineering for specific rehabilitation projects, cleaning and maintenance of storm drains, 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 other City funds. The infrastructure fund balance as of September 30, 2014 is \$ 736,000, committed to future capital improvement projects. The following table summarizes the fund activity for FY 2014:

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Miscellaneous	\$ 117,561	\$ 126,493	\$ (8,932)	-7.1%
Transfers in	<u>84,000</u>	<u>-</u>	<u>84,000</u>	100.0%
	<u>\$ 201,561</u>	<u>\$ 126,493</u>	<u>\$ 75,068</u>	59.3%
EXPENDITURES:				
Physical environment	<u>\$ 104,928</u>	<u>\$ 22,553</u>	<u>\$ 82,375</u>	365.3%
	<u>\$ 104,928</u>	<u>\$ 22,553</u>	<u>\$ 82,375</u>	365.3%

Appropriations are approved typically on a project by project basis. During FY 2014, the City transferred \$ 84,000 from the Garbage and Trash Fund as part of the adopted budget plan. Funds were utilized to make repairs to bridges, landscaping, and a City-wide sidewalk maintenance project. Additional funds were spent on road and seawall repairs. Although Miscellaneous Revenues, which is comprised of contributions to the fund and interest earnings, was lower for the year, interest earnings rose due to a combination of higher balances in the fund and higher returns on City investments.

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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, 2014 amounts to \$ 20,157,607 (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:

- Fire Department – replaced aging fire engine and purchased inflatable boat/engine for water rescues
- Police Department – purchased two new administrative vehicles and acquired a portable trailer mounted electronic sign for broadcasting important messages on roadways
- Library – purchased 8 tablets using CDBG grant funds and replaced all public use thin clients
- Technology – the City replaced a number of aged or obsolete computers, printers, and servers
- Infrastructure – maintenance and repair of various City infrastructure, including replacement of sidewalks throughout the City, ongoing repairs and enhancements to the City's irrigation and landscaping infrastructure, and repair and maintenance to the City's stormwater infrastructure

	2014	2013
Capital assets:		
Buildings and land improvements	\$ 6,746,687	\$ 7,161,400
Land	7,059,360	7,059,360
Infrastructure	4,397,968	4,646,301
Equipment and fixtures	774,100	860,321
Vehicles	1,179,492	492,015
Total capital assets	\$ 20,157,607	\$ 20,219,397

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 \$ 5,175,179. 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, 2014

	Beginning Balance	Additions	Reductions	Ending Balance
Notes payable	\$ 3,347,222	\$ -	\$ 343,445	\$ 3,003,777
Capital leases	166,208	470,192	181,924	454,476
Compensated absences	1,547,881	90,497	111,452	1,526,926
Litigation payable	5,000	-	5,000	-
Other post-employment benefit obligation liability	179,000	11,000	-	190,000
	<u>\$ 5,245,311</u>	<u>\$ 571,689</u>	<u>\$ 641,821</u>	<u>\$ 5,175,179</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 FY 2015 was approved at the level of \$ 13,353,502, which represents an increase of \$ 116,095 (just under 1%) under the final amended budget for FY 2014. 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 FY 2015. Additionally, the City appropriated \$ 238,530 for spending in the FY 2015 budget, the lowest amount since FY 2009.

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, 2014

		Governmental Activities
ASSETS:		
Cash, cash equivalents, and investments	\$	10,366,342
Accounts receivable		472,170
Due from other governments		1,164,931
Prepays and other assets		57,923
Capital assets:		
Nondepreciable		7,059,360
Depreciable, net		13,098,247
Net pension asset		1,069,833
Total assets		33,288,806
 LIABILITIES:		
Accounts payable		388,755
Accrued payroll and related taxes		175,513
Accrued interest payable		9,943
Deposits		28,397
Licenses collected in advance		53,914
Unearned revenues		70,318
Due within one year:		
Compensated absences payable		122,962
Notes and capital leases payable		459,950
Due in more than one year:		
Compensated absences payable		1,403,964
Notes and capital leases payable		2,998,303
Other postemployment benefit obligation liability		190,000
Total liabilities		5,902,019
 NET POSITION:		
Net investment in capital assets		16,691,679
Restricted for:		
Debt service		7,580
Law enforcement trust		2,202,826
Stormwater improvements		1,040,006
Unrestricted		7,444,696
Total net position	\$	27,386,787

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, 2014

	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	\$ 1,465,093	\$ 34,564	\$ -	\$ -	\$ (1,430,529)
Public safety	9,134,305	1,891,940	54,501	-	(7,187,864)
Physical environment	3,506,609	2,068,101	-	-	(1,438,508)
Transportation	46,027	-	22,620	-	(23,407)
Culture/recreation	1,122,567	150,725	42,334	-	(929,508)
Interest expense and other	71,369	-	-	-	(71,369)
Total governmental activities	\$ 15,345,970	\$ 4,145,330	\$ 119,455	\$ -	(11,081,185)
General revenues:					
Taxes:					
Ad-valorem taxes					6,583,961
Franchise taxes					869,058
Utility service taxes					3,124,968
Intergovernmental revenues (unrestricted)					1,153,978
Miscellaneous					416,655
Total general revenues					12,148,620
Change in net position					1,067,435
NET POSITION, BEGINNING OF YEAR, as restated (Note M)					26,319,352
NET POSITION, END OF YEAR					\$ 27,386,787

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

CITY OF LIGHTHOUSE POINT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

	Major Governmental	
	General Fund	Garbage and Trash Fund
ASSETS:		
Cash, cash equivalents, and investments	\$ 7,508,787	\$ -
Due from other funds	-	480,106
Accounts receivable	414,300	48,335
Due from other governments	1,156,287	8,547
Prepaid expenditures	57,923	-
	<u>9,137,297</u>	<u>536,988</u>
Total assets	\$ <u>9,137,297</u>	\$ <u>536,988</u>
LIABILITIES:		
Accounts payable	\$ 230,757	\$ 147,462
Accrued payroll and related taxes	173,165	-
Due to other funds	1,918,707	-
Deposits	28,397	-
Licenses collected in advance	53,914	-
Unearned revenue	17,764	46,721
	<u>2,422,704</u>	<u>194,183</u>
Total liabilities	<u>2,422,704</u>	<u>194,183</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - utility service taxes	1,010,282	-
Unavailable revenue - franchise and other revenues	90,551	-
Unavailable revenue - intergovernmental	86,885	-
	<u>1,187,718</u>	<u>-</u>
Total deferred inflows of resources	<u>1,187,718</u>	<u>-</u>
FUND BALANCES:		
Nonspendable	57,923	-
Restricted	-	-
Committed	1,560,813	342,805
Assigned	3,750,000	-
Unassigned	158,139	-
	<u>5,526,875</u>	<u>342,805</u>
Total fund balances	<u>5,526,875</u>	<u>342,805</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>9,137,297</u>	\$ <u>536,988</u>

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>
\$ 1,573,709	\$ 1,283,846	\$ 10,366,342
631,829	811,315	1,923,250
-	9,535	472,170
77	20	1,164,931
-	-	57,923
<u>\$ 2,205,615</u>	<u>\$ 2,104,716</u>	<u>\$ 13,984,616</u>
\$ 2,789	\$ 7,747	\$ 388,755
-	2,348	175,513
-	4,543	1,923,250
-	-	28,397
-	-	53,914
-	5,833	70,318
<u>2,789</u>	<u>20,471</u>	<u>2,640,147</u>
-	-	1,010,282
-	-	90,551
-	-	86,885
<u>-</u>	<u>-</u>	<u>1,187,718</u>
-	-	57,923
2,202,826	1,047,586	3,250,412
-	1,046,300	2,949,918
-	-	3,750,000
-	(9,641)	148,498
<u>2,202,826</u>	<u>2,084,245</u>	<u>10,156,751</u>
\$ <u>2,205,615</u>	\$ <u>2,104,716</u>	\$ <u>13,984,616</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, 2014

Fund balances - total governmental funds	\$	10,156,751
<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	\$ 27,454,932	
Accumulated depreciation is	<u>(7,297,325)</u>	20,157,607
Net pension asset resulting in excess contributions to pension plans is not reported in the fund financial statements.		1,069,833
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.		1,187,718
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:		
Notes and capital leases payable	(3,458,253)	
Compensated absences payable	(1,526,926)	
Accrued interest payable	(9,943)	
Other postemployment benefit obligation liability	<u>(190,000)</u>	<u>(5,185,122)</u>
Net position of governmental activities	\$	<u><u>27,386,787</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, 2014

	Major Governmental	
	General Fund	Garbage and Trash Fund
REVENUES:		
Ad valorem taxes	\$ 6,169,049	\$ -
Franchise taxes	862,847	-
Utility service taxes	2,260,186	-
Licenses and permits	707,214	-
Intergovernmental revenues	1,278,800	-
Charges for services	359,826	1,798,299
Non advalorem assessments	613,342	-
Fines and forfeitures	293,935	-
Miscellaneous	177,186	16,938
	<u>12,722,385</u>	<u>1,815,237</u>
Total revenues		
EXPENDITURES:		
Current:		
General government	1,433,511	-
Public safety	8,827,979	-
Physical environment	1,405,881	1,805,299
Transportation	46,027	-
Culture/recreation	706,929	-
Capital outlay	615,879	-
Debt service:		
Principal	181,924	-
Interest	8,233	-
	<u>13,226,363</u>	<u>1,805,299</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>(503,978)</u>	<u>9,938</u>
OTHER FINANCING SOURCES (USES):		
Capital lease proceeds	470,192	-
Transfers in	55,000	-
Transfers out	(134,000)	(139,000)
	<u>391,192</u>	<u>(139,000)</u>
Total other financing sources (uses)		
Net change in fund balance	<u>(112,786)</u>	<u>(129,062)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>5,639,661</u>	<u>471,867</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,526,875</u>	<u>\$ 342,805</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>
\$ -	\$ 414,912	\$ 6,583,961
-	-	862,847
-	-	2,260,186
-	-	707,214
-	-	1,278,800
-	92,510	2,250,635
-	269,802	883,144
10,402	-	304,337
7,964	259,215	461,303
<u>18,366</u>	<u>1,036,439</u>	<u>15,592,427</u>
-	-	1,433,511
73,400	-	8,901,379
-	206,686	3,417,866
-	-	46,027
-	279,754	986,683
70,438	-	686,317
-	343,445	525,369
-	64,273	72,506
<u>143,838</u>	<u>894,158</u>	<u>16,069,658</u>
<u>(125,472)</u>	<u>142,281</u>	<u>(477,231)</u>
-	-	470,192
-	218,000	273,000
-	-	(273,000)
<u>-</u>	<u>218,000</u>	<u>470,192</u>
(125,472)	360,281	(7,039)
<u>2,328,298</u>	<u>1,723,964</u>	<u>10,163,790</u>
\$ <u><u>2,202,826</u></u>	\$ <u><u>2,084,245</u></u>	\$ <u><u>10,156,751</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

Net change in fund balances - total governmental funds	\$	(7,039)
Amounts reported for governmental activities in the statement of activities are difference because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	\$ 686,317	
Less current year provision for depreciation	<u>(703,284)</u>	(16,967)
The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position.		(44,823)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		865,801
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(470,192)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		525,369
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in accrued interest payable	1,137	
Change in compensated absences payable	20,955	
Change in litigation payable	5,000	
Change net pension asset	199,194	
Change in other postemployment benefit obligation liability	<u>(11,000)</u>	<u>215,286</u>
Change in net position of governmental activities	\$	<u><u>1,067,435</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, 2014

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 6,065,000	\$ 6,166,025	\$ 6,169,049	\$ 3,024
Franchise fees	917,000	917,000	862,847	(54,153)
Utility service taxes	2,202,800	2,316,800	2,260,186	(56,614)
Licenses and permits	606,500	680,870	707,214	26,344
Intergovernmental revenues	1,239,860	1,260,860	1,278,800	17,940
Charges for services	340,120	340,120	359,826	19,706
Non advalorem assessments	610,000	610,000	613,342	3,342
Fines and forfeitures	95,600	95,600	293,935	198,335
Miscellaneous	118,400	197,900	177,186	(20,714)
Allocation of fund balance	306,405	127,040	-	(127,040)
Total revenues	<u>12,501,685</u>	<u>12,712,215</u>	<u>12,722,385</u>	<u>10,170</u>
EXPENDITURES:				
Current:				
General government	1,413,115	1,430,650	1,433,511	(2,861)
Public safety	8,750,225	8,775,870	8,827,979	(52,109)
Physical environment	1,285,020	1,407,952	1,405,881	2,071
Transportation	44,315	46,025	46,027	(2)
Culture/recreation	668,715	648,790	706,929	(58,139)
Capital outlay	581,217	715,869	615,879	99,990
Debt service:				
Principal	162,690	181,925	181,924	1
Interest	7,580	8,230	8,233	(3)
Total expenditures	<u>12,912,877</u>	<u>13,215,311</u>	<u>13,226,363</u>	<u>(11,052)</u>
Excess of revenues over expenditures	<u>(411,192)</u>	<u>(503,096)</u>	<u>(503,978)</u>	<u>(882)</u>
OTHER FINANCING SOURCES (USES):				
Capital lease proceeds	470,192	470,192	470,192	-
Transfers in	55,000	55,000	55,000	-
Transfers out	(114,000)	(114,000)	(134,000)	(20,000)
Total other financing sources (uses)	<u>411,192</u>	<u>411,192</u>	<u>391,192</u>	<u>(20,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (91,904)</u>	<u>(112,786)</u>	<u>\$ (20,882)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,639,661</u>	
FUND BALANCE, END OF YEAR			<u>\$ 5,526,875</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, 2014

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Garbage/solid waste fees	\$ 2,100,000	\$ 1,798,660	\$ 1,798,299	\$ (361)
Miscellaneous:				
Recycling proceeds	40,000	40,000	15,398	(24,602)
Interest income	2,000	2,000	1,540	(460)
Total miscellaneous	42,000	42,000	16,938	(25,062)
Allocation of fund balance	97,000	102,050	-	(102,050)
Total revenues	2,239,000	1,942,710	1,815,237	(127,473)
EXPENDITURES:				
Trash collection:				
Operating expenditures	2,100,000	1,803,710	1,805,299	(1,589)
Total expenditures	2,100,000	1,803,710	1,805,299	(1,589)
OTHER FINANCING SOURCES (USES):				
Transfers out	(139,000)	(139,000)	(139,000)	-
Total other financing sources (uses)	(139,000)	(139,000)	(139,000)	-
Net change in fund balance	\$ -	\$ -	(129,062)	\$ (129,062)
FUND BALANCE, BEGINNING OF YEAR			471,867	
FUND BALANCE, END OF YEAR			\$ 342,805	

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, 2014

ASSETS:	
Investments:	
U.S. stock funds	\$ 14,640,771
Money market funds	11,945,624
Balanced funds	6,154,097
Bond funds	3,272,524
International stock funds	2,072,133
Specialty funds	<u>421,184</u>
Total	38,506,333
Contributions receivable	11,131
Participant loans receivable	<u>387,602</u>
Total assets	38,905,066
LIABILITIES	<u>-</u>
NET POSITION:	
Held in trust for pension and other benefits	\$ <u><u>38,905,066</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2014

ADDITIONS:	
Contributions:	
City	\$ 1,151,372
Employees	<u>1,213,985</u>
Total contributions	<u>2,365,357</u>
Investment earnings and expenses:	
Interest, dividends and investment value changes	2,965,108
Less investment expense	<u>217,547</u>
Net investment earnings	<u>2,747,561</u>
Total additions	<u>5,112,918</u>
DEDUCTIONS:	
Benefits paid	2,192,171
Refund of contributions	<u>10,341</u>
Total deductions	<u>2,202,512</u>
Change in net position	2,910,406
NET POSITION HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS:	
At Beginning of Year	<u>35,994,660</u>
At End of Year	\$ <u><u>38,905,066</u></u>

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, 2014

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, 2014.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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, 2014.

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, 2014

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 FY 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, 2014

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 estimated fair value. Operating funds have been invested in a pooled arrangement. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.
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	3-10

5. Compensated absences: City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age. 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, 2014

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, 2014

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, which is done by ordinance and, for this report, includes \$ 2.5 million for hurricane recovery and \$ 1,250,000 for emergency bridge replacement.

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

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

Other policies:

1. Use of estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
2. Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. 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, 2014, encumbrances outstanding are as follows:

General Fund	\$	54,608
Public Safety Fund		5,858
Stormwater Fund		21,990
Special Purpose Fund:		
Cultural support		3,334
Total	\$	85,790

3. Subsequent events: These include events have been evaluated by management through March 27, 2015, which is the date the financial statements were available to be issued.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

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

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. After June 1st, when the assessed values have been released by the Property Appraiser, the Mayor, as the City's Chief Executive Officer, submits 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, Garbage and Trash Fund, Tennis Center Fund, Stormwater Fund and Debt Service Fund. The budgets are adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original General Fund budget was amended during the year to provide for \$ 210,530 of supplemental appropriations in addition to the \$ 107,401 in encumbrances automatically added to the FY 2013/2014 appropriations. The budget was increased to provide for costs associated with increased building permit activity, grant expenditures, termination pay for retiring employees, and other employee salary and benefit costs. Funding for the increased expenditures came from additional ad valorem receipts, electricity utility taxes, building permit fees, grant revenue, and insurance reimbursements.

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, 2014

NOTE C - PROPERTY TAX (continued)

The assessed value of property at January 1, 2013, upon which the 2013-2014 levy was based, was approximately \$ 1,778,436,810. 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, 2014 was \$ 3.5893 per \$ 1,000 and \$ 0.2414 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, 2014, 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, 2014, the carrying amount of the City's deposits was \$ 2,858,460 and the combined bank balances totaled \$ 2,844,181.

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, 2014 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Mutual funds	\$ 1,423,690	\$ 1,047,144	\$ 376,546	\$ -
Certificates of deposit	3,519,607	3,519,607	-	-
Money market funds	2,564,585	2,564,585	-	-
Total	\$ 7,507,882	\$ 7,131,336	\$ 376,546	\$ -

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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 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, 2014, 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 0.70 and weighted average maturity of 0.75 years.
 - 1-3 Year High Quality Bond Fund – rated AAA/V2 by Fitch with effective duration of 1.47 and weighted average maturity of 1.49 years.
 - Intermediate High Quality Bond Fund – rated AAA/V3 by Fitch with effective duration of 3.58 and weighted average maturity of 3.96 years.

At September 30, 2014, the City had invested in both certificates of deposit (CD) and a public depository money market account with Stonegate Bank. The CD amounts, interest rates, and maturity dates are as follows: 1) \$ 1,506,417 with a fixed interest rate of 0.75% annually, maturing on August 13, 2015; and 2) \$ 501,891 with a fixed interest rate of 0.65% annually, maturing on February 22, 2015. The City's money market account with Stonegate had an ending balance of \$ 320,709 at September 30, 2014. Interest rates fluctuate on the money market account based upon market and economic conditions.

The City also held funds with Bank United, in both certificates of deposit (CD) and a public depository money market account at year end. The CD amounts, interest rates and maturity dates are as follows: 1) \$ 753,301 with a fixed interest rate of 0.55% annually and maturing on December 14, 2014; and 2) \$ 757,998 with a fixed interest rate of 0.645% annually and maturing on April 8, 2015. The City's money market account with Bank United had an ending balance of \$ 518,793 at September 30, 2014. Interest rates fluctuate based upon market and economic conditions.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE D - DEPOSITS AND INVESTMENTS (continued)

The City also has a public depository money market with Florida Community Bank, which had an ending balance of \$ 1,011,228 at September 30, 2014. 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 public depository money markets with Broward Bank of Commerce and TD Bank, which had balances of \$ 501,390 and \$ 212,465, respectively at September 30, 2014. As with the other money market accounts, interest rates fluctuate on the money market accounts 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 diverse group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined benefit pension plan for police officers and firefighters who were hired after October 1, 2003 or employees who chose to convert from the 401a plan at that time. 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, 2014 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Stock Funds	\$ 14,640,771	\$ -	\$ 14,640,771	\$ -	\$ -
Money Market Funds	11,945,624	3,913,824	8,031,800	-	-
Balanced Funds	3,272,524	-	3,272,524	-	-
Bond Funds	6,154,097	-	6,154,097	-	-
International Stock Funds	2,072,133	-	2,072,133	-	-
Specialty funds	421,184	-	421,184	-	-
Total	\$ 38,506,333	\$ 3,913,824	\$ 34,592,509	\$ -	\$ -

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 6.47 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, retirement health savings plan, and Roth IRA. The portfolio for the defined benefit plan is overseen by a Board of Trustees of the Florida Municipal Investment Trust comprised of local elected officials. Performance is monitored by the Asset Consulting Group of St. Louis, Missouri. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or any United States Agency. No one issuer holds 5% or more of the fiduciary fund portfolio.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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 \$ 2,072,133 at September 30, 2014. 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, 2014 were as follows:

Fund	Receivable	Payable
Major Funds:		
General fund	\$ -	\$ 1,918,707
Garbage and trash fund	480,106	
Public safety fund	631,829	-
Nonmajor Funds:		
Infrastructure fund	736,000	-
Tennis center fund	-	4,543
Special purpose fund	75,315	-
Total	\$ <u>1,923,250</u>	\$ <u>1,923,250</u>

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Budgeted Funds:		
Major Funds:		
General fund	\$ 55,000	\$ 134,000
Garbage and trash fund	-	139,000
Nonmajor Funds:		
Tennis center fund	95,000	-
Total budgeted funds	<u>150,000</u>	<u>273,000</u>
Nonbudgeted Funds:		
Nonmajor Funds:		
Infrastructure fund	84,000	
Special purpose fund	39,000	-
Total nonbudgeted funds	<u>123,000</u>	<u>-</u>
Total	\$ <u>273,000</u>	\$ <u>273,000</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE E - INTERFUND TRANSACTIONS (continued)

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

In FY 2014, the General Fund transferred \$ 134,000 to other funds including \$ 95,000 for the Tennis Center budgeted subsidy for facility operations, \$ 39,000 to the Special Purpose Fund for the City's Keeper Day and Lighthouse A'Glow celebrations, and for the Playground 2015 project. Additionally, the Garbage and Trash Fund transferred \$ 55,000 to the General Fund for administrative cost allocation and \$ 84,000 to the Infrastructure Fund for various capital improvement and maintenance projects.

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.

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

As of September 30, 2014, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

Recreational Support:	
Playground 2015 Donations	\$ 60,114
LHP A'Glow for annual holiday celebration	6,390
Keeper Days for annual city anniversary	5,311
Sponsor fees for recreation programs	3,327
DeGroff park	<u>30</u>
Total	<u>75,172</u>
Environmental:	
Waterway cleanup and protection	163,817
Beautification improvements in the City	<u>17,071</u>
Total	<u>180,888</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE F - SPECIAL REVENUE FUNDS (continued)

Cultural Support:		
Library		32,232
Senior outreach		1,552
Historical committee		123
Cultural arts committee		<u>733</u>
Total		<u>34,640</u>
Bond fund		<u>18,372</u>
Capital projects fund		<u>1,228</u>
Total special purpose fund	\$	<u><u>310,300</u></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 were being held by the State Board of Administration in Fund B until maturity. The Fund B investments have matured and the remaining funds will be 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.

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013, as restated, Note M	Increases	Decreases	Transfers	Balance September 30, 2014
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ <u>7,059,360</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,059,360</u>
Total capital assets, not being depreciated	<u>7,059,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,059,360</u>
Capital assets, being depreciated					
Buildings and land improvements	10,660,611	-	14,017	(2,666)	10,643,928
Equipment and fixtures	2,770,787	89,072	436,419	(153,931)	2,269,509
Infrastructure	5,136,446	-	-	-	5,136,446
Vehicles	<u>1,872,878</u>	<u>597,245</u>	<u>283,727</u>	<u>159,293</u>	<u>2,345,689</u>
Total capital assets being depreciated	<u>20,440,722</u>	<u>686,317</u>	<u>734,163</u>	<u>2,696</u>	<u>20,395,572</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE G - CAPITAL ASSETS (continued)

	Balance October 1, 2013, as restated, Note M	Increases	Decreases	Transfers	Balance September 30, 2014
Less accumulated depreciation for:					
Buildings and land improvements	3,499,211	286,491	12,557	124,096	3,897,241
Equipment and fixtures	1,910,466	146,148	418,066	(143,139)	1,495,409
Infrastructure	490,145	102,537	-	145,796	738,478
Vehicles	<u>1,380,863</u>	<u>168,108</u>	<u>258,717</u>	<u>(124,057)</u>	<u>1,166,197</u>
Total accumulated depreciation	<u>7,280,685</u>	<u>703,284</u>	<u>689,340</u>	<u>2,696</u>	<u>7,297,325</u>
Total capital assets, being depreciated, net	<u>13,160,037</u>	<u>(16,967)</u>	<u>44,823</u>	<u>-</u>	<u>13,098,247</u>
Governmental activities, capital assets, net	<u>\$ 20,219,397</u>	<u>\$ (16,967)</u>	<u>\$ 44,823</u>	<u>\$ -</u>	<u>\$ 20,157,607</u>
Total governmental activities, capital assets, net	\$ 20,219,397	\$ (16,967)	\$ 44,823	\$ -	\$ 20,157,607
Related debt	3,513,430	470,192	525,369	-	3,458,253
Debt service reserve	<u>323</u>	<u>7,352</u>	<u>-</u>	<u>-</u>	<u>7,675</u>
Net investment in capital assets	<u>\$ 16,705,644</u>	<u>\$ (494,511)</u>	<u>\$ (480,546)</u>	<u>\$ -</u>	<u>\$ 16,691,679</u>

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

Governmental activities:	
General government	\$ 77,996
Public safety	343,800
Physical environment	143,571
Culture and recreation	<u>137,917</u>
Total depreciation expense - governmental activities	<u>\$ 703,284</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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, 2014:

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014	Due Within One Year
Governmental Activities:					
Notes and capital lease payable:					
Note payable	\$ 3,347,222	\$ -	\$ 343,445	\$ 3,003,777	\$ 350,244
Capital leases	<u>166,208</u>	<u>470,192</u>	<u>181,924</u>	<u>454,476</u>	<u>109,706</u>
Total notes and capital leases payable	<u>\$ 3,513,430</u>	<u>\$ 470,192</u>	<u>\$ 525,369</u>	<u>\$ 3,458,253</u>	<u>\$ 459,950</u>
Other liabilities:					
Compensated absences payable	\$ 1,547,881	\$ 90,497	\$ 111,452	\$ 1,526,926	\$ 122,962
Other post-employment benefits	179,000	11,000	-	190,000	-
Litigation payable	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,731,881</u>	<u>\$ 101,497</u>	<u>\$ 116,452</u>	<u>\$ 1,716,926</u>	<u>\$ 122,962</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 and other post-employment benefits.

Note Payable:

The City's Series 2002 General Obligation Bonds were refunded during FY 2011-2012 and covered in detail by previous year's report. On May 4, 2012 the City issued a \$ 3,685,000 note payable to defease the 2002 bonds. The note bears interest at 1.97%, is payable semi-annually, and matures in August 2022. The outstanding principal balance as of September 30, 2014 is \$ 3,003,777. Principal and interest on the note is funded by the voter approved ad valorem tax, the rate of which for FY 2013-14 was 0.2414.

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

Year Ending September 30	Principal	Interest	Total
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	378,811	28,907	407,718
2020-2022	<u>1,181,972</u>	<u>41,185</u>	<u>1,223,157</u>
	<u>\$ 3,003,777</u>	<u>\$ 257,974</u>	<u>\$ 3,261,751</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE H - LONG-TERM DEBT (continued)

Capital leases:

As of September 30, 2014, the City had obligations under two 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 \$ 515,800.

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

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

The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2014:

<u>Year Ending September 30,</u>	<u>Series 2012</u>	<u>Series 2014</u>	<u>Total</u>
2015	\$ 32,832	\$ 82,520	\$ 115,352
2016	8,208	82,520	90,728
2017	-	82,520	82,520
2018	-	82,520	82,520
2019	-	82,520	82,520
2020	-	20,546	20,546
Total minimum lease payments	41,040	433,146	474,186
Less: amount representing interest	<u>521</u>	<u>19,189</u>	<u>19,710</u>
Present value of future minimum lease payments	\$ <u><u>40,519</u></u>	\$ <u><u>413,957</u></u>	\$ <u><u>454,476</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE I - RECEIVABLES AND PAYABLES

Receivables at September 30, 2014 were as follows:

	<u>Accounts</u>	<u>Inter- governmental</u>	<u>Total</u>
Governmental activities:			
General fund	\$ 414,300	\$ 1,156,287	\$ 1,570,587
Garbage and trash fund	48,335	8,547	56,882
Public safety fund	-	77	77
Tennis center fund	9,535	-	9,535
Stormwater fund	<u>-</u>	<u>20</u>	<u>20</u>
	<u>\$ 472,170</u>	<u>\$ 1,164,931</u>	<u>\$ 1,637,101</u>

Payables at September 30, 2014 were as follows:

	<u>Total</u>
Governmental activities:	
General fund	\$ 230,757
Garbage and trash fund	147,462
Tennis center fund	6,552
Public safety fund	2,789
Stormwater fund	705
Special purpose fund	395
Debt service fund	<u>95</u>
Total governmental activities	<u>\$ 388,755</u>

All amounts at September 30, 2014 are payable to vendors.

NOTE J - PENSION PLANS

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 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, 2014

NOTE J - PENSION PLANS (continued)

Municipal Employees' Retirement Fund - Defined Contribution:

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later in this section. In FY 2014, 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, 2014 are as follows:

Employee Classification	Covered Payroll	Required Contribution Amount			Percentage of Contributions to Total Covered Payroll
		City	Employee	Total	
General Employees	\$ 1,347,897	\$ 168,487	\$ 40,437	\$ 208,924	15.50%
Firefighters	318,500	44,590	25,480	70,070	22.00%
Police Officers	89,520	12,533	5,371	17,904	20.00%
Management	808,345	113,169	48,500	161,669	20.00%
Total	\$ <u>2,564,262</u>	\$ <u>338,779</u>	\$ <u>119,788</u>	\$ <u>458,567</u>	17.88%

Plan membership at September 30, 2014, consisted of the following:

	General	Fire	Police	Management
Retirees and beneficiaries currently receiving benefits	4	2	2	9
Terminated members entitled to but not yet receiving benefits	8	2	-	2
Current employees:				
Fully vested	24	10	8	5
Partially vested	3	-	-	-
Nonvested	4	-	-	3
Total current employees	<u>31</u>	<u>10</u>	<u>8</u>	<u>8</u>
Total membership	<u>43</u>	<u>14</u>	<u>10</u>	<u>19</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE J - PENSION PLANS (continued)

Investment summaries at September 30, 2014, 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	32%	30%	46%	43%
Balanced Funds	45%	16%	36%	17%
U.S. Stock Funds	19%	44%	17%	27%
Bond Funds	4%	1%	1%	6%
International Stock Funds	0%	3%	0%	4%
Specialty Funds	0%	6%	0%	3%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Fair Value of Investments	\$ <u>3,583,093</u>	\$ <u>3,535,457</u>	\$ <u>2,447,922</u>	\$ <u>5,504,720</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, 2014, participant loans outstanding amounted to \$ 398,733.

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 FY 2014, the City contributed 20.87% of employee base salaries and employees contributed 14.63%. All investments, totaling \$ 16,307,599 at September 30, 2014, 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 FY 2009. As of September 30, 2014, the membership in the plan consists of 52 active participants, seven 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, 2014 which reports a net pension asset of \$ 1,069,833.

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)	\$ 610,786
Interest on the net pension obligation (asset)	(67,475)
Adjustment to the ARC	<u>70,088</u>
Annual pension cost	613,399
City contributions	<u>812,593</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE J - PENSION PLANS (continued)

Increase in net pension obligation (asset)	(199,194)
Net pension obligation (asset), (beginning of year)	<u>(870,639)</u>
Net pension obligation (asset), (end of year)	\$ <u><u>(1,069,833)</u></u>

The following information reflects the pension cost trend included in the latest completed valuation as of October 1, 2014:

Schedule of Employer Contributions

Fiscal Year <u>Ended</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Pension <u>Cost</u>	Percentage <u>Contributed</u>
2012	\$ 599,233	132%	\$ 587,925	135%
2013	\$ 677,508	176%	\$ 666,085	179%
2014	\$ 610,786	133%	\$ 613,399	132%

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

Valuation date	October 1, 2014
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

** The smoothing period was fresh-started as of October 1, 2013.

*** Because the aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities, information about funded status and funding progress is presented using the entry age actuarial cost method, and that information is intended to serve as a surrogate for the funded status and funding progress of the plan.

The funded status of the Plan as of October 1, 2014, 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)
\$ 15,330,195	\$ 17,752,296	\$ 2,422,101	86.36%	\$ 3,043,337	79.59%

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE J - PENSION PLANS (continued)

During the year ended September 30, 2014, the City implemented GASB 67, *Financial Reporting for Pension Plans. – An Amendment of GASB Statement No. 25* for the Police and Fire – Defined Benefit Plan. The following disclosures noted below are now required under GASB 67 and have been incorporated into this Comprehensive Annual Financial Report in the paragraphs below and Required Supplementary Information Section.

Investment Policy:

The Plan’s investment policy in regard to the allocation of invested assets is established and may be amended by majority vote of the Board of Trustees. The following was the Plan’s adopted asset allocation methodology as of September 30, 2014:

Investment Type	Target Allocation
Cored bonds	16%
Multi-sector	24%
U.S. large cap equity	39%
U.S. small cap equity	11%
Specialty Funds	10%
	100%

Rate of Return:

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.50%. The money-weighted rate of return expresses investment performance, adjusted for the changing amounts actually invested.

Net Pension Liability of the City:

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total pension liability	\$ 16,748,103 *
Less fiduciary net position	(16,318,729)
Net pension liability	\$ 429,374
 Plan fiduciary net position as a percentage of the total pension liability	 97.44%

* This amount has been rolled forward from October 1, 2013.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE J - PENSION PLANS (continued)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the measurement date and the City's reporting date as of September 30, 2014:

Discount rate: 8.07% per annum (3.59% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

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

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

Mortality basis: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

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

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

Non-investment expenses: Liabilities have been loaded by 0.75% to account for non-investment expenses.

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

Changes: The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period.

Determination of the Long-Term Expected Rate of Return on Plan Assets:

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE J - PENSION PLANS (continued)

Best estimates of arithmetic real rates of return for each major asset class included the Plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Investment Type	Expected Long-Term Real Return
Cored bonds	2.29% per annum
Multi-sector	2.78% per annum
U.S. large cap equity	5.68% per annum
U.S. small cap equity	6.24% per annum
Specialty Funds	5.44% per annum
 Weighted Arithmetic Average	 4.48% per annum

Discount Rate:

The discount rate used to measure the total pension liability was 8.07%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 8.07%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.07%) or 1-percentage-point higher (9.07%) than the current rate:

	1% Decrease (7.07%)	Current Discount Rate (8.07%)	1% Increase (9.07%)
Total pension liability	\$ 18,714,881	\$ 16,748,103	\$ 14,722,794
Less fiduciary net position	(16,318,729)	(16,318,729)	(16,318,729)
Net pension liability	\$ 2,396,152	\$ 429,374	\$ (1,595,935)

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE J - PENSION PLANS (continued)

The deferred compensation plan is administered by an unrelated independent plan administrator. Under the terms of the Internal Revenue Code Section 457, all deferred compensation and income attributable to the investment returns are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator, approving investments offered to participants, monitoring compliance with maximum contribution limits, catch-up provisions, and emergency withdrawals. The current plan administrator is 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 \$ 315,635 at September 30, 2014 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, however the City's policy is to distribute any remaining proceeds upon death of a participant to their beneficiaries as they have provided in writing. Based upon employee group commitments, the plan currently includes Fire Lieutenants, Police Department non-union employees, Administrative Secretaries, the Chief Clerk of the Police Department, Police Detectives, and Fire Driver-Engineers.

Roth IRA:

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

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				
2012	\$ 222,368	\$ 222,368	\$ 1,434,623	15.50%
2013	\$ 219,029	\$ 219,029	\$ 1,413,090	15.50%
2014	\$ 208,924	\$ 208,924	\$ 1,347,897	15.50%

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE J - PENSION PLANS (continued)

Pension Plan	Required Contributions (Including Members)	Contributions Made (100%)	Covered Payroll	% of Contributions to Covered Payroll
General Employees - Defined Contribution				
2012	\$ 222,368	\$ 222,368	\$ 1,434,623	15.50%
2013	\$ 219,029	\$ 219,029	\$ 1,413,090	15.50%
2014	\$ 208,924	\$ 208,924	\$ 1,347,897	15.50%
Firefighter - Defined Contribution				
2012	\$ 66,048	\$ 66,048	\$ 300,219	22.00%
2013	\$ 67,652	\$ 67,652	\$ 307,509	22.00%
2014	\$ 70,070	\$ 70,700	\$ 318,500	22.20%
Police Officer - Defined Contribution				
2012	\$ 16,873	\$ 16,873	\$ 84,366	20.00%
2013	\$ 17,379	\$ 17,379	\$ 86,895	20.00%
2014	\$ 17,904	\$ 17,904	\$ 89,520	20.00%
Management - Defined Contribution				
2012	\$ 171,332	\$ 171,332	\$ 856,662	20.00%
2013	\$ 158,704	\$ 158,704	\$ 793,520	20.00%
2014	\$ 161,669	\$ 161,669	\$ 808,345	20.00%
Police/Fire Defined Benefit				
2012	\$ 1,323,276	\$ 1,323,276	\$ 3,727,532	35.50%
2013	\$ 1,372,160	\$ 1,372,160	\$ 3,865,239	35.50%
2014	\$ 1,363,291	\$ 1,363,291	\$ 3,840,256	35.50%
Retirement Health Savings				
2012	\$ 48,108	\$ 48,108	\$ 941,183	5.11%
2013	\$ 44,369	\$ 44,369	\$ 1,123,739	3.95%
2014	\$ 32,276	\$ 32,276	\$ 1,929,731	1.67%

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 FY 2013. The covered payroll for the Police/Fire Defined Benefit Plan decreased due to several employees having been out on unpaid medical and administrative leave, as well as the replacement of higher-paid participants with entry-level employees.

NOTE K - COMMITMENTS AND CONTINGENCIES

Risk management:

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

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

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, 2014:

Grant	Revenues	Expenditures	Receivable	CFDA/ CSDA
Federal Grants:				
Federal Forfeitures	\$ -	\$ 135,718	\$ -	16.922
Community Development Block Grant	35,873	42,334	6,461	14.218
Department of Law Enforcement	2,010	2,010	-	16.738
Department of Justice	2,382	2,382	-	16.607
Total Federal grants	<u>\$ 40,265</u>	<u>\$ 182,444</u>	<u>\$ 6,461</u>	
Local Grants:				
Marine Law Enforcement	\$ 39,000	\$ 50,109	\$ 11,109	n/a
Broward County	22,620	22,620	-	n/a
Total local grants	<u>\$ 61,620</u>	<u>\$ 72,729</u>	<u>\$ 11,109</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, 2014, the net obligation was \$ 190,000. 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, 2014

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 FY 2013/14 graded to 5.50% for FY 2020/21
Ultimate rate	5.00% per annum

The net other post-employment benefit obligation outstanding as of September 30, 2014 is calculated as follows:

	As of September 30, 2014
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>179,000</u>
6 Net OPEB Obligation (end of year)	<u>\$ 190,000</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
2011/2012	\$ 40,000	70%	\$ 168,000
2012/2013	\$ 43,000	74%	\$ 179,000
2013/2014	\$ 43,000	74%	\$ 190,000

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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 FY 2014, 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, 2014 the City increased beginning net position on the statement of activities in the amount of \$ 918,934. This is the result of corrections to prior year carrying values of fixed assets and accumulated depreciation.

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
10/01/09	\$ 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%
10/01/14	15,330,195	17,752,296	2,422,101	86.4%	3,043,337	79.6%

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>
09/30/2009	\$ 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%
09/30/2014	561,829	100%	801,462	100%

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 POLICE AND FIRE DEFINED BENEFIT
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Last Ten Fiscal Years
 (unaudited)

	2014
Total pension liability	
Service cost	\$ 338,632
Expected interest growth	1,477,810
Benefit payments, including refunds of member contributions	(599,481)
Net change in total pension liability	1,216,961
Total pension liability - beginning	15,531,142
Total pension liability - ending (A)	\$ 16,748,103
Plan fiduciary net position	
Contributions - employer	\$ 812,593
Contributions - member	561,829
Net investment income	1,198,583
Benefit payments, including refunds of member contributions	(387,047)
Net change in plan fiduciary net position	2,185,958
Plan fiduciary net position - beginning	14,132,771
Plan fiduciary net position - ending (B)	\$ 16,318,729
City net pension liability - ending (A) - (B)	\$ 429,374
Plan fiduciary net position as a percentage of the total pension liability	97.44%
Covered-employee payroll	\$ 3,125,632
City net pension liability as percentage of covered-employee payroll	13.74%

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

City of Lighthouse Point
REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)
GENERAL EMPLOYEES' PENSION FUND
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 812,593	\$ 1,194,863	\$ 791,670	\$ 761,846	\$ 624,251	\$ 283,521	\$ 351,621	\$ 357,651	\$ 338,229	\$ 320,256
Actual contribution	<u>812,593</u>	<u>1,194,863</u>	<u>791,670</u>	<u>761,846</u>	<u>624,251</u>	<u>283,521</u>	<u>351,621</u>	<u>357,651</u>	<u>338,229</u>	<u>320,256</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll *	\$ 3,125,632	\$ 3,108,447	N/A	\$ 2,718,225	\$ 2,572,144	\$ 2,441,440	\$ 2,782,471	\$ 2,269,045	N/A	\$ 2,164,684
Contributions as a percentage of covered-employee payroll	26.00%	38.44%	N/A	28.03%	24.27%	11.61%	12.64%	15.76%	N/A	14.79%

Notes to Schedule

* Expected covered payroll for fiscal year ending September 30, 2014

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

Valuation date: October 1, 2013

Actuarially determined contribution rates are calculated as of October 1 which is two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	twenty years
Asset valuation method	five year smooth market
Inflation	3.00%
Discount rate	8.07% per annum (3.59% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
Salary increases	7.00% per annum for employees less than age 35, 6.00% per annum for employees age 35 to age 45 5.00% per annum for employees age 45 to age 55, and 4.00% per annum for employees at least age 55
Cost-of-living increases	3.00% as of each October 1 at least five years after retirement
Mortality basis	Sex-distinct rates set forth in the RP-200 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) Section 430; future generational improvements in mortality have not been reflected.
Retirement age	4.3% at ages 50 and 54, 4.20% at age 52, 4.40% at age 55, 4.5% at age 56, 4.7% at age 57, or 100% at normal retirement age.
Other decrements	Assumed employment termination is based on age and ranges from 7.70% at age 25 to 4.40% at age 55. Assumed disability is based on age and ranges from 0.09% at age 25 to 0.00% at age 55.
Non-investment expenses	Liabilities have been loaded by 0.75% to account for non-investment expenses.
Future contributions	Contributions have been loaded by 0.75% to account for non-investment expenses.
Changes	The actuarial assumptions did not change from prior measurement date since GASB 67 is first effective for this measurement period.

City of Lighthouse Point
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEES' PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
For the year ended September 30, 2014
(unaudited)

Annual money-weighted rate of return, net of investment expense	8.50%
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Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

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

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
10/01/07	\$ -	\$ 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%

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 6,065,000	\$ 6,026,025	\$ 6,026,025	\$ -
Delinquent	-	140,000	143,024	3,024
	<u>6,065,000</u>	<u>6,166,025</u>	<u>6,169,049</u>	<u>3,024</u>
Franchise taxes:				
Electricity	815,000	815,000	826,952	11,952
Solid waste	102,000	102,000	35,895	(66,105)
	<u>917,000</u>	<u>917,000</u>	<u>862,847</u>	<u>(54,153)</u>
Utility service taxes:				
Electricity	990,000	1,104,000	1,111,862	7,862
Water	470,000	470,000	474,489	4,489
Gas	2,000	2,000	1,265	(735)
Propane	35,800	35,800	46,724	10,924
Communications services	705,000	705,000	625,846	(79,154)
	<u>2,202,800</u>	<u>2,316,800</u>	<u>2,260,186</u>	<u>(56,614)</u>
Licenses and permits:				
Business license tax	64,000	64,000	63,432	(568)
Building permits	225,000	253,000	253,456	456
Plumbing permits	45,000	54,000	54,418	418
Electrical permits	70,000	79,370	80,140	770
Other	202,500	230,500	255,768	25,268
	<u>606,500</u>	<u>680,870</u>	<u>707,214</u>	<u>26,344</u>
Intergovernmental revenues:				
State revenue sharing	270,000	270,000	281,688	11,688
Other state revenue sharing	39,860	39,860	39,863	3
Alcoholic beverage license	8,000	8,000	7,733	(267)
Gasoline tax	190,000	190,000	181,932	(8,068)
Half cent sales tax	615,000	615,000	641,074	26,074
Firefighters supplemental	13,000	13,000	13,780	780
Motor fuel rebate	5,000	5,000	5,288	288
County occupational license	12,000	12,000	5,557	(6,443)
Federal grants	22,000	43,000	38,255	(4,745)
State grants	-	-	2,010	2,010
Local grants	65,000	65,000	61,620	(3,380)
	<u>1,239,860</u>	<u>1,260,860</u>	<u>1,278,800</u>	<u>17,940</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	10,000	10,000	13,920	3,920
Zoning fees	11,000	11,000	19,375	8,375
Merchandise sales	20	20	25	5
Certification, copying, research	500	500	410	(90)
Commission Appeals	-	-	200	200
Election fees	-	-	434	434
Accident reports	900	900	640	(260)
Fingerprinting fees	2,500	2,500	3,410	910
Alarm fees	6,000	6,000	7,032	1,032
Special detail fees	21,500	21,500	32,783	11,283
Fire inspection fees	22,500	22,500	22,627	127
Construction inspection fees	7,500	7,500	11,443	3,943
Other fees - fire	400	400	1,710	1,310
Ambulance fees	190,000	190,000	187,402	(2,598)
Library fees	500	500	1,700	1,200
Photostat and other fees	1,300	1,300	1,790	490
Registration - recreation	12,500	12,500	10,400	(2,100)
Summer recreation fees	46,000	46,000	25,700	(20,300)
Other fees - city clerk	-	-	200	200
Other recreation fees	7,000	7,000	18,625	11,625
	<u>340,120</u>	<u>340,120</u>	<u>359,826</u>	<u>19,706</u>
Non advalorem assessments:				
Special assessments - fire	610,000	610,000	613,342	3,342
	<u>610,000</u>	<u>610,000</u>	<u>613,342</u>	<u>3,342</u>
Fines and forfeitures:				
Court fines	12,000	12,000	12,243	243
Library fines	1,000	1,000	389	(611)
Parking citations	2,600	2,600	2,455	(145)
Code enforcement fines	80,000	80,000	278,848	198,848
	<u>95,600</u>	<u>95,600</u>	<u>293,935</u>	<u>198,335</u>
Miscellaneous income:				
Interest income	30,000	30,000	24,789	(5,211)
Other	88,400	167,900	152,397	(15,503)
	<u>118,400</u>	<u>197,900</u>	<u>177,186</u>	<u>(20,714)</u>
Allocation of fund balance	<u>306,405</u>	<u>127,040</u>	<u>-</u>	<u>(127,040)</u>
Total revenues	<u>12,501,685</u>	<u>12,712,215</u>	<u>12,722,385</u>	<u>10,170</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	33,585	32,150	32,153	(3)
Operating expenditures	54,235	43,650	43,647	3
Capital outlay	-	-	-	-
Grants and aids	8,345	7,680	7,681	(1)
	<u>96,165</u>	<u>83,480</u>	<u>83,481</u>	<u>(1)</u>
Executive - Mayor:				
Personal services	27,780	25,420	25,423	(3)
Operating expenditures	17,300	13,140	13,138	2
	<u>45,080</u>	<u>38,560</u>	<u>38,561</u>	<u>(1)</u>
Administration/finance:				
Personal services	588,455	602,315	602,314	1
Operating expenditures	92,270	104,465	107,329	(2,864)
Capital outlay	-	3,663	802	2,861
	<u>680,725</u>	<u>710,443</u>	<u>710,445</u>	<u>(2)</u>
City attorney:				
Operating expenditures	124,500	122,390	122,390	-
Support services:				
Personal services	91,045	86,120	86,117	3
Operating expenditures	375,600	393,320	393,319	1
	<u>466,645</u>	<u>479,440</u>	<u>479,436</u>	<u>4</u>
Total general government	1,413,115	1,434,313	1,434,313	-
Public safety:				
Police department:				
Personal services	4,520,535	4,336,350	4,341,921	(5,571)
Operating expenditures	243,905	274,980	306,166	(31,186)
Capital outlay	-	70,835	39,382	31,453
	<u>4,764,440</u>	<u>4,682,165</u>	<u>4,687,469</u>	<u>(5,304)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	3,180,860	3,258,630	3,264,194	(5,564)
Operating expenditures	170,410	187,065	191,735	(4,670)
Capital outlay	494,417	503,212	498,564	4,648
	<u>3,845,687</u>	<u>3,948,907</u>	<u>3,954,493</u>	<u>(5,586)</u>
Building department:				
Personal services	145,205	177,290	177,289	1
Operating expenditures	258,100	311,660	313,915	(2,255)
Capital outlay	-	2,863	717	2,146
	<u>403,305</u>	<u>491,813</u>	<u>491,921</u>	<u>(108)</u>
Code enforcement:				
Personal services	213,910	208,850	208,851	(1)
Operating expenditures	17,300	21,045	23,909	(2,864)
Capital outlay	900	49,643	46,780	2,863
	<u>232,110</u>	<u>279,538</u>	<u>279,540</u>	<u>(2)</u>
Total public safety	9,245,542	9,402,423	9,413,423	(11,000)
Physical environment:				
Public works:				
Personal services	967,300	998,015	998,015	-
Operating expenditures	317,720	409,937	407,866	2,071
Capital outlay	10,900	10,130	12,200	(2,070)
	<u>1,295,920</u>	<u>1,418,082</u>	<u>1,418,081</u>	<u>1</u>
Total physical environment	1,295,920	1,418,082	1,418,081	1
Transportation:				
Community bus:				
Personal services	31,825	31,950	31,950	-
Operating expenditures	12,490	14,075	14,077	(2)
	<u>44,315</u>	<u>46,025</u>	<u>46,027</u>	<u>(2)</u>
Total transportation	44,315	46,025	46,027	(2)

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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	248,905	239,730	239,731	(1)
Operating expenditures	23,610	28,705	70,361	(41,656)
Capital outlay	60,000	57,973	16,361	41,612
	<u>332,515</u>	<u>326,408</u>	<u>326,453</u>	<u>(45)</u>
Recreation department:				
Personal services	270,280	249,345	249,345	-
Operating expenditures	125,920	131,010	147,491	(16,481)
Capital outlay	15,000	17,550	1,073	16,477
	<u>411,200</u>	<u>397,905</u>	<u>397,909</u>	<u>(4)</u>
Total culture/recreation	743,715	724,313	724,362	(49)
Debt service:				
Principal	162,690	181,925	181,925	-
Interest	7,580	8,230	8,232	(2)
Total debt service	170,270	190,155	190,157	(2)
Total expenditures	<u>12,912,877</u>	<u>13,215,311</u>	<u>13,226,363</u>	<u>(11,052)</u>
Excess of revenues over expenditures	(411,192)	(503,096)	(503,978)	(882)
Other financing sources (uses):				
Transfers in	55,000	55,000	55,000	-
Transfers out	(114,000)	(114,000)	(134,000)	(20,000)
Capital lease proceeds	470,192	470,192	470,192	-
Total other financing sources (uses)	<u>411,192</u>	<u>411,192</u>	<u>391,192</u>	<u>(20,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (91,904)</u>	(112,786)	<u>\$ (20,882)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,639,661</u>	
FUND BALANCE, END OF YEAR			<u>\$ 5,526,875</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Membership fees	\$ 60,000	60,805	\$ 60,805	\$ -
Daily use fees	16,000	14,980	14,977	(3)
Revenue sharing	15,000	15,000	15,000	-
Lighting fees	800	660	660	-
	<u>91,800</u>	<u>91,445</u>	<u>91,442</u>	<u>(3)</u>
Miscellaneous:				
Other	1,000	1,000	1,000	-
Allocation of fund balance	-	12,981	-	(12,981)
	<u>1,000</u>	<u>13,981</u>	<u>1,000</u>	<u>(12,981)</u>
 Total revenues	 <u>92,800</u>	 <u>105,426</u>	 <u>92,442</u>	 <u>(12,984)</u>
EXPENDITURES:				
Culture/recreation:				
Personal services	157,870	164,350	177,560	(13,210)
Operating expenditures	29,930	28,145	22,866	5,279
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-
 Total expenditures	 <u>187,800</u>	 <u>192,495</u>	 <u>200,426</u>	 <u>(7,931)</u>
 Excess (deficiency) of revenues over expenditures	 (95,000)	 (87,069)	 (107,984)	 (20,915)
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>\$ 7,931</u>	 (12,984)	 <u>\$ (20,915)</u>
 FUND BALANCE, BEGINNING OF YEAR			 <u>3,343</u>	
 FUND BALANCE (DEFICIT), END OF YEAR			 <u>\$ (9,641)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Non advalorem assessments:				
Stormwater fees	\$ 265,000	265,000	\$ 269,802	\$ 4,802
	<u>265,000</u>	<u>265,000</u>	<u>269,802</u>	<u>4,802</u>
Miscellaneous:				
Interest income	1,000	1,000	3,590	2,590
	<u>1,000</u>	<u>1,000</u>	<u>3,590</u>	<u>2,590</u>
Allocation of Fund Balance	34,000	34,000	-	(34,000)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>273,392</u>	<u>(26,608)</u>
EXPENDITURES:				
Physical environment:				
Operating expenditures	-	-	96,674	(96,674)
Capital outlay	300,000	300,000	-	300,000
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>96,674</u>	<u>203,326</u>
Net change in fund balance	\$ -	\$ -	176,718	\$ 176,718
	<u>-</u>	<u>-</u>	<u>176,718</u>	<u>176,718</u>
FUND BALANCE, BEGINNING OF YEAR			<u>863,288</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,040,006</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 407,619	\$ 407,619	\$ 414,912	\$ 7,293
Miscellaneous:				
Interest income	100	100	63	(37)
Total revenues	407,719	407,719	414,975	7,256
EXPENDITURES:				
Debt service:				
Principal	343,445	343,445	343,417	28
Interest	64,274	64,274	64,301	(27)
Total expenditures	407,719	407,719	407,718	1
Net change in fund balance	\$ -	\$ -	7,257	\$ 7,255
FUND BALANCE, BEGINNING OF YEAR			323	
FUND BALANCE, END OF YEAR			\$ 7,580	

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 FY 2009/2010 to provide resources for stormwater management capital improvements and significant maintenance of stormwater infrastructure that had been funded in past years by grants.

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

Debt Service Fund

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

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

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2014

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
ASSETS:			
Cash and cash equivalents	\$ 100	\$ -	\$ 1,040,691
Due from other funds	-	736,000	-
Accounts receivable	9,535	-	-
Due from other governments	-	-	20
	<u>9,635</u>	<u>736,000</u>	<u>1,040,711</u>
Total assets	\$ <u>9,635</u>	\$ <u>736,000</u>	\$ <u>1,040,711</u>
LIABILITIES AND FUND BALANCES:			
Accounts payable	\$ 6,552	\$ -	\$ 705
Accrued payroll and related taxes	2,348	-	-
Due to other funds	4,543	-	-
Unearned revenue	5,833	-	-
	<u>19,276</u>	<u>-</u>	<u>705</u>
Total liabilities	19,276	-	705
Fund balances:			
Restricted	-	-	1,040,006
Committed	-	736,000	-
Unassigned	(9,641)	-	-
	<u>(9,641)</u>	<u>736,000</u>	<u>1,040,006</u>
Total fund balances (deficit)	(9,641)	736,000	1,040,006
Total liabilities and fund balances (deficit)	\$ <u>9,635</u>	\$ <u>736,000</u>	\$ <u>1,040,711</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 235,380	\$ 1,276,171	\$ 7,675	\$ 1,283,846
75,315	811,315	-	811,315
-	9,535	-	9,535
-	20	-	20
<u>\$ 310,695</u>	<u>\$ 2,097,041</u>	<u>\$ 7,675</u>	<u>\$ 2,104,716</u>
\$ 395	\$ 7,652	\$ 95	\$ 7,747
-	2,348	-	2,348
-	4,543	-	4,543
-	5,833	-	5,833
<u>395</u>	<u>20,376</u>	<u>95.00</u>	<u>20,471</u>
-	1,040,006	7,580	1,047,586
310,300	1,046,300	-	1,046,300
-	(9,641)	-	(9,641)
<u>310,300</u>	<u>2,076,665</u>	<u>7,580</u>	<u>2,084,245</u>
\$ <u>310,695</u>	\$ <u>2,097,041</u>	\$ <u>7,675</u>	\$ <u>2,104,716</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2014

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
REVENUES:			
Ad valorem taxes	\$ -	\$ -	\$ -
Charges for services	91,442	-	-
Non advalorem assessments	-	-	269,802
Miscellaneous	1,000	117,561	3,590
	<u>92,442</u>	<u>117,561</u>	<u>273,392</u>
Total revenues			
EXPENDITURES:			
Current:			
Physical environment	-	104,928	96,674
Culture/recreation	200,426	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>200,426</u>	<u>104,928</u>	<u>96,674</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(107,984)</u>	<u>12,633</u>	<u>176,718</u>
OTHER FINANCING SOURCES:			
Transfers in	95,000	84,000	-
	<u>95,000</u>	<u>84,000</u>	<u>-</u>
Total other financing sources			
Net change in fund balance	(12,984)	96,633	176,718
FUND BALANCE, BEGINNING OF YEAR	<u>3,343</u>	<u>639,367</u>	<u>863,288</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (9,641)</u>	<u>\$ 736,000</u>	<u>\$ 1,040,006</u>

Special Purpose Fund	Total	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 414,912	\$ 414,912
1,068	92,510	-	92,510
-	269,802	-	269,802
<u>137,001</u>	<u>259,152</u>	<u>63</u>	<u>259,215</u>
<u>138,069</u>	<u>621,464</u>	<u>414,975</u>	<u>1,036,439</u>
5,084	206,686	-	206,686
79,328	279,754	-	279,754
-	-	343,445	343,445
<u>-</u>	<u>-</u>	<u>64,273</u>	<u>64,273</u>
<u>84,412</u>	<u>486,440</u>	<u>407,718</u>	<u>894,158</u>
<u>53,657</u>	<u>135,024</u>	<u>7,257</u>	<u>142,281</u>
<u>39,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
<u>39,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
92,657	353,024	7,257	360,281
<u>217,643</u>	<u>1,723,641</u>	<u>323</u>	<u>1,723,964</u>
\$ <u><u>310,300</u></u>	\$ <u><u>2,076,665</u></u>	\$ <u><u>7,580</u></u>	\$ <u><u>2,084,245</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 September 30, 2014

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
ASSETS:					
Investments	\$ 3,583,093	\$ 3,535,457	\$ 2,447,922	\$ 5,504,720	\$ 15,071,192
Contributions receivable	-	-	-	-	-
Participant loans receivable	<u>217,958</u>	<u>90,041</u>	<u>68,450</u>	<u>11,153</u>	<u>387,602</u>
Total assets	3,801,051	3,625,498	2,516,372	5,515,873	15,458,794
LIABILITIES					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Held in trust for pension and other benefits	<u>\$ 3,801,051</u>	<u>\$ 3,625,498</u>	<u>\$ 2,516,372</u>	<u>\$ 5,515,873</u>	<u>\$ 15,458,794</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 16,307,598	\$ 6,811,908	\$ 315,635	\$ 38,506,333
11,131	-	-	11,131
<u>-</u>	<u>-</u>	<u>-</u>	<u>387,602</u>
16,318,729	6,811,908	315,635	38,905,066
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>16,318,729</u></u>	\$ <u><u>6,811,908</u></u>	\$ <u><u>315,635</u></u>	\$ <u><u>38,905,066</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended September 30, 2014

	Defined Contribution Pension Plans				
	General	Fire	Police	Management	Total
ADDITIONS:					
Contributions					
City	\$ 168,487	\$ 44,590	\$ 12,533	\$ 113,169	\$ 338,779
Employees	<u>40,437</u>	<u>25,480</u>	<u>5,371</u>	<u>48,500</u>	<u>119,788</u>
Total contributions	<u>208,924</u>	<u>70,070</u>	<u>17,904</u>	<u>161,669</u>	<u>458,567</u>
Investment earnings and expenses:					
Interest, dividend and investment value changes	273,905	332,130	182,206	390,010	1,178,251
Less investment expense	<u>29,875</u>	<u>28,495</u>	<u>19,778</u>	<u>43,353</u>	<u>121,501</u>
Net investment earnings	<u>244,030</u>	<u>303,635</u>	<u>162,428</u>	<u>346,657</u>	<u>1,056,750</u>
Total additions	<u>452,954</u>	<u>373,705</u>	<u>180,332</u>	<u>508,326</u>	<u>1,515,317</u>
DEDUCTIONS:					
Benefits paid	<u>144,555</u>	<u>49,693</u>	<u>510,586</u>	<u>475,996</u>	<u>1,180,830</u>
Refund of contributions:					
City	8,624	1,717	-	-	10,341
Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>153,179</u>	<u>51,410</u>	<u>510,586</u>	<u>475,996</u>	<u>1,191,171</u>
Change in net position	299,775	322,295	(330,254)	32,330	324,146
NET POSITION HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
BEGINNING 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>
END OF YEAR	<u>\$ 3,801,051</u>	<u>\$ 3,625,498</u>	<u>\$ 2,516,372</u>	<u>\$ 5,515,873</u>	<u>\$ 15,458,794</u>

Police and Fire Defined Benefit	Deferred Compensation	Retirement Health Savings Plan	Total
\$ 812,593	\$ -	\$ -	\$ 1,151,372
<u>561,829</u>	<u>500,092</u>	<u>32,276</u>	<u>1,213,985</u>
<u>1,374,422</u>	<u>500,092</u>	<u>32,276</u>	<u>2,365,357</u>
1,235,668	524,703	26,486	2,965,108
<u>37,085</u>	<u>54,599</u>	<u>4,362</u>	<u>217,547</u>
<u>1,198,583</u>	<u>470,104</u>	<u>22,124</u>	<u>2,747,561</u>
<u>2,573,005</u>	<u>970,196</u>	<u>54,400</u>	<u>5,112,918</u>
<u>387,047</u>	<u>597,116</u>	<u>27,178</u>	<u>2,192,171</u>
-	-	-	10,341
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>387,047</u>	<u>597,116</u>	<u>27,178</u>	<u>2,202,512</u>
2,185,958	373,080	27,222	2,910,406
<u>14,132,771</u>	<u>6,438,828</u>	<u>288,413</u>	<u>35,994,660</u>
\$ <u><u>16,318,729</u></u>	\$ <u><u>6,811,908</u></u>	\$ <u><u>315,635</u></u>	\$ <u><u>38,905,066</u></u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2014

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.	83-90
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	91-97
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.	98-103
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.	104-105
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.	106-111

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			
	2014	2013	2012	2011
Governmental activities				
Net investment in capital assets	\$ 16,691,679	\$ 16,705,644	\$ 15,540,755	\$ 15,392,168
Restricted	3,250,412	3,191,909	3,331,058	3,410,406
Unrestricted	<u>7,444,696</u>	<u>6,421,799</u>	<u>6,339,706</u>	<u>6,237,128</u>
Total governmental activities net position	\$ <u><u>27,386,787</u></u>	\$ <u><u>26,319,352</u></u>	\$ <u><u>25,211,519</u></u>	\$ <u><u>25,039,702</u></u>

Notes: The City has no business-type activities.

Table 1

						Year
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	
\$ 15,316,538	\$ 14,921,902	\$ 14,713,746	\$ 13,755,926	\$ 10,101,398	\$ 7,497,567	
4,048,277	4,529,846	5,112,882	1,021,484	1,701,725	2,773,331	
<u>6,110,724</u>	<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>\$ 25,475,539</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>	

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

	Fiscal			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses:				
Governmental activities:				
General government	\$ 1,465,093	\$ 1,415,364	\$ 1,320,586	\$ 1,370,967
Public safety	9,134,305	8,686,485	8,903,618	8,569,761
Physical environment	3,506,609	3,854,194	3,284,930	3,989,844
Transportation	46,027	44,667	40,788	40,474
Culture/recreation	1,122,567	1,156,366	1,115,321	1,201,806
Interest expense	71,369	77,180	206,131	197,849
	<u>15,345,970</u>	<u>\$ 15,234,256</u>	<u>\$ 14,871,374</u>	<u>\$ 15,370,701</u>
Total governmental activities expenses				
Program Revenues:				
Charges for services:				
General government	\$ 34,564	\$ 27,335	\$ 30,614	\$ 22,940
Public safety	1,891,940	1,603,627	1,858,897	1,609,068
Physical environment	2,068,101	2,236,065	2,264,373	2,369,597
Culture/recreation	150,725	125,904	136,784	142,928
Operating grants and contributions	119,455	153,494	93,412	222,371
Capital grants and contributions	-	-	155,985	102,386
	<u>4,264,785</u>	<u>\$ 4,146,425</u>	<u>\$ 4,540,065</u>	<u>\$ 4,469,290</u>
Total governmental activities program revenues				
	<u>\$ 11,081,185</u>	<u>\$ 11,087,831</u>	<u>\$ 10,331,309</u>	<u>\$ 10,901,411</u>
Total governmental activities net expense				
General Revenues and Change in Net Position:				
Taxes:				
Ad valorem taxes	\$ 6,583,961	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909
Franchise taxes	869,058	862,148	825,196	929,559
Utility service taxes	3,124,968	2,195,295	2,184,080	2,135,681
Intergovernmental revenues	1,153,978	1,288,713	1,089,223	1,073,390
Miscellaneous	416,655	537,573	284,239	188,035
Special item, donation of of park land	-	-	-	-
	<u>12,148,620</u>	<u>\$ 11,276,730</u>	<u>\$ 10,503,126</u>	<u>\$ 10,465,574</u>
Total general revenues				
Change in net position	<u>\$ 1,067,435</u>	<u>\$ 188,899</u>	<u>\$ 171,817</u>	<u>\$ (435,837)</u>

Table 2

		Year									
		2010	2009	2008	2007	2006	2005				
\$	1,363,611	\$	1,440,339	\$	1,491,969	\$	1,140,397	\$	1,107,630	\$	1,171,742
	8,428,182		8,161,594		8,078,961		7,454,524		7,028,043		6,725,610
	4,413,816		4,776,528		4,007,031		3,909,260		5,948,269		3,186,329
	39,679		40,852		53,925		46,492		45,563		51,022
	1,166,238		1,141,223		1,258,251		1,138,481		1,048,900		1,091,936
	215,231		229,439		212,550		216,500		238,762		253,352
\$	<u>15,626,757</u>	\$	<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>
\$	13,861	\$	11,479	\$	84,577	\$	150,626	\$	148,617.00	\$	94,712
	1,363,035		1,256,534		1,392,705		1,759,972		1,592,243		1,456,603
	2,487,291		1,901,360		2,055,722		2,526,006		1,502,879		1,297,520
	139,700		142,078		146,133		151,540		139,381		134,621
	188,259		214,979		4,025,992		223,088		2,569,879		336,822
	261,156		369,768		349,741		1,327,828		222,861		291,877
\$	<u>4,453,302</u>	\$	<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>11,173,455</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>
\$	6,945,061	\$	7,080,510	\$	6,950,839	\$	7,422,102	\$	6,580,068	\$	5,762,042
	970,558		1,011,721		1,015,706		1,058,761		961,067		838,136
	2,116,737		1,930,017		1,768,345		1,748,164		1,764,945		1,783,890
	1,352,185		1,276,444		1,143,836		1,204,632		1,256,336		1,235,660
	404,863		669,478		541,360		536,918		1,184,453		975,494
	-		-		-		-		-		-
\$	<u>11,789,404</u>	\$	<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>615,949</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>

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

	Fiscal			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:				
Nonspendable	\$ 57,923	\$ 550,156	\$ 64,938	\$ 89,064
Restricted	-	-	-	-
Committed	-	1,665,151	1,889,680	2,245,350
Assigned	-	3,250,000	3,750,000	3,750,000
Unassigned	<u>5,468,952</u>	<u>174,354</u>	<u>249,129</u>	<u>125,363</u>
Total general fund	\$ <u>5,526,875</u>	\$ <u>5,639,661</u>	\$ <u>5,953,747</u>	\$ <u>6,209,777</u>
All Other Governmental Funds:				
Garbage and trash fund:				
Committed	\$ 342,805	\$ 471,867	\$ 520,338	\$ 617,829
Public safety fund:				
Restricted	2,202,826	2,328,298	2,656,131	2,925,378
Committed	-	-	-	-
Debt service fund:				
Restricted	7,580	323	4,226	56,363
Capital projects fund:				
Committed	-	-	-	-
Nonmajor funds:				
Nonspendable	-	750	-	-
Restricted	1,040,006	863,288	670,701	428,665
Committed	1,046,300	859,603	744,121	761,417
Unassigned (deficit)	<u>(9,641)</u>	<u>-</u>	<u>-</u>	<u>(6,522)</u>
Total all other governmental funds	\$ <u>4,629,876</u>	\$ <u>4,524,129</u>	\$ <u>4,595,517</u>	\$ <u>4,783,130</u>

Table 3

		Year									
		2010	2009	2008	2007	2006	2005				
\$	414,244	\$	363,675	\$	393,116	\$	66,154	\$	67,943	\$	-
	-		-		-		-		-		-
	2,028,184		1,208,392		1,258,087		1,310,452		1,395,358		1,229,257
	3,823,043		3,794,819		2,569,115		2,136,490		709,956		465,897
	142,563		183,131		344,758		75,902		796,400		1,026,411
\$	<u>6,408,034</u>	\$	<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>
\$	796,575	\$	861,392	\$	1,121,534	\$	1,047,626	\$	432,996	\$	432,996
	2,984,981		3,290,715		3,269,697		144,927		53,274		66,483
	1,225		-		132,081		12,151		12,663		10,084
	50,095		43,319		45,163		78,022		51,716		24,731
	-		-		10,903		786,384		1,429,294		2,672,033
	-		-		-		-		-		-
	172,244		-		-		-		-		-
	989,080		1,318,266		1,790,913		1,813,554		1,813,308		1,260,978
	(1,847)		-		-		-		-		-
\$	<u>4,992,353</u>	\$	<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>

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

	Fiscal Year			
	2014	2013	2012	2011
Revenues:				
Ad valorem taxes	\$ 6,583,961	\$ 6,393,001	\$ 6,120,388	\$ 6,138,909
Franchise fees	862,847	864,519	905,559	929,559
Utility service taxes	2,260,186	2,239,104	2,138,837	2,139,372
Licenses and permits	707,214	605,477	635,114	529,905
Intergovernmental revenues	1,278,800	1,432,563	1,328,975	1,398,147
Charges for services	2,250,635	2,412,786	2,689,844	2,789,909
Nonadvalorem assessments	883,144	841,554	576,532	577,446
Fines and forfeitures	304,337	133,114	389,178	247,273
Interest income	41,337	33,226	49,056	42,643
Miscellaneous	419,966	518,735	228,658	153,676
Total revenues	15,592,427	15,474,079	15,062,141	14,946,839
Expenditures:				
General government	1,433,511	1,345,069	1,307,179	1,291,841
Public safety	8,901,379	8,782,071	8,578,790	8,184,831
Physical environment	3,417,866	3,712,686	3,470,209	3,845,327
Transportation	46,027	44,579	40,807	40,365
Culture/recreation	986,683	1,000,339	1,037,569	1,061,719
Capital outlay	686,317	397,492	534,520	284,292
Debt service:				
Interest	72,506	78,296	202,774	199,025
Principal	525,369	499,021	460,611	446,369
Other	-	-	20,000	550
Total expenditures	16,069,658	15,859,553	15,652,459	15,354,319
Excess of revenues over (under) expenditures	(477,231)	(385,474)	(590,318)	(407,480)
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	-
Capital leases	470,192	-	126,675	-
Net proceeds of notes payable	-	-	3,685,000	-
Payment to fiscal agent	-	-	(3,665,000)	-
Transfers in	273,000	235,511	180,000	221,051
Transfers out	(273,000)	(235,511)	(180,000)	(221,051)
Total other financing sources (uses)	470,192	-	146,675	-
Net change in fund balances	\$ (7,039)	\$ (385,474)	\$ (443,643)	\$ (407,480)
Debt service as a % of noncapital expenditures	3.9%	3.7%	4.4%	4.3%

Table 4

		Fiscal Year									
		2010	2009	2008	2007	2006	2005				
\$	6,945,061	\$	7,080,510	\$	6,950,839	\$	7,422,102	\$	6,580,068	\$	5,762,042
	970,558		1,011,721		1,015,706		1,039,813		940,568		788,445
	2,120,424		1,932,024		1,763,939		1,747,964		1,761,194		1,785,206
	530,797		417,812		517,443		774,232		896,506		814,855
	1,455,493		1,587,770		2,249,872		2,762,796		4,051,484		1,857,598
	2,891,524		2,339,440		2,476,338		2,989,505		1,951,969		1,731,541
	581,566		554,199		527,540		409,707		397,115		386,470
	346,107		273,421		3,427,513		414,700		137,530		437,059
	117,250		123,842		158,098		474,058		379,691		211,407
	294,943		606,343		424,998		541,190		851,267		399,204
	<u>16,253,723</u>		<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>
	1,284,206		1,285,048		1,186,532		1,375,913		1,189,441		1,112,111
	7,943,944		7,656,733		7,428,115		7,059,064		6,757,601		6,380,681
	4,254,355		4,579,722		4,233,546		3,831,248		5,116,482		2,477,986
	39,662		43,198		53,719		46,345		45,172		52,573
	1,013,857		1,009,842		1,016,718		1,027,277		973,317		875,005
	769,111		590,233		2,513,393		4,320,003		4,401,549		1,724,411
	217,673		229,641		222,993		217,256		231,707		239,503
	457,481		451,335		389,098		392,747		387,533		386,950
	550		550		5,300		300		813		2,550
	<u>15,980,839</u>		<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>272,884</u>		<u>80,780</u>		<u>2,462,872</u>		<u>305,914</u>		<u>(1,156,223)</u>		<u>922,057</u>
	-		-		300,000		300,000		626,021		-
	63,795		47,562		700,833		102,840		104,240		101,664
	-		-		-		-		-		-
	-		-		-		-		-		-
	118,564		306,017		481,463		1,015,020		1,242,569		2,327,284
	(118,564)		(306,017)		(481,463)		(1,015,020)		(1,242,569)		(2,327,284)
	<u>63,795</u>		<u>47,562</u>		<u>1,000,833</u>		<u>402,840</u>		<u>730,261</u>		<u>101,664</u>
\$	<u>336,679</u>	\$	<u>128,342</u>	\$	<u>3,463,705</u>	\$	<u>708,754</u>	\$	<u>(425,962)</u>	\$	<u>1,023,721</u>
	4.4%		4.5%		4.2%		4.4%		4.2%		5.4%

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	
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
2014	2013	2,109,780	140,854	28,578	24,317

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>				
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%
523,322	3,946	1,776,261	3.8307	2,303,550	77.11%

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
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
2013/14	3.5893	0.2414	3.8307	5.4400	0.2830	5.7230	7.4800

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	
0.2555	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
-	7.4800	0.4882	0.4110	0.0345	1.7554	0.0860	19.8088

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

Taxpayer	Fiscal Year 2014			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	\$ 15,707,420	1	0.92%	\$ 9,130,290	3	0.59%
Beacon Light Partners Ltd	8,541,890	2	0.50%	10,622,250	2	0.69%
Acheson, James C & Suzanne J	8,137,500	3	0.48%	4,509,357	10	0.29%
Florida Power & Light Co	7,430,482	4	0.44%	5,501,040	6	0.36%
Silver Seas Hotel, Inc.	6,407,270	5	0.38%	7,153,250	4	0.47%
J.H. and T.M. Verillo	5,359,850	6	0.31%			
Grove Gateway LLC &	5,023,380	7	0.29%			
Foxman, Leonard A TRSTEE	4,974,780	8	0.29%			
LGT Point Auto Investors, Inc. LLC	4,340,320	9	0.25%	4,590,000	9	0.30%
Sheehan Buick Pontiac GMC Inc	4,280,340	10	0.25%			
Heritage Realty LTD.	-		-	14,758,510	1	0.96%
Sherwood Sheehan Tr	-		-	6,395,490	5	0.42%
Shawn and Susan Ryan	-		-	5,200,000	7	0.34%
Robert and Beverly Plath	-		-	4,722,280	8	0.31%
Total	\$ 70,203,232		4.12%	\$ 72,582,467		4.73%

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
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
2014	6,812,658	340,039	6,472,619

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
5,758,072	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	95.85%
5,931,892	92.94%	164,493	6,096,385	92.52%
6,228,508	94.22%	162,200	6,390,708	96.67%
6,421,761	94.26%	-	6,421,761	94.26%

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	
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
2014	-	454,476	3,003,777	3,458,253

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>
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
43,792	0.77%	338
N/A	N/A	N/A

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

Fiscal Year	General Obligation Bonds	Taxable Value	Percentage of Actual Taxable Value of Property	Per Capita
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%	-
2014	-	1,776,261,097	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, 2014

Jurisdiction	Net Debt Outstanding	Estimate Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Broward County	\$ 256,420,000	1.35%	\$ 3,461,670
School Board of Broward County	<u>1,858,929,000</u>	1.25%	<u>23,236,613</u>
Subtotal, overlapping debt			<u>26,698,283</u>
City direct debt			<u>3,458,253</u>
Total direct and overlapping debt			<u>\$ 30,156,536</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, 2014.

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, 2014

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEDGED REVENUE COVERAGE
September 30, 2014

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
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%	80,525,783	43,792
2014	10,374	262,563	6.4%	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
Current Year and Nine Years Ago

<u>Employer</u>	<u>Type of Business</u>	<u>Fiscal Year 2014</u>			<u>Fiscal Year 2005*</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Total County</u>	<u>Employees</u>	<u>Rank</u>	<u>Total County</u>
Publix, Venetian Isles	Retail	169	1	0.017%			
Publix, Beacon Light	Retail	106	2	0.010%	N/A	N/A	N/A
City of Lighthouse Point	Municipality	103	3	0.010%	N/A	N/A	N/A
Pompano Honda	Automotive	99	4	0.010%	N/A	N/A	N/A
Bonefish Mac's							
Sports Grille	Restaurant	85	5	0.008%	N/A	N/A	N/A
Yacht Club	Recreation/Marina	84	6	0.008%	N/A	N/A	N/A
The Nauti Dawg							
Marina Café	Restaurant	<u>48</u>	7	<u>0.005%</u>	<u>N/A</u>	N/A	<u>N/A</u>
Total		<u><u>694</u></u>		<u><u>0.068%</u></u>	<u><u>-</u></u>		<u><u>-</u></u>

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

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

Function/Program	<u>2014</u>	2013	2012	2011
	<u>FTE</u>	FTE	FTE	FTE
General government:				
Finance and Administration	<u>5.00</u>	5.00	5.00	5.00
Subtotal	<u>5.00</u>	5.00	5.00	5.00
Public Safety:				
Police	42.50	42.50	42.50	41.50
Fire	27.00	27.00	27.00	27.00
Building	3.00	2.00	3.00	3.00
Code Enforcement	<u>3.00</u>	3.00	3.00	2.50
Subtotal	<u>75.50</u>	74.50	75.50	74.00
Public Works	12.00	12.00	12.00	14.00
Transportation	0.88	0.88	0.88	0.88
Culture/Recreation:				
Library	3.90	3.45	4.45	4.45
Recreation	<u>6.04</u>	6.04	6.04	6.04
Subtotal	<u>9.94</u>	9.49	10.49	10.49
Total authorized employees	<u>103.32</u>	<u>101.87</u>	<u>103.87</u>	<u>104.37</u>

Table 16

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>FTE</u>
<u>5.00</u>	<u>5.00</u>	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>
<u>5.00</u>	<u>5.00</u>	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>
43.00	42.60	43.08	44.08	42.97	41.96
27.00	27.00	27.00	27.00	27.00	27.00
3.00	3.00	3.00	3.00	3.00	4.00
<u>3.07</u>	<u>3.07</u>	<u>3.07</u>	<u>3.47</u>	<u>2.87</u>	<u>2.94</u>
<u>76.07</u>	<u>75.67</u>	<u>76.15</u>	<u>77.55</u>	<u>75.84</u>	<u>75.90</u>
15.00	15.00	17.00	17.00	16.00	16.00
0.88	1.09	1.09	1.09	1.10	1.00
3.45	3.95	4.30	5.30	5.72	5.73
<u>6.04</u>	<u>6.04</u>	<u>6.04</u>	<u>6.04</u>	<u>6.54</u>	<u>6.30</u>
<u>9.49</u>	<u>9.99</u>	<u>10.34</u>	<u>11.34</u>	<u>12.26</u>	<u>12.03</u>
<u>106.44</u>	<u>106.75</u>	<u>110.58</u>	<u>112.98</u>	<u>112.20</u>	<u>111.93</u>

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

Function/Program	2014	2013	2012	2011
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,848	7,894	7,894	7,622
Votes cast in last election	1,885	2,639	2,639	2,614
Lien searches processed	461	459	440	346
Business licenses issued	446	460	462	481
Ordinances prepared and adopted	15	3	9	8
Resolutions prepared and adopted	47	51	57	50
Commission minutes prepared and adopted	29	25	26	28
Agenda packets prepared	24	20	26	24
Public safety:				
Police				
Stations	1	1	1	1
Uniformed employees	34	34	33	33
Calls-for-service handled	8,992	8,516	8,330	7,986
Traffic accidents handled	360	347	324	362
Traffic citations/warnings issued	1,973	2,366	2,299	2,530
Fire				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,332	1,235	1,297	1,293
Building				
Permits issued	2,702	2,634	1,548	2,322
Value of construction	\$ 20,268,696	\$ 26,680,297	\$ 25,131,177	\$ 19,231,270
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	41,000	38,323	42,227	41,662
Circulation	40,000	42,673	42,681	59,759
Volunteer hours	10,500	10,200	10,166	8,600
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

2010	2009	2008	2007	2006	2005
2.49	2.49	2.49	2.49	2.49	2.49
7,771	7,578	7,540	7,317	7,841	8,353
2,614	2,614	2,614	2,614	2,614	2,614
361	246	207	263	278	N/A
500	509	502	522	546	N/A
4	5	6	10	8	N/A
61	60	59	61	73	N/A
24	28	31	27	27	29
24	24	28	28	27	29
1	1	1	1	1	1
33	35	35	33	34	34
7,925	8,387	9,122	8,806	8,251	N/A
339	314	384	422	414	N/A
2,086	4,308	4,485	4,248	3,768	N/A
1	1	1	1	1	1
26	26	26	26	26	26
1,242	1,202	1,246	1,241	1,226	1,454
2,288	1,801	1,444	1,667	1,945	1,535
18,457,987 \$	14,663,933 \$	22,612,828 \$	36,002,643 \$	43,886,924 \$	37,657,625
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
37,721	38,756	36,507	42,220	46,223	44,056
71,910	70,693	57,996	N/A	50,691	57,875
8,250	8,600	8,600	N/A	8,672	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

Function/Program	2014	2013	2012	2011
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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	41.12 55,208	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 Compliance with Section 218.415 Florida Statutes

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lighthouse Point, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated March 27, 2015. 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

Fort Lauderdale, Florida
March 27, 2015

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 27, 2015.

Auditor's Responsibility

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; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Auditor's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 27, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City, for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., 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)3., 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.

Purpose of this Letter

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

Keefe McCullough
KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 27, 2015

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

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

We have examined the City of Lighthouse Point, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 27, 2015