

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LIGHTHOUSE POINT, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2006



Prepared By:
Finance Department

Terry Sharp
Finance Director

**CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

TABLE OF CONTENTS

	<u>PAGES</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-v
Government Finance Officers Association Certificate of Achievement	vi
City Governmental Structure	vii
List of Principal Officials	viii
 FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Not covered by Independent Auditors' Report)	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	19
Statement of Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	20
Statement of Changes in Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	21
Notes to Basic Financial Statements	22-42

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2006
 (continued)

TABLE OF CONTENTS

	<u>PAGES</u>
OTHER SUPPLEMENTARY INFORMATION	
Budgetary Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	43-47
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tennis Center Fund	48
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Garbage and Trash Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	50
 OTHER FINANCIAL INFORMATION	
Combining Financial Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	52
Combining Statement of Fiduciary Net Assets	53-54
Combining Statement of Changes in Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	55-56
Capital Assets Used in the Operation of Governmental Funds - Comparative Schedule by Source	57
Capital Assets Used in the Operation of Governmental Funds - Schedule of Function and Activity	58-59
Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by Function and Activity	60
Comparative Schedule of General Long-Term Debt	61
Debt Service Requirements	
General Obligation Bonds - Series 2002	62
Vehicle Lease Purchase - Series 2003	63
Vehicle Lease Purchase - Series 2004	64

**CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2006
 (continued)**

TABLE OF CONTENTS

	<u>PAGES</u>
Vehicle Lease Purchase - Series 2005	65
Vehicle Lease Purchase - Series 2006	66
STATISTICAL SECTION (NOT COVERED BY INDEPENDENT AUDITORS' REPORT)	
Financial Trends:	
Table 1 - Net Assets by Component	67
Table 2 - Changes in Net Assets	68
Table 3 - Fund Balances of Governmental Funds	69-70
Table 4 - Changes in Fund Balances of Governmental Funds	71-72
Revenue Capacity:	
Table 5 - Assessed Value and Estimated Actual Value of Taxable Property	73-74
Table 6 - Direct and Overlapping Property Tax Rates	75-76
Table 7 - Principal Property Taxpayers	77
Table 8 - Property Tax Levies and Collections	78-79
Debt Capacity:	
Table 9 - Ratios of Outstanding Debt by Type	80-81
Table 10 - Ratios of General Bonded Debt Outstanding	82
Table 11 - Direct and Overlapping Governmental Activities Debt	83
Table 12 - Legal Debt Margin Information	84
Table 13 - Pledged-Revenue Coverage	85
Demographics and Economics:	
Table 14 - Demographic and Economic Statistics	86
Table 15 - Principal Employees	87
Operating:	
Table 16 - Full-Time Equivalent City Government Employees by Function/Program	88-89
Table 17 - Operating Indicators by Function/Program	90-91

CITY OF LIGHTHOUSE POINT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)

TABLE OF CONTENTS

	<u>PAGES</u>
Table 18 - Capital Asset Statistics by Function/Program	92-93
 OTHER REPORTS OF INDEPENDENT AUDITORS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	94-95
Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Program	96-97
Independent Auditors' Report to City Management	98-99
Schedule of Expenditures of Federal Awards	100
Schedule of Other State Funding	101
Notes to Schedule of Expenditures of Federal Awards and Other State Funding	102
Schedule of Findings and Questioned Costs - Federal Programs	103-104

INTRODUCTORY SECTION



February 7, 2007

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2006 for your review and consideration. This report has been prepared by the City's Finance Department. Although the financial statements were audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the information, as presented, 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). We hope that the report provides readers with a good understanding of the City's operations and financial activity.

This Comprehensive Annual Financial Report is comprised of three major sections:

1. **Introductory Section** - This section introduces the reader to the report and includes the table of contents, this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for last year's report awarded by the GFOA, a list of principal officials and the City governmental structure.
2. **Financial Section** - This section consists of the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements consisting of both the Government-wide and Fund Financial Statements and related notes, and the Combining Statements. In addition, required supplementary information is provided including budgetary schedules and other financial information related to capital assets and debt.

3. **Statistical Section** - This section contains statistical data, including social and economic data, financial trends and the fiscal capacity of the City.

THE FINANCIAL REPORTING ENTITY

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 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 including Broward County, the School Board, the North Broward Hospital District, and other special districts, they do not represent component units of Lighthouse Point. Therefore, no financial information about those entities is included in the City's financial statements.

The City of Lighthouse Point is a municipality, which provides those services generally associated with cities including law enforcement, fire protection, emergency medical services, recreation, public works, public library, building and land development regulation, and a community bus service. Public utilities are provided by other jurisdictions. The City operates under a strong mayor form of government with a five-member Commission that sets policy, approves ordinances, adopts the City's budget, and levies taxes. The City was incorporated in 1956.

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 part of the County. The City has experienced double-digit growth in its property tax base over the last few years including the fiscal year ended September 30, 2006. With much of its property accessible to the Atlantic Ocean, the City anticipates continued appreciation of property values and redevelopment of residential property. As this report is written, the housing market has slowed considerably in the entire region. Additionally, the State Legislature is considering proposals to modify the way elected property appraisers establish the taxable value of property. These events may dampen the revenue opportunities the City currently relies upon to fund City services.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2006 focused upon capital improvements and celebration of the City's fiftieth birthday.

During the fiscal year, the City opened a new policy headquarters facility. The conversion of a former private school building into a modern law enforcement facility was dedicated in June 2006. The building is 17,268 square feet and consists of dispatch, briefing, training, limited prisoner holding space, and administrative offices. The site was purchased with General Obligation Bonds and developed with General Fund and Public Safety Fund resources.

The City also replaced a deteriorated bridge at 44th Street and Lighthouse Drive over the North Grand Canal. The route is a critical link between the north and south ends of the City on the City's main thoroughfare. Funding was provided through General Fund resources.

Work also began on the expansion of the City's library adjacent to City Hall. The enlarged facility will be 7,500 square feet and offer City residents additional resources for reading, public information, computer access, and meeting space. The new library is anticipated to open during fiscal year 2007.

The City also celebrated its fiftieth birthday during fiscal year 2006. Incorporated in June 1956, the City proudly marked the occasion with numerous events during the year including Keeper's Day in February, Dinner Under the Stars in April, a birthday cake and a fireworks event in June, and publication of a book highlighting the key events and contributions to the City's illustrious history.

FINANCIAL INFORMATION

The City administration is responsible for establishing and maintaining internal control. The City's accounting system is instrumental in assisting with internal controls that are reasonable and provide assurance that assets are safeguarded against loss from unauthorized use or disposition and that financial records are reliable to report on City's finances and assets. The concept of reasonable assurance recognizes that the cost of a 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 reservations of fund balances on September 30, 2006.

Employee Retirement System:

The City offers five different retirement plans to City employees depending upon their employee group. Four of the plans are defined contribution plans that cover General Employees and Management Employees as well as Firefighters and Police Officers hired prior to October 1, 2003. A defined benefit pension plan was established on October 1, 2003 for Firefighters and Police Officers that has been determined to be actuarially sound. The City also has two voluntary plans for retirement health and deferred compensation. The financial highlights of the last two years for required plans are as follows:

Summary of Retirement Plans

	<u>2006</u>	<u>2005</u>
City Contributions		
Defined Contributions		
General Employees	\$ 132,427	\$ 135,322
Firefighters	31,558	34,627
Police Officers	48,411	48,359
Management Employees	105,502	106,053
Defined Benefit		
Police and Fire	<u>368,787</u>	<u>326,139</u>
Total	\$ <u>686,685</u>	\$ <u>650,500</u>

	<u>2006</u>	<u>2005</u>
Net Changes		
Defined Contribution		
General Employees	\$ 207,663	\$ 162,115
Firefighters	(63,432)	(75,388)
Police Officers	(49,609)	369,080
Management Employees	287,448	323,976
Defined Benefit		
Police and Fire	<u>1,229,884</u>	<u>735,082</u>
Total	<u>\$ 1,611,954</u>	<u>\$ 1,514,865</u>
Net Assets		
Defined Contribution		
General Employees	\$ 2,362,756	\$ 2,155,093
Firefighters	2,676,000	2,739,432
Police Officers	3,624,387	3,673,996
Management Employees	3,487,161	3,199,713
Defined Benefit		
Police and Fire	<u>4,146,467</u>	<u>2,916,583</u>
Total	<u>\$ 16,296,771</u>	<u>\$ 14,684,817</u>

Cash management and investments:

The majority of the cash not immediately needed for operations is deposited into a pooled investment account. The City's investment policy places most importance on the security of the investment and secondarily upon the rate of the return. Almost all these investments are with the State of Florida Board of Administration (SBA) Local Government Surplus Funds Trust Fund as authorized by Florida Statute 166.261. The SBA rate for the year ended September 30, 2006 was 5.39%. Minor investment amounts have been placed with Florida Municipal Investment Trust and Wachovia Bank.

Third party administrators manage the assets of the City's pension plans. The defined contribution plans as well as voluntary employee contributed deferred compensation and retiree health savings plans are administered by the International City Management Association Retirement Corporation. The Florida Municipal Pension Trust of the Florida League of Cities manages the assets of the defined benefit police and fire pension plan.

Debt administration:

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are indicators of the City's debt position. At the present time, the City has \$ 5,265,000 bonded debt and \$ 296,534 of lease purchase debt. The City's total net outstanding debt is \$ 5,561,534. This represents a ratio of net debt to assessed value of 0.31 and net debt per capita of \$ 512.25.

Risk management:

The City places all insurance risk less nominal deductibles in the hands of commercial carriers. The City has determined that the potential savings of a self-insured program is not worth the potential risks for a municipality of this size.

OTHER INFORMATION

The reader is encouraged to review Management's Discussion and Analysis beginning on page 3. That section provides a summary of report highlights and analysis of the financial statements.

Independent audit:

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. The report of Keefe, McCullough & Co., LLP, Certified Public Accountants, (Pages 1 and 2 of this report) contains their opinion as to the fair presentation of the City's financial statements. The City continues to receive an unqualified opinion.

Awards:

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, 2005. This was the twelfth consecutive year that the City has achieved this recognition. The Certificate is valid for a period of one year only. We believe that this current report continues to meet the requirements of this peer review program and it will be submitted to the GFOA for evaluation.

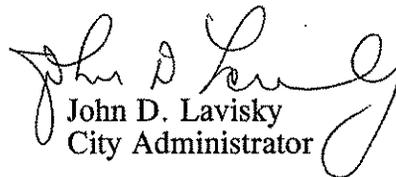
Acknowledgments:

The preparation of this report could not have been accomplished without the efforts of the entire staff of the City who in one way or another have contributed to the financial operations or the protection of assets. The report reflects the high priority that the Mayor and Commission place upon financial management and accurate reporting of the City's financial condition.

Respectfully submitted,



Terry Sharp
Finance Director



John D. Lavisky
City Administrator

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, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

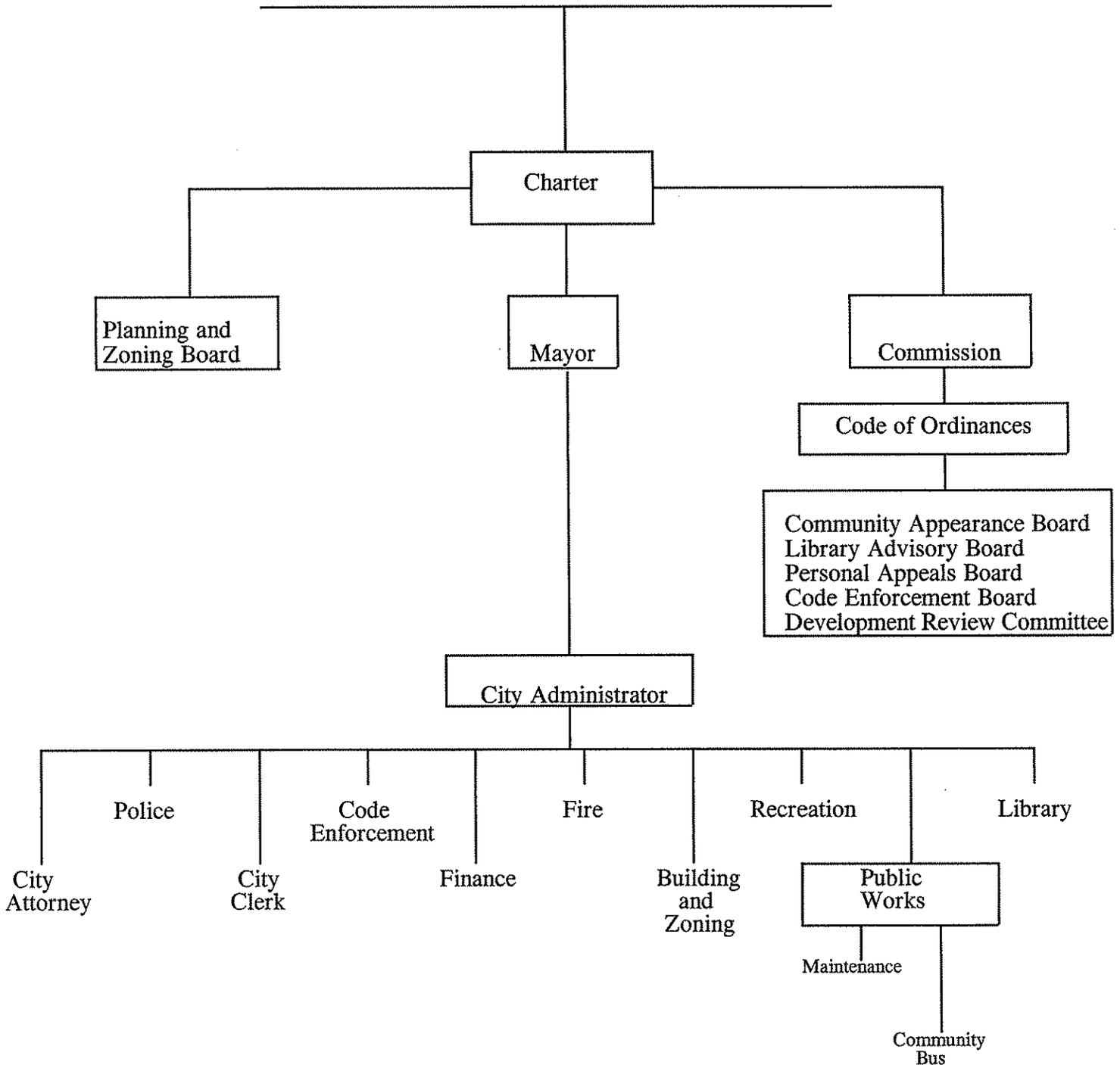


President

Executive Director

CITY OF LIGHTHOUSE POINT, FLORIDA
CITY GOVERNMENTAL STRUCTURE
September 30, 2006

CITIZENS OF LIGHTHOUSE POINT



CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2006

Mayor	Fred Schorr
Commission President	Susie E. Gordon
Commission Vice President	Chip LaMarca
Commissioner	Thomas A. Hasis
Commissioner	Sandy Johnson
Commissioner	Michael S. Long
City Administrator	John D. Lavisky
City Attorney	Michael Cirullo
City Clerk	Carol Landau
Finance Director	Terry Sharp
Acting Fire Chief	David Donzella
Library Director	Doreen Gauthier
Police Chief	Ross Licata
Public Works Director	Arthur Graham
Recreation Director	John Trudel

FINANCIAL SECTION



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A. (RETIRED)
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.

CHARLES K. RUMPF, C.P.A.
ISRAEL J. GOMEZ, C.P.A.

JAMES R. LARAWAY, C.P.A.
ROSS S. GOTTHOFFER, C.P.A.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic 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, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lighthouse Point's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Lighthouse Point, Florida at September 30, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2007, on our consideration of the City of Lighthouse Point's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

City of Lighthouse Point, Florida

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by generally accepted accounting principles in the United States of America. We have applied certain limited procedures which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lighthouse Point, Florida's basic financial statements. The accompanying schedule of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements. The introductory section, other financial information, and statistical tables 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 combining nonmajor fund financial statements and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 7, 2007

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)



Honorable Mayor and
Members of the City Commission
Residents of the City of Lighthouse Point

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lighthouse Point offers readers this overview and analysis of the financial activities for the fiscal year ended September 30, 2006. Readers are encouraged to review the information presented here in conjunction with the financial statements and notes to financial statements that follow.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ending September 30, 2006:

- The City's total assets exceeded its liabilities by \$ 16,208,945. The entire amount was derived from governmental fund activities. Of this amount, \$ 4,109,288 (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 17,922,729, including \$ 6,038,330 for program related services. Expenses for all governmental activities were \$ 15,417,167.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 6,762,908, a decrease of \$ 425,962. The primary source of this decrease is the expenditures related to bond projects and the construction of the new police building in the Capital Projects Fund.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$ 2,191,758 or approximately 15.35% of total General Fund expenditures during fiscal year 2006. Expenditures were higher to a large extent due to Hurricanes Katrina and Wilma.
- The total value of the City's governmental cash and investments at September 30, 2006 was approximately \$ 6,927,173. Interest rates gradually increased over the past year throughout the national economy.

Honorable Mayor
Members of the City Commission
Residents of the City of Lighthouse Point, Florida

OVERVIEW OF FINANCIAL STATEMENTS

The organization of the City's financial statements is guided by pronouncements of the Governmental Accounting Standards Board and its reporting model prescribed in Pronouncement 34. The City's financial activity is described in a series of financial statements, notes to financial statements, and supplemental information. The basic financial consist of government-wide statements of summary data and specific fund statements that present more detailed information.

The government-wide statements on pages 13 and 14 include the statement of net assets and the statement of activities. They are designed to provide a broad overview of the City's financial position as a whole, similar to private sector financial statements. The statement of net assets shows the total assets and liabilities for the City, the difference represents the net assets. The change in net assets over time may be an indicator of the City's financial health. The statement of activities shows how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both of the government-wide financial statements distinguish functions of the City of Lighthouse Point that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government (administration), public safety, physical environment (public works, building, and code enforcement), and culture and recreation (including library). The City of Lighthouse Point is the primary government and has no component units to report. These statements do not include the fiduciary funds (see pages 20 and 21) such as the pension plan because those resources cannot be used for the City's program activities.

The fund financial statements provide a more detailed picture of the City financial activity. The City of Lighthouse Point uses fund accounting to track the sources and uses of resources for specific purposes. A fund is a grouping of related accounts that is used to maintain control over resources that have been earmarked for specific activities. The City of Lighthouse Point categorizes funds as governmental funds and fiduciary funds. Governmental funds include the functions summarized as governmental activities in the government-wide financial statements. The fund financial statements focus on near-term inflows and outflows of spendable resources and 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. The governmental fund balance sheet on page 15 as well as the governmental fund statement of revenues, expenditures, and changes in fund balance on page 17 provides an indication of the long-term impact of near-term financing decisions.

The City maintains six funds of the governmental type divided into major and nonmajor categories based upon their significance in amount. All are combined into a single presentation on pages 51 through 52. Individual fund data is presented in the combining statements on pages 51-52. The City adopts an annual appropriated for its operating funds including the General, Tennis Center, Garbage and Trash, and Debt Service Fund. A budgetary comparison is provided for each of the funds to demonstrate compliance with the budget.

Additional explanation of the financial statements is provided in the notes to financial statements beginning on page 22. Other supplemental information is included in this report including a statistical section that has been upgraded based upon GASB direction.

Honorable Mayor
 Members of the City Commission
 Residents of the City of Lighthouse Point, Florida

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of City of Lighthouse Point, assets exceeded liabilities by \$ 16,208,945 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2006 compared to September 30, 2005.

The largest portion of the City's net assets (64.1 %) reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment and infrastructure) less any related outstanding debt used to acquire those assets (approximately \$ 5.6 million). The City of Lighthouse Point uses the capital assets to provide services to the residents. Therefore, these assets are not available for future spending. However, since these capital assets cannot be used to liquidate the liabilities, the City must provide other sources for repayment of debt.

City of Lighthouse Point, Florida Net Assets September 30

	2006	2005
Current and other assets	\$ 8,239,592	\$ 8,278,094
Capital assets	<u>15,662,932</u>	<u>13,002,567</u>
Total assets	<u>23,902,524</u>	<u>21,280,661</u>
Long-term liabilities outstanding	6,120,521	6,804,336
Other liabilities	<u>1,573,058</u>	<u>772,942</u>
Total liabilities	<u>7,693,579</u>	<u>7,577,278</u>
Net assets:		
Invested in capital assets, net of related debt	10,397,932	7,497,567
Restricted	1,701,725	2,773,331
Unrestricted	<u>4,109,288</u>	<u>3,432,485</u>
Total net assets	\$ <u>16,208,945</u>	\$ <u>13,703,383</u>

A portion of net assets, approximately 10.49% represents resources that are subject to external restrictions on how they may be used. The remaining balances of unrestricted net assets (\$ 4,109,288) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Lighthouse Point is able to report positive balances in both categories of net assets; in government as a whole as well as its governmental activities.

Governmental activities:

Governmental activities increased the City of Lighthouse Point's net assets by \$ 2,505,562. The activity accounted for all the growth in the net assets of the City. Key elements of the change are described below:

Honorable Mayor
 Members of the City Commission
 Residents of the City of Lighthouse Point, Florida

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

	<u>2006</u>	<u>2005</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 3,383,120	\$ 2,983,456
Operating grants and contributions	2,569,879	336,822
Capital grants and contributions	222,861	291,877
General revenues:		
Ad-valorem taxes	6,580,068	5,762,042
Other taxes and fees	2,726,012	2,622,026
Intergovernmental revenues	1,256,336	1,235,660
Miscellaneous	<u>1,184,453</u>	<u>975,494</u>
Total revenues	<u>17,922,729</u>	<u>14,207,377</u>
EXPENSES:		
General government	1,107,630	1,171,742
Public safety	7,028,043	6,738,436
Physical environment	5,948,269	3,186,329
Transportation	45,563	51,022
Culture and recreation	1,048,900	1,091,936
Debt service	<u>238,762</u>	<u>240,526</u>
Total expenses	<u>15,417,167</u>	<u>12,479,991</u>
Change in net assets	2,505,562	1,727,386
NET ASSETS AT BEGINNING OF YEAR	<u>13,703,383</u>	<u>11,975,997</u>
NET ASSETS AT END OF YEAR	\$ <u>16,208,945</u>	\$ <u>13,703,383</u>

The most significant increases in revenue were ad valorem taxes (\$ 818,026) and charges for services (\$ 699,193) which were attributable to payments from the City's insurance carrier for property damage stemming from Hurricanes Katrina and Wilma.

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 provide information on 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 fiscal year 2006, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 6,762,908. Approximately 70.8% of the fund balance constitutes unreserved fund balance, or \$ 4,783,292 that is available for spending at the City's discretion. The remainder is reserved indicating it is not available for new spending because it is already committed to liquidate contracts and purchase orders of the period.

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 Residents of the City of Lighthouse Point, Florida

General Fund

The General Fund is the chief operating fund of the City of Lighthouse Point. At the end of the fiscal year, unreserved and undesignated fund balance of the General Fund was \$ 2,191,758. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund expenditures. Unreserved and undesignated fund balance represents 14.2% of the total General Fund expenditures, while total fund balance represents 19.3% of the same amount. The key factors responsible for the increase in the fund balance of the City of Lighthouse Point are:

- Continued growth in the ad valorem valuation after establishing the millage rate for the year
- Continued growth in the state-wide economy resulting in favorable increases in franchise fees, utility taxes and intergovernmental revenue sources.
- Continued attention to expenses, resulting in cost savings.

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

	Fiscal Year 2006	Fiscal Year 2005	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,107,543	\$ 5,300,242	\$ 807,301	15.23
Franchise fees	940,568	788,445	152,123	19.29
Utility service taxes	1,761,194	1,785,206	(24,012)	(1.35)
Licenses and permits	896,506	814,855	81,651	10.02
Intergovernmental revenues	4,051,484	1,853,807	2,197,677	118.55
Charges for services	775,236	377,657	397,579	105.28
Fines and forfeitures	99,831	286,456	(186,625)	(65.15)
Miscellaneous	376,169	584,274	(208,105)	(35.61)
Other sources	<u>666,053</u>	<u>190,664</u>	<u>475,389</u>	<u>249.33</u>
	<u>\$ 15,674,584</u>	<u>\$ 11,981,606</u>	<u>\$ 3,692,978</u>	<u>30.82</u>
	Fiscal Year 2006	Fiscal Year 2005	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,238,561	\$ 1,116,493	\$ 122,068	10.93
Public safety	6,968,057	6,672,551	295,506	4.42
Physical environment	4,860,542	1,852,783	3,007,759	162.33
Transportation	45,172	52,573	(7,401)	(14.07)
Culture/Recreation	1,010,878	802,580	208,298	25.95
Debt service	155,915	161,665	(5,750)	(3.55)
Other uses	<u>1,147,366</u>	<u>1,384,586</u>	<u>(237,220)</u>	<u>(17.13)</u>
	<u>\$ 15,426,491</u>	<u>\$ 12,043,231</u>	<u>\$ 3,383,260</u>	<u>28.09</u>

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The City's assessed value after exemptions of approximately \$ 1.771 billion represented an increase of 15.2% from the previous year. This represents the fifth consecutive year of double digit growth in the City's tax base; the prior two-year's growth rates were 11.5% and 15.9%. Although there is a heavy reliance on property taxes to fund general government operations, the City's conservative policy regarding property taxes is to keep increases, when required, to a minimum. For the fiscal year, ad valorem revenues increased by \$ 807,301 as a result of the growth in the tax base. The Commission decreased its operating rate by 1% from 3.5746 to 3.5630 for 2005-2006. This rate is the lowest rate since 1993-1994 when the rate was 3.3875.

General Fund expenditures increased primarily due to recovery efforts from Hurricanes Katrina and Wilma. Most of the expenditure increase was in Physical Environment where costs associated with debris removal were posted. General Government costs were higher in 2006 with the various events celebrating the City's fiftieth birthday.

There were significant changes to the City's original budget related to Hurricanes Katrina and Wilma leading to increased grants and insurance proceeds that funded tremendous costs for debris cleanup. The changes are summarized as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Ad Valorem	\$ 6,042,046	\$ 6,042,046	\$ --	--
Franchise fees	788,900	788,900	--	--
Utility Service taxes	1,806,325	1,806,325	--	--
Licenses and permits	669,000	669,000	--	--
Intergovernmental revenue	1,300,644	4,023,544	2,722,900	209.35
Charges for services	714,700	714,700	--	--
Fines and forfeitures	33,500	33,500	--	--
Miscellaneous	65,000	148,390	83,390	128.29
Transfer in and other sources	160,000	676,610	516,610	322.88
Allocation of fund balance	--	1,004,135	1,004,135	--
	<u>\$ 11,580,115</u>	<u>\$ 15,907,150</u>	<u>\$ 4,327,035</u>	37.36
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
General government	\$ 1,415,098	\$ 1,523,078	\$ 107,890	7.63
Public safety	6,761,082	6,993,282	232,200	3.43
Physical environment	1,861,777	4,997,077	3,135,300	168.40
Transportation	53,591	50,291	(3,300)	(6.15)
Culture/Recreation	852,256	1,039,556	187,300	21.97
Debt service	190,000	156,500	(33,500)	(17.63)
Transfers out	216,969	1,147,366	930,397	428.81
Contributions to fund balance	229,342	--	(229,342)	(100.00)
	<u>\$ 11,580,115</u>	<u>\$ 15,907,150</u>	<u>\$ 4,327,035</u>	37.36

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Fund balance changes relate to use of General Fund contingencies for police, library, and bridge construction projects as well as transfer of remaining balances in capital outlay to the Infrastructure Fund per City policy. Actual revenues more than offset actual expenditures.

Tennis Center:

The Tennis Center showed a significant increase in charges for services as memberships and activity increased during the year. However, the Tennis Center was impacted by Hurricanes Katrina and Wilma especially the court lighting. The City's property insurance carrier provided for replacement of lights. The improvements were not completed during the fiscal year.

	Fiscal Year 2006	Fiscal Year 2005	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 70,300	\$ 55,329	\$ 14,971	27.05
Miscellaneous	114,547	4,079	110,468	2,708.21
Transfers in	86,969	86,969	--	--
	<u>\$ 271,816</u>	<u>\$ 146,377</u>	<u>\$ 125,439</u>	85.69
EXPENDITURES:				
Culture/Recreation	\$ 160,587	\$ 166,450	\$ (5,863)	(3.55)
Debt Service	213	2,550	(2,337)	(91.64)
	<u>\$ 160,800</u>	<u>\$ 169,000</u>	<u>\$ (8,200)</u>	(4.85)

The changes in the Tennis Center appropriations were related to operating costs related to hurricane recovery.

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 60,000	\$ 67,300	\$ 7,300	12.16
Intergovernmental revenues	--	9,000	9,000	--
Miscellaneous	200	200	--	--
Transfer in	86,969	86,969	--	--
Fund balance change	7,900	3,030	(4,870)	(61.64)
	<u>\$ 155,069</u>	<u>\$ 166,499</u>	<u>\$ 11,430</u>	7.37
EXPENDITURES:				
Culture/Recreation	\$ 154,769	\$ 166,199	\$ 11,430	7.37
Debt Service	300	300	--	--
	<u>\$ 155,069</u>	<u>\$ 166,499</u>	<u>\$ 11,430</u>	7.37

Garbage and Trash Fund:

The City contracts for refuse collection service and charges a user fee to residential customers. The City's contract with Waste Management expired in March 2006. After soliciting for bids, only Waste Management responded. The Commission rejected the bid but negotiated with the only interested party. The new contract called for much higher contract expenditures and therefore, correspondingly higher garbage fees. The actual revenues and expenditures reflect this change beginning in June 2006.

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	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 1,502,878	\$ 1,297,520	\$ 205,358	15.82
Miscellaneous	<u>275,483</u>	<u>231,173</u>	<u>44,310</u>	19.16
	<u>\$ 1,778,361</u>	<u>\$ 1,528,693</u>	<u>\$ 249,668</u>	16.33
EXPENDITURES:				
Physical				
Environment	\$ 1,687,851	\$ 1,331,015	\$ 356,836	26.80
Transfers out	<u>--</u>	<u>77,500</u>	<u>(77,500)</u>	(100.00)
	<u>\$ 1,687,851</u>	<u>\$ 1,408,515</u>	<u>\$ 279,336</u>	19.83
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 1,335,000	\$ 1,590,000	\$ 255,000	19.10
Miscellaneous	<u>85,000</u>	<u>120,000</u>	<u>35,000</u>	41.17
	<u>\$ 1,420,000</u>	<u>\$ 1,710,000</u>	<u>\$ 290,000</u>	20.42
EXPENDITURES:				
Physical				
Environment	\$ 1,420,000	\$ 1,710,000	\$ 290,000	20.42

Debt Service Fund:

The Debt Service Fund received additional property taxes from delinquent taxpayers during the year as well as earnings from higher interest rates.

	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Ad valorem taxes	\$ 472,877	\$ 461,800	\$ 11,077	2.39
Miscellaneous	<u>18,385</u>	<u>5,466</u>	<u>12,919</u>	236.35
	<u>\$ 491,262</u>	<u>\$ 467,266</u>	<u>\$ 23,996</u>	5.13
EXPENDITURES:				
Debt Service	\$ <u>463,925</u>	\$ <u>464,788</u>	\$ <u>(863)</u>	(0.20)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Ad valorem taxes	\$ <u>463,326</u>	\$ <u>463,326</u>	\$ <u>600</u>	0.10
EXPENDITURES:				
Debt Service	\$ <u>463,326</u>	\$ <u>463,326</u>	\$ <u>600</u>	0.10

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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, 2006 amounts to \$ 15,662,932 (net of accumulated depreciation). This investment includes land, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset events during the fiscal year included the near completion of the new policy headquarters (\$ 1.5 million), the new bridge over the North Grand Canal at 44th Street and Lighthouse Drive (\$ 750,000), and the beginning of construction of the library expansion.

Capital assets for the year ended September 30, 2006 are summarized in the following table:

	2006	2005
Capital assets:		
Land	\$ 7,059,360	\$ 7,059,360
Buildings and land improvements	6,056,883	5,711,471
Equipment and fixtures	1,627,841	1,543,118
Vehicles	1,508,198	1,380,095
Infrastructure	666,345	666,345
Construction in progress	2,947,185	553,763
Total capital assets	\$ 19,865,812	\$ 16,914,152

Further data about the City's capital assets can be found in Note I on page 34.

Long-term debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 6,555,572. Ad valorem taxes provide the revenue stream for the repayment of bonds, while a General Fund pledge to budget supports the capital leases.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 5,505,000	\$ --	\$ 240,000	\$ 5,265,000
Capital leases	333,032	104,240	140,738	296,534
Compensated absences	966,304	27,734	--	994,038
	\$ 6,804,336	\$ 131,974	\$ 380,738	\$ 6,555,572

Additional information about the City's long-term debt can be found in Note J on pages 35 and 36.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore operates primarily using 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 occupational and franchise fees to support their governmental activities. During the fiscal year, the City of Lighthouse Point benefitted from a low inflation rate, a significant increase in taxable property valuation, and a low unemployment rate.

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The General Fund original budget for fiscal year 2007 has been approved in the amount of \$ 12,461,115, which represents a decrease of \$ 3,446,035 or 21.67% under the final budget of \$ 15,907,150 for fiscal year 2006. The final budget for 2006 was heavily influenced by increased spending to recover from the Hurricanes Katrina and Wilma. The operating millage rate has been established at 3.5440 which represents the sixth consecutive year the rate has been reduced.

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 ASSETS
September 30, 2006

	<u>Governmental Activities</u>
ASSETS:	
Cash	\$ 459,104
Investments	6,468,069
Accounts receivable	369,563
Due from other governments	873,894
Prepays and other assets	68,962
Capital assets, depreciable (net)	5,656,387
Capital assets, nondepreciable	<u>10,006,545</u>
Total assets	<u>23,902,524</u>
 LIABILITIES:	
Accounts payable	710,003
Retainage payable	98,283
Accrued payroll and related taxes	165,172
Accrued interest	37,961
Deposits	60,493
Licenses collected in advance	48,366
Unearned revenues	16,568
Other	1,161
Noncurrent liabilities:	
Due within one year	435,051
Due in more than one year	<u>6,120,521</u>
Total liabilities	<u>7,693,579</u>
 NET ASSETS:	
Invested in capital assets net of related debt	10,397,932
Restricted for:	
Capital projects	1,584,072
Debt service	51,716
Law enforcement trust	65,937
Unrestricted	<u>4,109,288</u>
Total net assets	<u>\$ 16,208,945</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2006

		Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
FUNCTIONS/PROGRAMS:					
Governmental activities:					
General government	\$ 1,107,630	\$ 148,617	\$ 52,395	\$ --	\$ (906,618)
Public safety	7,028,043	1,592,243	292,896	34,483	(5,108,421)
Physical environment	5,948,269	1,502,879	2,113,974	188,378	(2,143,038)
Transportation	45,563	--	42,529	--	(3,034)
Culture/recreation	1,048,900	139,381	68,085	--	(841,434)
Interest expense	<u>238,762</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(238,762)</u>
 Total governmental activities	 <u>\$ 15,417,167</u>	 <u>\$ 3,383,120</u>	 <u>\$ 2,569,879</u>	 <u>\$ 222,861</u>	 <u>(9,241,307)</u>
 General revenues:					
Taxes:					
					6,580,068
					961,067
					1,764,945
					1,256,336
					379,691
					<u>804,762</u>
					 11,746,869
					 2,505,562
					 13,703,383
					 <u>\$ 16,208,945</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2006

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Purpose Fund	Bond Construction Fund		
ASSETS:					
Cash	\$ 50,431	\$ --	\$ --	\$ 408,673	\$ 459,104
Investments	4,113,548	--	1,987,314	367,207	6,468,069
Due from other funds	--	1,540,456	--	589,516	2,129,972
Accounts receivable	366,574	--	--	2,989	369,563
Due from other governments	712,175	173	--	161,546	873,894
Prepaid expenditures	67,943	--	--	969	68,912
Other assets	50	--	--	--	50
	\$ 5,310,721	\$ 1,540,629	\$ 1,987,314	\$ 1,530,900	\$ 10,369,564
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 309,551	\$ 218	\$ 40,063	\$ 360,171	\$ 710,003
Retainage payable	83,288	--	--	14,995	98,283
Accrued payroll and related taxes	162,419	--	--	2,753	165,172
Due to other funds	1,282,580	--	847,392	--	2,129,972
Deposits	60,493	--	--	--	60,493
Licenses collected in advance	48,366	--	--	--	48,366
Unearned revenue	393,206	--	--	--	393,206
Other	1,161	--	--	--	1,161
	2,341,064	218	887,455	377,919	3,606,656
 Fund balances:					
Reserved for:					
Encumbrances	709,956	35,405	110,737	673,455	1,529,553
Debt service	--	--	--	51,716	51,716
Library expansion project	--	--	--	329,435	329,435
Prepaid expenditures	67,943	--	--	969	68,912
Unreserved:					
Undesignated:					
General Fund	2,191,758	--	--	--	2,191,758
Special Revenue Funds	--	1,505,006	--	97,406	1,602,412
Capital Project Funds	--	--	989,122	--	989,122
	2,969,657	1,540,411	1,099,859	1,152,981	6,762,908
Total liabilities and fund balances	\$ 5,310,721	\$ 1,540,629	\$ 1,987,314	\$ 1,530,900	\$ 10,369,564

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 ASSETS
September 30, 2006

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

Total fund balance of governmental funds in the balance sheet, page 15		\$ 6,762,908
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 19,865,812	
Accumulated depreciation is	<u>(4,202,880)</u>	15,662,932
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures, Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in fund balance.		
Adjustment of unearned revenue		376,638
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 including the following:		
Debt	(5,561,534)	
Compensated absences payable	(994,038)	
Accrued interest payable	<u>(37,961)</u>	<u>(6,593,533)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 13		\$ <u>16,208,945</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
September 30, 2006

	<u>Major Governmental Funds</u>				
	<u>General Fund</u>	<u>Special Purpose Fund</u>	<u>Bond Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Ad valorem taxes	\$ 6,107,543	\$ --	\$ --	\$ 472,525	\$ 6,580,068
Franchise fees	940,568	--	--	--	940,568
Utility services taxes	1,761,194	--	--	--	1,761,194
Licenses and permits	896,506	--	--	--	896,506
Intergovernmental revenues	4,051,484	--	--	--	4,051,484
Charges for services	775,236	669	--	1,573,179	2,349,084
Fines and forfeitures	99,831	37,699	--	--	137,530
Interest income	223,649	50,793	52,739	52,510	379,691
Miscellaneous	152,520	102,004	--	596,743	851,267
Total revenues	<u>15,008,531</u>	<u>191,165</u>	<u>52,739</u>	<u>2,694,957</u>	<u>17,947,392</u>
EXPENDITURES:					
Current:					
General government	1,189,441	--	--	--	1,189,441
Public safety	6,757,095	506	--	--	6,757,601
Physical environment	3,426,430	2,201	--	1,687,851	5,116,482
Transportation	45,172	--	--	--	45,172
Culture/recreation	683,068	130,151	--	160,098	973,317
Capital outlay	2,022,004	400,771	319,323	1,659,451	4,401,549
Debt service	155,915	--	--	464,138	620,053
Total expenditures	<u>14,279,125</u>	<u>533,629</u>	<u>319,323</u>	<u>3,971,538</u>	<u>19,103,615</u>
Excess (deficiency) of revenues over expenditures	<u>729,406</u>	<u>(342,464)</u>	<u>(266,584)</u>	<u>(1,276,581)</u>	<u>(1,156,223)</u>
OTHER FINANCING SOURCES (USES):					
Insurance proceeds	516,610	--	--	109,411	626,021
Capital leases	104,240	--	--	--	104,240
Transfers in	45,203	623,062	--	574,304	1,242,569
Transfers out	(1,147,367)	(95,202)	--	--	(1,242,569)
Total other financing sources (uses)	<u>(481,314)</u>	<u>527,860</u>	<u>--</u>	<u>683,715</u>	<u>730,261</u>
Net change in fund balance	248,092	185,396	(266,584)	(592,866)	(425,962)
FUND BALANCES - BEGINNING	<u>2,721,565</u>	<u>1,355,015</u>	<u>1,366,443</u>	<u>1,745,847</u>	<u>7,188,870</u>
FUND BALANCES - ENDING	<u>\$ 2,969,657</u>	<u>\$ 1,540,411</u>	<u>\$ 1,099,859</u>	<u>\$ 1,152,981</u>	<u>\$ 6,762,908</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, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 17 \$ (425,962)

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

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

Expenditures for capital assets	\$ 3,203,939	
Less current year depreciation expense	<u>(497,069)</u>	2,706,870

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net assets.		(46,505)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Miscellaneous revenues		21,842
------------------------	--	--------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceed debt proceeds.

Debt proceeds	(104,240)	
Principal payments	<u>380,738</u>	276,498

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 interest payable	553	
Change in compensated absences payable	<u>(27,734)</u>	<u>(27,181)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 14 \$ 2,505,562

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, 2006

	<u>Budgeted amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes	\$ 6,042,046	\$ 6,042,046	\$ 6,107,543	\$ 65,497
Franchise fees	788,900	788,900	940,568	151,668
Utility service taxes	1,806,325	1,806,325	1,761,194	(45,131)
Licenses and permits	669,000	669,000	896,506	227,506
Intergovernmental revenues	1,300,644	4,023,544	4,051,484	27,940
Charges for services	714,700	714,700	775,236	60,536
Fines and forfeitures	33,500	33,500	99,831	66,331
Interest income	65,000	65,000	223,649	158,649
Miscellaneous	--	83,390	152,520	69,130
Total revenues	<u>11,420,115</u>	<u>14,226,405</u>	<u>15,008,531</u>	<u>782,126</u>
EXPENDITURES:				
Current				
General government	1,228,098	1,215,678	1,189,441	26,237
Public safety	6,617,724	6,786,324	6,757,095	29,229
Physical environment	1,105,424	3,483,324	3,426,430	56,894
Transportation	53,591	50,291	45,172	5,119
Culture/recreation	723,956	710,575	683,068	27,507
Capital outlay	1,215,011	2,357,092	2,022,004	335,088
Debt service	190,000	156,500	155,915	585
Total expenditures	<u>11,133,804</u>	<u>14,759,784</u>	<u>14,279,125</u>	<u>480,659</u>
Excess (deficiency) of revenues over expenditures	<u>286,311</u>	<u>(533,379)</u>	<u>729,406</u>	<u>1,262,785</u>
OTHER FINANCING SOURCES (USES):				
Insurance proceeds	--	516,610	516,610	--
Transfers in	50,000	50,000	45,203	(4,797)
Transfers out	(216,969)	(1,147,366)	(1,147,367)	(1)
Capital leases	110,000	110,000	104,240	(5,760)
Total other financing sources (uses)	<u>(56,969)</u>	<u>(470,756)</u>	<u>(481,314)</u>	<u>(10,558)</u>
Net change in fund balances	229,342	(1,004,135)	248,092	1,252,227
FUND BALANCE - BEGINNING	<u>2,721,565</u>	<u>2,721,565</u>	<u>2,721,565</u>	<u>--</u>
FUND BALANCE - ENDING	<u>\$ 2,950,907</u>	<u>\$ 1,717,430</u>	<u>\$ 2,969,657</u>	<u>\$ 1,252,227</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2006

ASSETS:

Investments:

U.S. Stock Funds	\$ 8,360,572
Money Market Funds	6,395,384
Balanced Funds	2,998,585
Bond Funds	1,957,121
International Stock Funds	<u>634,805</u>

Total 20,346,467

Participant loans receivable 337,152

Total assets 20,683,619

LIABILITIES

NET ASSETS:

Held in trust for pension and other benefits \$ 20,683,619

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2006

ADDITIONS:		
Contributions:		
City	\$	686,685
Employees		<u>1,123,273</u>
Total contributions		<u>1,809,958</u>
Investment earnings:		
Interest, dividends and investment value changes		1,600,498
Less investment expense		<u>168,033</u>
Net investment earnings		<u>1,432,465</u>
Total additions		<u>3,242,423</u>
DEDUCTIONS:		
Benefits		303,129
Refund of contributions:		
City		86,439
Employees		<u>937,342</u>
Total deductions		<u>1,326,910</u>
Change in net assets		1,915,513
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:		
Beginning of year		<u>18,768,106</u>
End of year	\$	<u>20,683,619</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, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria 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.

Basis of presentation:

Government-wide financial statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for the fiduciary funds. The statements distinguish between governmental and business-type activities (if any). Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or substantially by fees charged to external parties for goods or services. As of September 30, 2006, the City had no business-type activities.

Amounts reported as program revenues include charges to customers or applicants for services provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes including those shared by the State of Florida.

Fund financial statements

The accounts of the City are organized on the basis of funds, each of which is considered and accounted for as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liability, fund equity, revenues, and expenditures. In accordance with GAAP, funds are organized into three major categories: governmental, proprietary and fiduciary. As of September 30, 2006, the City had no proprietary funds. The financial statements offer an emphasis upon the more significant subfunds within the governmental category and these are referred to as major funds.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Special Purpose Fund - Please see Note F for a complete description of this fund.

Bond Construction Fund - This capital improvement fund was created to account for the proceeds of the General Obligation Bonds approved by voters and sold in 2002 for police, fire, library, and infrastructure improvements.

The City also reports on nonmajor funds within the governmental fund category including the Tennis Center Fund, the Garbage and Trash Fund, the Debt Service Fund and the Capital Projects Fund.

Additionally, the City reports the Pension Trust Fund as a fiduciary fund, which accounts for the activities of the various pension plans provided to City employees.

Measurement focus and basis of accounting:

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. The effect of interfund activity has been removed from these statements. Interfund services provided, if any, are not eliminated in the process of consolidating the government-wide financial statements. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by GASB. This differs from the manner in which governmental fund financial statements are prepared. Therefore, 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.

Fund financial statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. 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.

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 on a flow of 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 assets.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 government considers revenues to be available if they are collected within thirty 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 are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Use of estimates:

The preparation of the 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.

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.

Accounts receivable:

Accounts receivable consist of amounts due for services. No allowance for doubtful accounts has been provided for in the accompanying financial statements.

Investments:

All City investments are stated at fair value. Operating funds have been invested in a pooled arrangement. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.

Capital assets:

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment and infrastructure are reported in the governmental activities column in the government-wide financial statements. The government 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 resurfacing. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the government are depreciated using the straight-line method over their estimated useful lives as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

GASB No. 34 required the City to report and depreciate new infrastructure assets effective September 30, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City. Neither their historical cost nor related depreciation had historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period. The City implemented the general provisions of GASB No. 34 during the fiscal year ended September 30, 2004 and, because of its classification as a small government, is not required to implement the retroactive infrastructure provisions.

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. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. At September 30, 2006, encumbrances outstanding are as follows:

General Fund	\$ 709,956
Tennis Center	69,900
Special Purpose	35,405
Bond Construction Fund	110,737
Capital Projects Fund	603,555
Total	\$ 1,529,553

Prepays:

Certain payments to vendors reflect costs to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

Compensated absences:

City employees earn vacation, sick and compensatory leave in varying amounts based on 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 assets. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources and only if they have matured.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned revenue:

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.

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 assets. The long-term debt consists primarily of bonds, leases and accrued compensated absences payable. In the fund financial statements, debt proceeds are reported as an other financing source. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets consist of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting

The City follows the following procedures in establishing the budgetary data reflected in the financial statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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. In May, the Mayor as the City's chief executive officer submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of financing.
3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by ordinance. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered or specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the General Fund, Tennis Center Fund, Garbage and Trash Fund, and Debt Service Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles. 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 \$ 6,080,673 of supplemental appropriations. The predominate reason for the increase in appropriations was expenditures related to recovery from Hurricanes Katrina and Wilma in 2005. Most of the expenditures were funded by grants from the Federal Emergency Management Agency, the State of Florida, and the City's property insurance carrier.

NOTE C - PROPERTY TAX

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 April 1 until a tax sale certificate is sold at auction.

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2005, upon which the 2005-2006 levy was based, was approximately \$ 1,770,905,557. The Broward County revenue collector bills and collects all property taxes for the City.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C - PROPERTY TAX (continued)

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. The tax rate to finance general governmental services for the year ended September 30, 2006 was 3.5630 per \$ 1,000.

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. These deposits are insured by the Federal Deposit Insurance Corporation up to \$ 200,000 (\$ 100,000 for demand deposits and \$ 100,000 for savings deposits). 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. At year end, the carrying amount of the City's deposits was \$ 459,104 and the bank balance was \$ 712,821. Accordingly, the bank balances are considered to be insured for risk disclosure purposes.

Investments:

The City has adopted an investment policy (Ordinance 782), which governs the investment of funds in excess of those required to meet current expenses to be paid within sixty days. The City is authorized to make investments in obligations of the United States government, Federal agencies, investment grade bonds, commercial paper, repurchase agreements, investment trusts and the local government surplus funds trust fund. The City has established a maximum maturity of five years on any investment instruments. A total of 90 percent of the City's portfolio was placed in the State of Florida Local Government Investment Pool with a value at year end of \$ 5,804,073. The City has two separate accounts with the State: one for operations and a second account for general obligation bond proceeds and the sinking fund for debt service. The remaining investments at September 30, 2006 were managed by the Florida Municipal Investment Trust and Wachovia Bank.

Total governmental funds investments as of September 30, 2006, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>Investment Maturities (in years)</u>		
			<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Local Government Investment Pool	\$ 5,804,073	\$ 5,804,073	\$ --	\$ --	\$ --
Mutual Funds	293,205	--	293,205	--	--
Certificates of Deposit	329,435	329,435	--	--	--
Money Market Funds	<u>41,356</u>	<u>41,356</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total	\$ <u>6,468,069</u>	\$ <u>6,174,864</u>	\$ <u>293,205</u>	\$ <u>--</u>	\$ <u>--</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

The City's investment policy is designed to minimize the risk that the market 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. The weighted average maturity in the State Investment Pool portfolio may not exceed 90 days.

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, broker/dealers, intermediaries, and advisors with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

The Local Government Surplus Funds Pool is run similar to SEC 2a-7 money market funds. Investments must be first tier at the time of purchase. The 2a-7 first tier definition includes (1) a rated security that has received a short-term rating from the Nationally Recognized Statistical Rating Organizations (NRSROs) in the highest short-term rating category for debt obligations; or (2) is an unrated security that is of comparable quality to a security meeting the requirements for a rated security in (1), as determined by the fund's board of directors; or (3) is a security issued by a registered investment company that is a money market fund; or (4) a Government security. For investments with remaining maturities of 397 days or less at the time of purchase, short-term ratings should be at least S&P A-1, Moody's P-1, or Fitch F-1. For securities without short-term ratings, long-term minimum ratings by at least NSRSO are required consisting of S&P A-1, Moody's A3, for Fitch A-. The Pool's exposure to a single issuer is limited to 5% of portfolio amortized cost (excluding U.S. Treasuries and Agencies). Maximum exposure to second tier issuers is limited to no more than 1% of portfolio amortized cost. The bond mutual funds managed by the Florida Municipal Investment Trust had a Fitch rating of AA/V4.

Fiduciary Funds

The City has seven different pension plans included in fiduciary funds. Four plans operate under the 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. Employees select from a varied group of mutual funds including domestic equities, fixed income, international, and cash management portfolios. Additionally, the City has a defined-benefit pension plan for police officers and firefighters that were hired after October 1, 2003 or employees who were eligible to convert from the 401a plan. The defined benefit plan is managed by the Florida League of Cities. Total fiduciary fund investments as of September 30, 2006 were as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Money Market Funds	\$ 6,395,384	\$ --	\$ 6,395,384	\$ --	\$ --
Bonds Funds	1,957,121	--	1,957,121	--	--
Balanced Funds	2,998,585	--	2,998,585	--	--
U.S. Stock Funds	8,360,572	--	8,360,572	--	--
International Stock Funds	634,805	--	634,805	--	--
Total	\$ 20,346,467	\$ --	\$ 20,346,467	\$ --	\$ --

Interest rate risk:

To mitigate its exposure to losses in fair value resulting from rising interest rates, 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 broad market high quality bond portfolio comprised 39% of the portfolio with an average weighted maturity of 5.93 years.

Credit risk:

The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, and retirement health savings plan. The defined benefit plan is overseen by a Board of Trustees comprised of local elected officials and performance is monitored by the Asset Consulting Group of St. Louis, Missouri. No one issuer holds five percent or more of the fiduciary fund's portfolio.

NOTE E - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2006 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ --	\$ 1,282,580
Special Revenue Funds		
Tennis Center Fund	93,071	--
Other	1,540,456	--
Garbage and Trash Fund	140,936	--
Debt Service Fund	13,047	--
Bond Construction Fund	--	847,392
Capital Projects Fund	342,462	--
Total	\$ 2,129,972	\$ 2,129,972

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 systems, and payments between funds are actually made.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE E - INTERFUND TRANSACTIONS (continued)

Interfund transfers during the year were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 45,203	\$ 1,147,366
Special Revenue Funds		
Tennis Center Fund	<u>86,969</u>	<u>--</u>
Total budgeted funds	<u>132,172</u>	<u>1,147,366</u>
Capital Projects Fund	487,335	--
Special Revenue Funds	<u>623,062</u>	<u>95,203</u>
	<u>1,110,397</u>	<u>95,203</u>
Total	\$ <u>1,242,509</u>	\$ <u>1,242,509</u>

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds.

In fiscal year 2006, the General Fund received \$ 45,203 from the Special Revenue Funds for construction of a gazebo at DeGroff Park. The Tennis Center received \$ 86,969 in transfers from the General Fund, which represents the budgeted subsidy of the facility and its operations. The Capital Projects Fund received \$ 487,335 in transfers including \$ 437,335 from the General Fund and \$ 50,000 from the Special Revenue Funds related to the policy and library construction projects. The Special Revenue Funds received \$ 623,062 in transfers from the General Fund with \$ 30,000 for the City's Keeper Day and Lighthouse A'Glow celebrations and the remaining amount representing balances in General Fund appropriations for infrastructure that per City policy are transferred to the Infrastructure Special Revenue Fund.

Transfers out of the General Fund totaled \$ 1,147,366 including \$ 437,335 for police and library construction projects, \$ 593,062 for infrastructure including \$ 158,000 for replacement of the City Hall roof and interior refurbishment, and \$ 116,969 for subsidies for the Tennis Center and City special events. The Special Revenue funds transferred \$ 95,203 to other funds including \$ 45,203 for the park gazebo and \$ 50,000 toward the policy construction project.

NOTE F - SPECIAL REVENUE FUNDS

The City has three 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 Special Purpose Fund actually represents a number of special purposes including proceeds from specific revenue sources or to finance specified activities as required by law or administrative regulations. This fund is not budgeted. Appropriations are authorized by the City Commission on an as needed basis.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE F - SPECIAL REVENUE FUNDS (continued)

The Special Purpose Fund maintains an internal allocation of the intended purposes of its fund balance. As of September 30, 2006, the following allocation of fund balance has been determined:

Recreation Support	
Sponsor fees for recreation programs	\$ 2,230
Playground 2000 for park development	14
Keeper Days for annual city anniversary	23,394
LHP A'Glow for annual holiday celebration	(88)
DeGroff Park	<u>29</u>
Total	<u>25,579</u>
Infrastructure	
Drainage	75,531
Bridges	123,900
Seawall	201,506
Sidewalks	10,466
Street paving	721,208
Canals	23,098
Buildings	167,167
Commission projects	<u>36,469</u>
Total	<u>1,359,345</u>
Environmental	
Beautification improvements in the City	14,488
Waterway cleanup and protection	<u>12,566</u>
Total	<u>27,054</u>
Cultural Support	
Library	26,955
Senior Outreach	25
Historical Committee	<u>111</u>
Total	<u>27,091</u>
Public Safety	
CPR	114
Contraband - State	7,190
Contraband - Federal	46,084
Police education	<u>12,549</u>
Total	<u>65,937</u>
Total of Special Purpose Fund	<u>\$ 1,505,006</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - DEBT SERVICE FUND

The Debt Service Fund has been established to finance and account for the payment of interest and principal on the \$ 6,190,000 General Obligation Bonds, Series 2002. This debt consists of serial bonds due annually on August 1st of each year through 2022. Interest, at rates ranging from 2.75% to 4.75%, is payable semi-annually on February 1 and August 1 of each year. The debt is payable solely from a voter approved ad valorem tax. The rate established for the year ended September 30, 2006 was .2757.

NOTE H - CAPITAL PROJECTS FUNDS

The City has established two capital projects funds. The Bond Construction Fund accounts for the expenditure of the \$ 6,190,000 in bonds to finance various capital improvement projects outlined in the following table. The Capital Projects Fund was established to track the revenues and expenditures of two significant projects funded primarily with local resources: the police building and the expanded library.

On March 12, 2002, the qualified electors of the City voted to approve up to \$ 6,190,000 in general obligation bonds to finance various projects. Approximately 65% of the electors voted in favor of the bond issue. The various components of the project and the estimated cost of each component are as follows:

<u>Bond Projects</u>	<u>Project Authorizations</u>	<u>Expended</u>	<u>Encumbered</u>
New police station and fire station and library upgrades	\$ 3,182,000	\$ 3,282,433	\$ 22,719
Bridges	408,000	348,868	--
Roads	1,505,000	526,356	--
Sidewalks	285,000	281,911	2,000
Storm drains	<u>655,000</u>	<u>454,361</u>	<u>--</u>
Total project costs	\$ <u>6,035,000</u>	\$ <u>4,893,929</u>	\$ <u>24,719</u>

<u>Capital Projects</u>	<u>Project Authorizations</u>	<u>Expended</u>	<u>Encumbered</u>
Police Station	\$ 1,604,640	\$ 1,455,779	\$ 50,000
Library	<u>744,296</u>	<u>153,181</u>	<u>273,042</u>
Total project costs	\$ <u>2,348,936</u>	\$ <u>1,608,960</u>	\$ <u>323,042</u>

The overexpenditure of the new police station, fire station and library projects in the bond fund will be funded from interest earnings in the Bond Construction Fund and the Capital Projects Fund. The library expansion has been approved for a \$ 285,000 state grant which will be provided on a reimbursement basis.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE I - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2006, was as follows:

	Balance October 1, 2005	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2006
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,059,360	\$ --	\$ --	\$ 7,059,360
Construction in progress	<u>553,763</u>	<u>2,393,422</u>	<u>--</u>	<u>2,947,185</u>
Total capital assets, not being depreciated	<u>7,613,123</u>	<u>2,393,422</u>	<u>--</u>	<u>10,006,545</u>
Capital assets, being depreciated:				
Buildings and land improvements	5,711,471	417,560	72,148	6,056,883
Equipment and fixtures	1,543,118	195,431	110,708	1,627,841
Vehicles	1,380,095	197,526	69,423	1,508,198
Infrastructure	<u>666,345</u>	<u>--</u>	<u>--</u>	<u>666,345</u>
Total capital assets being depreciated	<u>9,301,029</u>	<u>810,517</u>	<u>252,279</u>	<u>9,859,267</u>
Less accumulated depreciation for:				
Buildings and land improvements	1,992,112	195,545	48,288	2,139,369
Equipment and fixtures	916,207	157,697	100,589	973,315
Vehicles	990,144	128,250	56,897	1,061,497
Infrastructure	<u>13,122</u>	<u>15,577</u>	<u>--</u>	<u>28,699</u>
Total accumulated depreciation	<u>3,911,585</u>	<u>497,069</u>	<u>205,774</u>	<u>4,202,880</u>
Total capital assets, being depreciated, net	<u>5,389,444</u>	<u>313,448</u>	<u>46,505</u>	<u>5,656,387</u>
Governmental activities, capital assets, net	\$ <u>13,002,567</u>	\$ <u>2,706,870</u>	\$ <u>46,505</u>	\$ <u>15,662,932</u>

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

Governmental activities:	
General government	\$ 61,316
Public safety	285,319
Physical environment	49,333
Transportation	45
Culture and recreation	<u>101,056</u>
Total depreciation expense - governmental activities	\$ <u>497,069</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE J - 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, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 5,505,000	\$ --	\$ 240,000	\$ 5,265,000	\$ 245,000
Capital leases	333,032	104,240	140,738	296,534	135,816
Compensated absences	<u>966,304</u>	<u>27,734</u>	<u>--</u>	<u>994,038</u>	<u>54,235</u>
Total	<u>\$ 6,804,336</u>	<u>\$ 131,974</u>	<u>\$ 380,738</u>	<u>\$ 6,555,572</u>	<u>\$ 435,051</u>

Because most employees are funded by the General Fund, it is that fund that has predominately been used to liquidate the liability for compensated absences.

General Obligation Bonds:

The City issued the \$ 6,190,000 General Obligation Bonds, Series 2002 on August 1, 2002 to pay for the repair, improvement and/or replacement of the City police and fire stations, library, stormwater system, bridges and streets. Funded entirely by the debt service levy on taxable property in the City, the following table summarizes the debt service requirements remaining:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 245,000	\$ 216,724	\$ 461,724
2008	255,000	209,866	464,866
2009	260,000	201,960	461,960
2010	270,000	193,120	463,120
2011	280,000	183,400	463,400
2012-2016	1,570,000	747,414	2,317,414
2017-2021	1,940,000	383,546	2,323,546
2022	<u>445,000</u>	<u>21,138</u>	<u>466,138</u>
	<u>\$ 5,265,000</u>	<u>\$ 2,157,168</u>	<u>\$ 7,422,168</u>

Capital leases:

As of September 30, 2006, the City had obligations under four separate lease purchase agreements. The first lease for \$ 215,000 (Series 2003) was for the purchase of four police vehicles, public works and recreation trucks, and an ambulance. The second lease for \$ 161,000 (Series 2004) was for the purchase of four police vehicles, two public works trucks, and recreation lights and poles. The third lease outstanding for \$ 101,774 (Series 2005) was for the purchase of four police vehicles and one public works truck. The fourth lease (Series 2006) was for the purchase of four police vehicles and one administrative vehicle in the amount of \$ 104,210. These lease agreements qualify as capital leases for accounting purposes (titles transfer at end of the lease term) and therefore have been recorded at the present value of the future minimum lease payments as of the lease inception. Debt service is provided from General Fund revenues. The carrying value of these assets is approximately \$ 291,500. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2006.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE J - LONG-TERM DEBT (continued)

<u>Year ending September 30,</u>	<u>Series 2003</u>	<u>Series 2004</u>	<u>Series 2005</u>	<u>Series 2006</u>	<u>Total</u>
2007	\$ 42,444	\$ 42,837	\$ 27,376	\$ 28,580	\$ 141,237
2008	--	32,127	27,376	28,581	88,084
2009	--	--	27,376	28,581	55,957
2010	--	--	--	28,580	28,580
Total minimum lease payments	42,444	74,964	82,128	114,322	313,858
Less: amount representing interest	<u>515</u>	<u>2,179</u>	<u>4,548</u>	<u>10,082</u>	<u>17,324</u>
Present value of future minimum lease payments	\$ <u>41,929</u>	\$ <u>72,785</u>	\$ <u>77,580</u>	\$ <u>104,240</u>	\$ <u>296,534</u>

NOTE K - ACCOUNTS PAYABLE

Accounts payable at September 30, 2006 were as follows:

	<u>Vendors</u>	<u>Subcontractor</u>	<u>Total Accounts Payable</u>
Governmental activities:			
General Fund	\$ 309,551	\$ --	\$ 309,551
Garbage and Trash Fund	186,651	--	186,651
Bond Construction Fund	--	40,063	40,063
Capital Projects Fund	--	172,689	172,689
Tennis Center Fund	831	--	831
Special Purpose Fund	<u>218</u>	<u>--</u>	<u>218</u>
Total governmental activities	\$ <u>497,251</u>	\$ <u>212,752</u>	\$ <u>710,003</u>

NOTE L - PENSION PLAN

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 53-56.

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, 2006

NOTE L - PENSION PLAN (continued)

Municipal Employees' Retirement Fund - Defined Contribution:

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of the age of 21. Additionally, police officers and firefighters employed by the City prior to October, 2003 continue in the defined contribution plan if they did not convert to the defined-benefit plan described later. In fiscal year 2006, the City made bi-weekly contributions to the plan equal to 11% (general employees), 14% (fire, police and management) of each participant's base salary. In addition, each participant must contribute 2% (general employees), 6% (fire, police and management) of their base salary to their respective plan. The plans were established by City Resolution #681 in April, 1988 for general employees, Resolution #841 in January, 1993 for fire employees, and Resolution #993 in October, 1997 for police officers and management employees. Amendments to the 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. The City's payroll in fiscal year 2006 subject to pension contributions was \$ 2,558,695. The City made the required contributions as follows:

General employees	\$	135,748
Firefighters		31,558
Police officers		48,410
Management		<u>105,502</u>
	\$	<u><u>321,218</u></u>

The required and voluntary contributions by employees were as follows:

General employees	\$	24,681
Firefighters		18,033
Police officers		20,734
Management		<u>45,215</u>
	\$	<u><u>108,663</u></u>

Plan membership at September 30, 2006, consisted of the following:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	2	1	--	3
Terminated members entitled to, but not yet receiving benefits	15	4	9	6
Current employees:				
Fully vested	18	10	14	5
Partially vested	13	5	5	4
Nonvested	<u>5</u>	<u>--</u>	<u>--</u>	<u>1</u>
Total current employees	<u>36</u>	<u>15</u>	<u>19</u>	<u>10</u>
Total membership	<u><u>53</u></u>	<u><u>20</u></u>	<u><u>28</u></u>	<u><u>19</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE L - PENSION PLAN (continued)

Investment summaries at September 30, 2006, are as follows:

<u>Investments</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
General Employees		
Money Market Funds	36%	
Bond Funds	1%	
Balanced Funds	27%	
U.S. Stock Funds	34%	
International Stock Funds	2%	
Total		\$ 2,267,656
Firefighters		
Money Market Funds	23%	
Bond Funds	2%	
Balanced Funds	15%	
U.S. Stock Funds	57%	
International Stock Funds	3%	
Total		2,617,546
Police Officers		
Money Market Funds	47%	
Bond Funds	1%	
Balanced Funds	16%	
U.S. Stock Funds	36%	
International Stock Funds	0%	
Total		3,466,813
Management Employees		
Money Market Funds	47%	
Bond Funds	4%	
Balanced Funds	12%	
U.S. Stock Funds	35%	
International Stock Funds	2%	
Total		3,461,137

All defined contribution 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, 2006, participant loans outstanding amounted to \$ 337,152.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2006

NOTE L - PENSION PLAN (continued)

Municipal Employees' Retirement Fund - defined benefit:

Effective October 1, 2003, the City established a defined benefit pension plan for all its full-time police officers and firefighters. In accordance with Ordinance 835, the plan was mandatory for all new hires and optional for all current police officers and firefighters. In fiscal year 2006, the City contributed 14.25% of employee salaries and employees contributed 8.0%. All investments, totaling \$ 4,146,467 at fiscal year end, 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 must do so at the actuarial computed value. Employees are provided an annual opportunity during each of the first five years of the plan. As of September 30, 2006, the membership in the plan consists of fifty active participants and one retiree.

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

Valuation Date	October 1, 2004
Actuarial Cost Method	Frozen entry age
Amortization Method	Level dollar closed
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	8%
Projected salary increases *	4% to 7%
Cost-of-living adjustments (COLA)	0% or ** 3%
* Includes inflation at	3.5%
** The 3% COLA is effective after five years of retirement.	

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 plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and defer paying taxes on such portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency subject to approval by the City.

The plan is administered by an unrelated independent plan administrator. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment, as approved by the City, of the deferred compensation amounts held by the plan administrator 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, as well as, approving investments offered to participants, monitoring compliance with maximum contribution limits, section 415 limits, catch-up provisions, and emergency withdrawals. 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 Plan. Due to level of fiduciary responsibility the City has in respect to the Plan, the Deferred Compensation Fund totals \$ 4,221,632 and is presented as a Pension Trust Fund in the accompanying financial statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE L - PENSION PLAN (continued)

Retirement Health Saving Plan:

As a voluntary supplement to the employees pension trust funds, the City established by Resolution 2003-1298 a retiree health savings plan and trust for the exclusive benefit of plan participants and their beneficiaries. The plan is fully funded by employee contributions from pre-tax contributions. The contributions once elected by the employee can never be changed. The account totaling \$ 165,216 is invested by the International City Management Association Retirement Corporation per the direction of the employees. Funds can only be withdrawn for medical expenses as approved by the IRS regulations. Should funds not be expended, they revert to the City of Lighthouse Point as trustee.

Pension costs and contributions:

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

<u>Pension Plan</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Employees Defined Contribution	\$ 318,668	\$ 145,382	\$ 80,909
Firefighters Defined Contribution	332,835	348,354	328,230
Police Officers Defined Contribution	1,116,841	--	389,542
Management Employees Defined Contribution	888,140	66,794	74,982
Police/Fire Defined Benefit Plan	4,179	4,069	66,148
Deferred Compensation Plan	425,806	335,741	369,143
Retirement Health Savings Plan	19,244	20,467	17,956

<u>Pension Plan</u>	<u>Required Contributions</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
General Employees - Defined Contribution				
2004	\$ 139,568	\$ 139,568	\$ 1,116,551	12.50%
2005	159,926	159,926	1,230,202	13.00%
2006	156,504	156,504	1,235,213	12.67%
Firefighter - Defined Contribution				
2004	56,666	56,666	237,924	23.82%
2005	56,203	56,203	247,336	22.72%
2006	49,592	49,592	224,109	22.13%
Police Officer - Defined Contribution				
2004	59,268	59,268	296,338	20.00%
2005	69,084	69,084	345,419	20.00%
2006	69,146	69,146	345,788	20.00%
Management - Defined Contribution				
2004	189,686	189,686	762,472	24.88%
2005	154,375	154,375	757,525	20.38%
2006	151,217	151,217	753,585	20.07%

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE M - COMMITMENTS AND CONTINGENCIES

<u>Pension Plan</u>	<u>Required Contributions</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
Police/Fire Defined Benefit *				
2004	466,987	2,155,569	2,098,815	102.70%
2005	509,235	509,235	2,288,701	22.25%
2006	575,863	1,030,832	2,587,561	39.84%
Deferred Compensation				
2004	310,152	310,152	3,088,198	10.04%
2005	290,954	290,954	3,111,243	9.35%
2006	316,315	316,315	3,062,417	10.33%
Retirement Health Savings				
2004	66,851	66,851	1,191,861	5.61%
2005	105,896	105,896	1,101,382	9.61%
2006	36,352	36,352	1,197,916	3.03%

* The contributions made are higher than the required contributions because of a purchase or prior service credit.

Litigation

The City is presently defending certain lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the City's belief that these lawsuits will not result in material financial losses.

Post retirement benefits:

The City is in the process of determining its liabilities under GASB 45 and will report such liabilities in fiscal year 2007 as required by the Government Accounting Standards Board. 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.

Risk management:

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

Grants compliance:

The City receives financial assistance from Federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Florida Single Audit Act, the City was required to conduct a "single audit" for Federal grants. The threshold for such audits is \$ 500,000 for either level of government. During the fiscal year, the City expended \$ 2.1 million in Federal grant money. The following summarizes grant activity for the year ended September 30, 2006:

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2006

NOTE M - COMMITMENTS AND CONTINGENCIES (continued)

<u>Grant</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>
Federal Grants:			
Federal Emergency Management Agency			
Hurricane Katrina	\$ 3,666	\$ 3,666	\$ --
Hurricane Wilma	1,947,413	1,947,413	130,021
Department of Justice	4,200	4,200	--
Community Development			
Block Grant	35,516	35,516	--
Department of Agriculture	<u>114,292</u>	<u>114,292</u>	<u>114,292</u>
Total Federal grants	\$ <u>2,105,087</u>	\$ <u>2,105,087</u>	\$ <u>244,313</u>
State Grants:			
Department of State	\$ 25,116	\$ 25,116	\$ --
Department of Community Affairs			
Hurricane Wilma	279,542	279,542	17,597
Department of Transportation	71,965	71,965	--
Department of Law Enforcement	3,438	3,438	--
Department of Agriculture	35,000	35,000	--
Department of Health	<u>34,483</u>	<u>34,483</u>	<u>--</u>
Total state grants	\$ <u>449,544</u>	\$ <u>449,544</u>	\$ <u>17,597</u>
Local Grants:			
Broward County			
Community Bus	\$ 42,529	\$ 42,529	\$ --
Marine Law Enforcement	23,384	23,384	--
Bridge	153,378	153,378	153,378
City of Deerfield Beach	<u>18,818</u>	<u>18,818</u>	<u>18,818</u>
Total local grants	\$ <u>238,109</u>	\$ <u>238,109</u>	\$ <u>172,196</u>

NOTE N - SUBSEQUENT EVENT

On December 14, 2006, a strong thunderstorm hit the Lighthouse Point area. Roof damage from Hurricanes Katrina and Wilma the year before had led to work to replace the roof on City Hall and the Library. The storm on December 14 caused additional roof leaks in the midst of the repair and led to the relocation of all City operations in the facility to the City's new police building to the south. Prudent restoration of the building including environmental cleanup of mold is taking place and the City hopes to reopen the City Hall and new expanded library in 2007. City insurance and the roofing contractor's insurance carrier are anticipated to cover most of the restoration costs.

**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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes				
Current	\$ 6,042,046	\$ 6,042,046	\$ 5,901,484	\$ (140,562)
Delinquent	--	--	206,059	206,059
	6,042,046	6,042,046	6,107,543	65,497
Franchise fees:				
Electricity	727,500	727,500	831,451	103,951
Solid waste	61,400	61,400	109,117	47,717
	788,900	788,900	940,568	151,668
Utility service taxes:				
Electricity	845,200	845,200	844,974	(226)
Water	362,700	362,700	349,299	(13,401)
Gas	3,200	3,200	3,818	618
Propane	25,225	25,225	37,901	12,676
Communications services	570,000	570,000	525,202	(44,798)
	1,806,325	1,806,325	1,761,194	(45,131)
Licenses and permits:				
Occupational licenses	69,000	69,000	72,221	3,221
Building permits	298,900	298,900	385,237	86,337
Plumbing permits	47,400	47,400	74,115	26,715
Electrical permits	74,000	74,000	121,575	47,575
Other	179,700	179,700	243,358	63,658
	669,000	669,000	896,506	227,506
Intergovernmental revenues:				
State revenue sharing	313,000	313,000	330,061	17,061
Mobile home licenses	400	400	232	(168)
Alcoholic beverage license	6,000	6,000	10,279	4,279
Gasoline tax	209,144	209,144	204,863	(4,281)
Half cent sales tax	640,000	640,000	692,776	52,776
Firefighters supplemental	2,500	2,500	6,185	3,685
Motor fuel rebate	3,600	3,600	3,545	(55)
County occupational license	13,000	13,000	10,804	(2,196)
Federal grants	35,000	2,375,000	2,105,087	(269,913)
State grants	--	382,900	449,543	66,643
Local grants	78,000	78,000	238,109	160,109
	1,300,644	4,023,544	4,051,484	27,940

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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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues (continued):				
Charges for services				
Special assessments - fire	395,000	395,000	397,115	2,115
Lien search fees	13,300	13,300	8,190	(5,110)
Zoning fees	2,800	2,800	2,276	(524)
Merchandise sales	100	100	4,580	4,480
Certification, copying, research	--	--	638	638
City Commission appeals	--	--	200	200
Other fees - City Clerk	--	--	1,751	1,751
Accident reports	--	--	625	625
Fingerprinting fees	5,000	5,000	3,850	(1,150)
Alarm fees	12,000	12,000	11,785	(215)
Special detail fees	34,000	34,000	39,495	5,495
Fire inspection fees	20,000	20,000	24,463	4,463
Construction inspection fees	5,000	5,000	23,855	18,855
Other fees - fire	800	800	975	175
Ambulance fees	150,000	150,000	190,231	40,231
Photostat and other fees	2,000	2,000	1,989	(11)
Registration - recreation	21,000	21,000	12,858	(8,142)
Summer recreation fees	45,000	45,000	45,250	250
Other recreation fees	8,700	8,700	5,110	(3,590)
	<u>714,700</u>	<u>714,700</u>	<u>775,236</u>	<u>60,536</u>
Fines and forfeitures:				
Court fines	16,000	16,000	58,761	42,761
Library fines	3,000	3,000	3,215	215
Parking citations	4,500	4,500	5,130	630
Code enforcement fines	10,000	10,000	32,725	22,725
	<u>33,500</u>	<u>33,500</u>	<u>99,831</u>	<u>66,331</u>
Interest income	65,000	65,000	223,649	158,649
Miscellaneous:				
Other	--	83,390	152,520	69,130
Total revenues	<u>11,420,115</u>	<u>14,226,405</u>	<u>15,008,531</u>	<u>782,126</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General government				
Legislative - commission				
Personal services	32,890	33,590	31,820	1,770
Operating expenditures	87,240	71,840	54,706	17,134
Capital outlay	--	--	--	--
	<u>120,130</u>	<u>105,430</u>	<u>86,526</u>	<u>18,904</u>
Executive - Mayor:				
Personal services	23,963	24,313	24,303	10
Operating expenditures	43,990	42,870	41,329	1,541
Capital outlay	--	--	773	(773)
	<u>67,953</u>	<u>67,183</u>	<u>66,405</u>	<u>778</u>
Administration/finance:				
Personal services	572,277	543,077	544,969	(1,892)
Operating expenditures	86,185	99,685	93,348	6,337
Capital outlay	187,000	287,400	28,450	258,950
	<u>845,462</u>	<u>930,162</u>	<u>666,767</u>	<u>263,395</u>
City attorney:				
Operating expenditures	135,444	137,294	136,420	874
Support services:				
Personal services	55,909	54,809	55,078	(269)
Operating expenditures	190,200	208,200	207,468	732
Capital outlay	--	20,000	19,897	103
	<u>246,109</u>	<u>283,009</u>	<u>282,443</u>	<u>566</u>
Total general government	1,415,098	1,523,078	1,238,561	284,517
Public safety:				
Police department:				
Personal services	3,372,383	3,390,283	3,394,055	(3,772)
Operating expenditures	222,980	280,980	250,857	30,123
Capital outlay	130,184	158,584	163,375	(4,791)
	<u>3,725,547</u>	<u>3,829,847</u>	<u>3,808,287</u>	<u>21,560</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety (continued):				
Fire department:				
Personal services	2,201,129	2,201,579	2,199,082	2,497
Operating expenditures	150,420	226,570	225,600	970
Capital outlay	<u>9,974</u>	<u>38,974</u>	<u>38,787</u>	<u>187</u>
	2,361,523	2,467,123	2,463,469	3,654
Building department:				
Personal services	151,784	167,684	169,264	(1,580)
Operating expenditures	347,810	349,710	347,355	2,355
Capital outlay	<u>1,200</u>	<u>7,400</u>	<u>6,873</u>	<u>527</u>
	500,794	524,794	523,492	1,302
Code enforcement:				
Personal services	151,248	148,248	150,351	(2,103)
Operating expenditures	19,970	21,270	20,531	739
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>1,927</u>	<u>73</u>
	<u>173,218</u>	<u>171,518</u>	<u>172,809</u>	<u>(1,291)</u>
Total public safety	6,761,082	6,993,282	6,968,057	25,225
Physical environment:				
Public works				
Personal services	890,899	918,499	901,542	16,957
Operating expenditures	214,525	2,564,825	2,524,888	39,937
Capital outlay	<u>756,353</u>	<u>1,513,753</u>	<u>1,434,112</u>	<u>79,641</u>
Total physical environment	1,861,777	4,997,077	4,860,542	136,535
Transportation:				
Community bus				
Personal services	39,891	36,591	33,365	3,226
Operating expenditures	<u>13,700</u>	<u>13,700</u>	<u>11,807</u>	<u>1,893</u>
Total transportation	53,591	50,291	45,172	5,119

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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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture/recreation:				
Library				
Personal services	313,623	307,142	292,010	15,132
Operating expenditures	50,986	47,886	38,112	9,774
Capital outlay	<u>83,300</u>	<u>92,681</u>	<u>88,959</u>	<u>3,772</u>
	447,909	447,709	419,081	28,628
Recreation department:				
Personal services	210,835	215,235	215,629	(394)
Operating expenditures	148,512	140,312	137,317	2,995
Capital outlay	<u>45,000</u>	<u>236,300</u>	<u>238,851</u>	<u>(2,551)</u>
	<u>404,347</u>	<u>591,847</u>	<u>591,797</u>	<u>50</u>
Total culture/recreation	852,256	1,039,556	1,010,878	28,678
Debt service	<u>190,000</u>	<u>156,500</u>	<u>155,915</u>	<u>585</u>
Total expenditures	<u>11,133,804</u>	<u>14,759,784</u>	<u>14,279,125</u>	<u>480,659</u>
Excess (deficiency) of revenues over expenditures	286,311	(533,379)	729,406	1,262,785
Other financing sources (uses):				
Insurance proceeds	--	516,610	516,610	--
Transfers in	50,000	50,000	45,203	(4,797)
Transfers out	(216,969)	(1,147,366)	(1,147,367)	(1)
Capital lease proceeds	<u>110,000</u>	<u>110,000</u>	<u>104,240</u>	<u>(5,760)</u>
Total other financing sources (uses)	<u>(56,969)</u>	<u>(470,756)</u>	<u>(481,314)</u>	<u>(10,558)</u>
Net change in fund balance	229,342	(1,004,135)	248,092	1,252,227
Fund balance at beginning of year	<u>2,721,565</u>	<u>2,721,565</u>	<u>2,721,565</u>	<u>--</u>
Fund balance at end of year	\$ <u>2,950,907</u>	\$ <u>1,727,430</u>	\$ <u>2,969,657</u>	\$ <u>1,252,227</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services:				
Membership fees	\$ 60,000	\$ 60,000	\$ 57,228	\$ (2,772)
Daily use fees	5,400	5,400	7,586	2,186
Lighting fees	1,500	1,500	2,272	772
Other charges for services	<u> --</u>	<u> --</u>	<u>3,214</u>	<u>3,214</u>
	<u>66,900</u>	<u>66,900</u>	<u>70,300</u>	<u>3,400</u>
Miscellaneous:				
Interest income	200	200	(320)	(520)
Other	<u>1,000</u>	<u>10,000</u>	<u>5,456</u>	<u>(4,544)</u>
	<u>1,200</u>	<u>10,200</u>	<u>5,136</u>	<u>(5,064)</u>
Total revenues	<u>68,100</u>	<u>77,100</u>	<u>75,436</u>	<u>(1,664)</u>
Expenditures:				
Culture/recreation				
Personal services	127,270	127,270	126,188	1,082
Operating expenditures	19,599	28,599	33,910	(5,311)
Capital outlay	7,900	70,390	490	69,900
Debt service	<u>300</u>	<u>300</u>	<u>213</u>	<u>87</u>
Total expenditures	<u>155,069</u>	<u>226,559</u>	<u>160,801</u>	<u>65,758</u>
Excess (deficiency) of revenues over expenditures	(86,969)	(149,459)	(85,365)	64,094
Other financing sources:				
Insurance proceeds	--	109,411	109,411	--
Transfers in	<u>86,969</u>	<u>86,969</u>	<u>86,969</u>	<u> --</u>
Total other financing sources	<u>86,969</u>	<u>196,380</u>	<u>196,380</u>	<u> --</u>
Net change in fund balance	--	46,921	111,015	64,094
FUND BALANCE, BEGINNING OF YEAR	<u>(17,470)</u>	<u>(17,470)</u>	<u>(17,470)</u>	<u> --</u>
FUND BALANCE, END OF YEAR	\$ <u>(17,470)</u>	\$ <u>29,451</u>	\$ <u>93,545</u>	\$ <u>64,094</u>

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, 2006

	Budgeted amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
REVENUES:				
Charges for services				
Garbage/solid waste fees	\$ <u>1,335,000</u>	\$ <u>1,590,000</u>	\$ <u> --</u>	\$ <u>(87,121)</u>
Miscellaneous				
Recycling proceeds	85,000	85,000	108,886	23,886
Refunded interest proceeds	--	25,000	158,462	133,462
Interest income	<u> --</u>	<u>10,000</u>	<u>8,135</u>	<u>(1,865)</u>
Total miscellaneous	<u>85,000</u>	<u>120,000</u>	<u>275,483</u>	<u>155,483</u>
Total revenues	<u>1,420,000</u>	<u>1,710,000</u>	<u>1,778,362</u>	<u>68,362</u>
 EXPENDITURES:				
Physical environment				
Trash collection				
Operating expenditures	<u>1,420,000</u>	<u>1,710,000</u>	<u>1,687,851</u>	<u>22,149</u>
Total expenditures	<u>1,420,000</u>	<u>1,710,000</u>	<u>1,687,851</u>	<u>22,149</u>
Net change in fund balance	--	--	90,511	90,511
 FUND BALANCE - BEGINNING				
	<u>432,996</u>	<u>432,996</u>	<u>432,996</u>	<u>--</u>
 FUND BALANCE - ENDING				
	\$ <u><u>432,996</u></u>	\$ <u><u>432,996</u></u>	\$ <u><u>523,507</u></u>	\$ <u><u>90,511</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes	\$ 463,329	\$ 463,326	\$ 472,877	\$ 9,551
Miscellaneous - interest income	<u> --</u>	<u> --</u>	<u>18,385</u>	<u>18,385</u>
Total revenues	<u>463,329</u>	<u>463,326</u>	<u>491,262</u>	<u>27,936</u>
EXPENDITURES:				
Debt service				
Principal	240,000	240,000	240,000	--
Interest	223,326	223,326	223,325	1
Other	<u> --</u>	<u> 600</u>	<u> 600</u>	<u> --</u>
Total expenditures	<u>463,326</u>	<u>463,926</u>	<u>463,925</u>	<u> 1</u>
Net change in fund balance	3	(600)	27,337	27,937
FUND BALANCE, BEGINNING OF YEAR	<u>22,253</u>	<u>22,253</u>	<u>22,253</u>	<u> --</u>
FUND BALANCE, END OF YEAR	\$ <u>22,256</u>	\$ <u>21,653</u>	\$ <u>49,590</u>	\$ <u>27,937</u>

**OTHER
FINANCIAL INFORMATION**

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Capital Project Fund - This fund was created in fiscal year 2005 to account for the renovation of a school facility into a new policy facility.

Debt Service Fund

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

The Debt Service Fund has been established to finance and account for the payment of interest and principal on the \$ 6,190,000 General Obligation Bonds, Series 2002. This debt consists of serial bonds due annually on August 1st of each year through 2022. Interest, at rates ranging from 2.75% to 4.75%, is payable semi-annually on February 1 and August 1 of each year. The debt is payable solely from a voter approved Ad Valorem Tax.

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2006

	Special Revenue				Debt Service Fund	Total Nonmajor Governmental Funds
	Tennis Center Fund	Garbage and Trash Fund	Capital Project Fund	Total		
ASSETS:						
Cash	\$ 100	\$ 408,573	\$ --	\$ 408,673	\$ --	\$ 408,673
Investments	--	--	329,435	329,435	37,772	367,207
Due from other funds	93,071	140,936	342,462	576,469	13,047	589,516
Accounts receivable	2,989	--	--	2,989	--	2,989
Due from other governments	--	160,649	--	160,649	897	161,546
Prepaid expenditures	969	--	--	969	--	969
Total assets	\$ 97,129	\$ 710,158	\$ 671,897	\$ 1,479,184	\$ 51,716	\$ 1,539,000
LIABILITIES AND FUND BALANCES:						
Accounts payable	\$ 831	\$ 186,651	\$ 172,689	\$ 360,171	\$ --	\$ 360,171
Retainage payable	--	--	14,995	14,995	--	14,995
Accrued payroll and related taxes	2,753	--	--	2,753	--	2,753
Due to General Fund	--	--	--	--	--	--
Other	--	--	--	--	--	--
Total liabilities	3,584	186,651	187,684	377,919	--	377,919
Fund balances:						
Reserved for:						
Encumbrances	69,900	--	603,555	673,455	--	673,455
Debt service	--	--	--	--	51,716	51,716
Library expansion project	--	--	329,435	329,435	--	329,435
Prepaid expenditures	969	--	--	969	--	969
Unreserved:						
Undesignated	23,676	523,507	(448,777)	97,406	--	97,406
Total fund balances	93,545	523,507	484,213	1,101,265	51,716	1,152,981
Total liabilities and fund balances	\$ 97,129	\$ 710,158	\$ 671,897	\$ 1,479,184	\$ 51,716	\$ 1,530,900

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue			Total	Debt Service Fund	Total Nonmajor Governmental Funds
	Tennis Center Fund	Garbage and Trash Fund	Capital Project Fund			
REVENUES:						
Ad valorem taxes	\$ --	\$ --	\$ --	\$ --	\$ 472,525	\$ 472,525
Charges for services	70,300	1,502,879	--	1,573,179	--	1,573,179
Interest income	(320)	8,135	26,310	34,125	18,385	52,510
Miscellaneous	<u>5,456</u>	<u>267,348</u>	<u>323,939</u>	<u>596,743</u>	<u>--</u>	<u>596,743</u>
Total revenues	<u>75,436</u>	<u>1,778,362</u>	<u>350,249</u>	<u>2,204,047</u>	<u>490,910</u>	<u>2,694,957</u>
EXPENDITURES:						
Current:						
Culture/recreation	160,098	--	--	160,098	--	160,098
Physical environment	--	1,687,851	--	1,687,851	--	1,687,851
Capital outlay	490	--	1,658,961	1,659,451	--	1,659,451
Debt service	<u>213</u>	<u>--</u>	<u>--</u>	<u>213</u>	<u>463,925</u>	<u>464,138</u>
Total expenditures	<u>160,801</u>	<u>1,687,851</u>	<u>1,658,961</u>	<u>3,507,613</u>	<u>463,925</u>	<u>3,971,538</u>
Excess (deficiency) of revenues over expenditures	<u>(85,365)</u>	<u>90,511</u>	<u>(1,308,712)</u>	<u>(1,303,566)</u>	<u>26,985</u>	<u>(1,276,581)</u>
OTHER FINANCING SOURCES:						
Insurance proceeds	109,411	--	--	109,411	--	109,411
Transfers in	<u>86,969</u>	<u>--</u>	<u>487,335</u>	<u>574,304</u>	<u>--</u>	<u>574,304</u>
Total other financing sources	<u>196,380</u>	<u>--</u>	<u>487,335</u>	<u>683,715</u>	<u>--</u>	<u>683,715</u>
Net change in fund balance	111,015	90,511	(821,377)	(619,851)	26,985	(592,866)
FUND BALANCE, BEGINNING OF YEAR	<u>(17,470)</u>	<u>432,996</u>	<u>1,305,590</u>	<u>1,721,116</u>	<u>24,731</u>	<u>1,745,847</u>
FUND BALANCE, END OF YEAR	<u>\$ 93,545</u>	<u>\$ 523,507</u>	<u>\$ 484,213</u>	<u>\$ 1,101,265</u>	<u>\$ 51,716</u>	<u>\$ 1,152,981</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2006

	<u>Defined Contribution Pension Plans</u>				<u>Total</u>
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	
ASSETS:					
Investments	\$ 2,267,656	\$ 2,617,546	\$ 3,466,813	\$ 3,461,137	\$ 11,813,152
Participant loans receivable	<u>95,100</u>	<u>58,454</u>	<u>157,574</u>	<u>26,024</u>	<u>337,152</u>
Total assets	2,362,756	2,676,000	3,624,387	3,487,161	12,150,304
LIABILITIES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET ASSETS:					
Held in trust for pension and other benefits	\$ <u>2,362,756</u>	\$ <u>2,676,000</u>	\$ <u>3,624,387</u>	\$ <u>3,487,161</u>	\$ <u>12,150,304</u>

	<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$	4,146,467	\$ 4,221,632	\$ 165,216	\$ 20,346,467
	<u> --</u>	<u> --</u>	<u> --</u>	<u> 337,152</u>
	4,146,467	4,221,632	165,216	20,683,619
	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
\$	<u> 4,146,467</u>	\$ <u> 4,221,632</u>	\$ <u> 165,216</u>	\$ <u>20,683,619</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2006

	<u>Defined Contribution Pension Plans</u>				<u>Total</u>
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	
ADDITIONS:					
Contributions:					
City	\$ 132,427	\$ 31,558	\$ 48,411	\$ 105,502	\$ 317,898
Employees	<u>24,077</u>	<u>18,034</u>	<u>20,735</u>	<u>45,715</u>	<u>108,561</u>
Total contributions	156,504	49,592	69,146	151,217	426,459
Investment earnings					
Interest, dividends and investment value changes	154,460	241,237	305,498	245,374	946,569
Less investment expense	<u>22,392</u>	<u>26,031</u>	<u>34,711</u>	<u>34,161</u>	<u>117,295</u>
Net investment earnings	132,068	215,206	270,787	211,213	829,274
Total additions	288,572	264,798	339,933	362,430	1,255,733
DEDUCTIONS:					
Benefits	24,372	--	22,071	71,116	117,559
Refund of contributions:					
City	37,757	10,695	34,121	3,866	86,439
Employees	18,780	317,535	333,350	--	669,665
Administrative expense	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total deductions	<u>80,909</u>	<u>328,230</u>	<u>389,542</u>	<u>74,982</u>	<u>873,663</u>
Change in net assets	207,663	(63,432)	(49,609)	287,448	382,070
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
Beginning of year	<u>2,155,093</u>	<u>2,739,432</u>	<u>3,673,996</u>	<u>3,199,713</u>	<u>11,768,234</u>
End of year	\$ <u>2,362,756</u>	\$ <u>2,676,000</u>	\$ <u>3,624,387</u>	\$ <u>3,487,161</u>	\$ <u>12,150,304</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$ 368,787	\$ --	\$ --	\$ 686,685
<u>662,045</u>	<u>316,315</u>	<u>36,352</u>	<u>1,123,273</u>
1,030,832	316,315	36,352	1,809,958
273,278	371,016	9,635	1,600,498
<u>8,078</u>	<u>41,113</u>	<u>1,547</u>	<u>168,033</u>
265,200	329,903	8,088	1,432,465
1,296,032	646,218	44,440	3,242,423
52,232	115,382	17,956	303,129
--	--	--	86,439
13,916	253,761	--	937,342
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>66,148</u>	<u>369,143</u>	<u>17,956</u>	<u>1,326,910</u>
1,229,884	277,075	26,484	1,915,513
<u>2,916,583</u>	<u>3,944,557</u>	<u>138,732</u>	<u>18,768,106</u>
\$ <u>4,146,467</u>	\$ <u>4,221,632</u>	\$ <u>165,216</u>	\$ <u>20,683,619</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Governmental funds capital assets:		
Land	\$ 7,059,360	\$ 7,059,360
Buildings and land improvements	6,056,882	5,711,471
Equipment and fixtures	1,627,842	1,543,118
Vehicles	1,508,198	1,380,095
Infrastructure	666,345	666,345
Construction in progress	<u>2,947,185</u>	<u>553,763</u>
Total governmental funds capital assets	\$ <u>19,865,812</u>	\$ <u>16,914,152</u>
Investment in governmental funds capital assets by source:		
General revenues	\$ 11,382,643	\$ 9,299,307
Special revenues	921,472	250,590
County grants	3,952,089	3,952,089
State grants	237,378	143,545
Federal grants	378,455	274,821
Donations	2,873,444	2,873,469
Confiscated	<u>120,331</u>	<u>120,331</u>
Total governmental funds capital assets	\$ <u>19,865,812</u>	\$ <u>16,914,152</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
September 30, 2006

	<u>Land</u>	<u>Buildings and Land Improvements</u>
General government:		
Legislative	\$ --	\$ --
Executive	--	--
Finance and administration	--	--
Other general government	<u>15,087</u>	<u>1,393,967</u>
Total general government	15,087	1,393,967
Public safety:		
Law enforcement	523,250	2,687,590
Fire control	6,215	519,995
Building department	--	--
Code enforcement	<u>--</u>	<u>--</u>
Total public safety	529,465	3,207,585
Physical environment:		
Maintenance	2,452,850	97,670
Transportation:		
Community bus	--	--
Culture/recreation:		
Library	--	--
Recreation	<u>4,061,958</u>	<u>1,357,660</u>
Total culture/recreation	<u>4,061,958</u>	<u>1,357,660</u>
Total governmental funds capital assets	\$ <u><u>7,059,360</u></u>	\$ <u><u>6,056,882</u></u>

<u>Equipment and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 16,495	\$ --	\$ --	\$ --	\$ 16,495
1,528	--	--	--	1,528
124,982	19,080	--	--	144,062
<u>55,306</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,464,360</u>
198,311	19,080	--	--	1,626,445
477,379	443,660	--	1,914,010	6,045,889
336,302	675,310	--	8,843	1,546,665
21,184	--	--	--	21,184
<u>9,270</u>	<u>21,467</u>	<u>--</u>	<u>--</u>	<u>30,737</u>
844,135	1,140,437	--	1,922,853	7,644,475
181,548	307,541	666,345	804,801	4,510,755
453	--	--	--	453
121,891	--	--	219,531	341,422
<u>281,504</u>	<u>41,140</u>	<u>--</u>	<u>--</u>	<u>5,742,262</u>
<u>403,395</u>	<u>41,140</u>	<u>--</u>	<u>219,531</u>	<u>6,083,684</u>
\$ <u>1,627,842</u>	\$ <u>1,508,198</u>	\$ <u>666,345</u>	\$ <u>2,947,185</u>	\$ <u>19,865,812</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 2006

FUNCTION AND ACTIVITY:	Governmental Funds Capital Assets October 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Governmental Funds Capital Assets September 30, <u>2006</u>
General government:					
Legislative	\$ 16,495	\$ --	\$ --	\$ --	\$ 16,495
Executive	755	773	--	--	1,528
Finance and administration	132,739	27,424	17,298	1,197	144,062
Other general government	<u>1,444,462</u>	<u>19,898</u>	<u>--</u>	<u>--</u>	<u>1,464,360</u>
Total general government	<u>1,594,451</u>	<u>48,095</u>	<u>17,298</u>	<u>1,197</u>	<u>1,626,445</u>
Public safety:					
Law enforcement	4,495,803	1,665,893	112,202	(3,603)	6,045,891
Fire control	1,353,749	216,439	24,069	545	1,546,664
Building department	18,816	6,058	3,690	--	21,184
Code enforcement	<u>30,065</u>	<u>1,116</u>	<u>444</u>	<u>--</u>	<u>30,737</u>
Total public safety	<u>5,898,433</u>	<u>1,889,506</u>	<u>140,405</u>	<u>(3,058)</u>	<u>7,644,476</u>
Physical environment:					
Maintenance	<u>3,622,228</u>	<u>891,377</u>	<u>4,011</u>	<u>1,162</u>	<u>4,510,756</u>
Transportation:					
Community bus	<u>453</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>453</u>
Culture/recreation:					
Library	155,719	188,185	2,483	--	341,421
Recreation	<u>5,642,868</u>	<u>186,776</u>	<u>88,082</u>	<u>699</u>	<u>5,742,261</u>
Total cultural/recreation	<u>5,798,587</u>	<u>374,961</u>	<u>90,565</u>	<u>699</u>	<u>6,083,682</u>
Total	<u>\$ 16,914,152</u>	<u>\$ 3,203,939</u>	<u>\$ 252,279</u>	<u>\$ --</u>	<u>\$ 19,865,812</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Amount available in Debt Service Fund	\$ 51,716	\$ 24,731
Amount to be provided for the retirement of general long-term debt	<u>6,503,856</u>	<u>6,779,605</u>
Total	\$ <u>6,555,572</u>	\$ <u>6,804,336</u>
General long-term debt payable:		
General obligation bonds	5,265,000	\$ 5,505,000
Capital leases	296,534	333,032
Accrued compensated absences	<u>994,038</u>	<u>966,304</u>
Total	\$ <u>6,555,572</u>	\$ <u>6,804,336</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION BONDS - SERIES 2002
September 30, 2006

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
February 1, 2007	\$ --	\$ 108,362	\$ 108,362
August 1, 2007	245,000	108,362	353,362
February 1, 2008	--	104,933	104,933
August 1, 2008	255,000	104,933	359,933
February 1, 2009	--	100,980	100,980
August 1, 2009	260,000	100,980	360,980
February 1, 2010	--	96,560	96,560
August 1, 2010	270,000	96,560	366,560
February 1, 2011	--	91,700	91,700
August 1, 2011	280,000	91,700	371,700
February 1, 2012	--	86,520	86,520
August 1, 2012	290,000	86,520	376,520
February 1, 2013	--	81,010	81,010
August 1, 2013	300,000	81,010	381,010
February 1, 2014	--	75,160	75,160
August 1, 2014	315,000	75,160	390,160
February 1, 2015	--	68,860	68,860
August 1, 2015	325,000	68,860	393,860
February 1, 2016	--	62,157	62,157
August 1, 2016	340,000	62,157	402,157
February 1, 2017	--	54,932	54,932
August 1, 2017	355,000	54,932	409,932
February 1, 2018	--	47,166	47,166
August 1, 2018	370,000	47,166	417,166
February 1, 2019	--	38,934	38,934
August 1, 2019	385,000	38,934	423,934
February 1, 2020	--	30,079	30,079
August 1, 2020	405,000	30,079	435,079
February 1, 2021	--	20,662	20,662
August 1, 2021	425,000	20,662	445,662
February 1, 2022	--	10,569	10,569
August 1, 2022	<u>445,000</u>	<u>10,569</u>	<u>455,569</u>
Total	\$ <u>5,265,000</u>	\$ <u>2,157,168</u>	\$ <u>7,422,168</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE REQUIREMENTS
VEHICLE LEASE PURCHASE - SERIES 2003
 September 30, 2006

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
October 11, 2006	\$ 13,891	\$ 257	\$ 14,148
January 11, 2007	13,976	172	14,148
April 11, 2007	<u>14,062</u>	<u>86</u>	<u>14,148</u>
Total	\$ <u>41,929</u>	\$ <u>515</u>	\$ <u>42,444</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE REQUIREMENTS
VEHICLE LEASE PURCHASE - SERIES 2004
September 30, 2006

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
December 1, 2006	\$ 10,169	\$ 540	\$ 10,709
March 1, 2007	10,244	465	10,709
June 1, 2007	10,320	390	10,710
September 1, 2007	10,397	312	10,709
December 1, 2007	10,474	235	10,709
March 1, 2008	10,552	157	10,709
June 1, 2008	<u>10,629</u>	<u>80</u>	<u>10,709</u>
Total	\$ <u>72,785</u>	\$ <u>2,179</u>	\$ <u>74,965</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE REQUIREMENTS
VEHICLE LEASE PURCHASE - SERIES 2005
September 30, 2006

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
October 1, 2006	\$ 6,155	\$ 689	\$ 6,844
January 1, 2007	6,210	634	6,844
April 1, 2007	6,265	579	6,844
July 1, 2007	6,321	523	6,844
October 1, 2007	6,377	467	6,844
January 1, 2008	6,433	410	6,843
April 1, 2008	6,491	353	6,844
July 1, 2008	6,548	296	6,844
October 1, 2008	6,606	238	6,844
January 1, 2009	6,665	179	6,844
April 1, 2009	6,724	120	6,844
July 1, 2009	<u>6,784</u>	<u>60</u>	<u>6,844</u>
Total	\$ <u>77,579</u>	\$ <u>4,548</u>	\$ <u>82,127</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
DEBT SERVICE REQUIREMENTS
VEHICLE LEASE PURCHASE - SERIES 2006
September 30, 2006

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
October 14, 2006	\$ 7,067	\$ 78	\$ 7,145
January 14, 2007	6,989	156	7,145
April 14, 2007	6,913	232	7,145
July 14, 2007	6,837	308	7,145
October 14, 2007	6,762	383	7,145
January 14, 2008	6,688	457	7,145
April 14, 2008	6,615	530	7,145
July 14, 2008	6,543	603	7,146
October 14, 2008	6,471	674	7,145
January 14, 2009	6,400	745	7,145
April 14, 2009	6,330	815	7,145
July 14, 2009	6,261	885	7,146
October 14, 2009	6,192	953	7,145
January 14, 2010	6,124	1,021	7,145
April 14, 2010	6,057	1,088	7,145
July 14, 2010	<u>5,991</u>	<u>1,154</u>	<u>7,145</u>
Total	\$ <u>104,240</u>	\$ <u>10,082</u>	\$ <u>114,322</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2006

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.	67-72
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	73-79
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.	80-85
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.	86-87
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.	88-93

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 ASSETS BY COMPONENT
LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 1

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities*			
Invested in capital assets, net of related debt	\$ 6,923,964	\$ 7,497,567	\$ 10,397,932
Restricted	2,391,806	2,773,331	1,701,725
Unrestricted	<u>2,660,227</u>	<u>3,432,485</u>	<u>4,109,288</u>
Total governmental activities net assets	\$ <u>11,975,997</u>	\$ <u>13,703,383</u>	\$ <u>16,208,945</u>

* The City has no business-type activities.

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

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

TABLE 2

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses			
Governmental activities			
General government	\$ 1,259,380	\$ 1,171,742	\$ 1,107,630
Public safety	6,307,172	6,725,610	7,028,043
Physical environment	2,807,414	3,186,329	5,948,269
Transportation	50,684	51,022	45,563
Culture/recreation	1,027,757	1,091,936	1,048,900
Interest expense	<u>247,274</u>	<u>253,352</u>	<u>238,762</u>
Total governmental activities expenses	\$ <u>11,699,681</u>	\$ <u>12,479,991</u>	\$ <u>15,417,167</u>
Program Revenues			
Charges for services			
General government	\$ 92,604	\$ 94,712	\$ 148,617
Public Safety	1,034,492	1,456,603	1,592,243
Physical environment	1,282,860	1,297,520	1,502,879
Transportation	--	--	--
Culture/recreation	133,723	134,621	139,381
Operating grants and contributions	391,655	336,822	2,569,879
Capital grants and contributions	<u>55,029</u>	<u>291,877</u>	<u>222,861</u>
Total governmental activities program revenues	\$ <u>2,990,363</u>	\$ <u>3,612,155</u>	\$ <u>6,175,860</u>
Net Expense over Revenue	\$ <u>8,709,318</u>	\$ <u>8,867,836</u>	\$ <u>9,241,307</u>
General Revenues			
Taxes			
Ad valorem taxes	\$ 5,259,301	\$ 5,762,042	\$ 6,580,068
Franchise fees	792,957	838,136	961,067
Utility service taxes	1,756,771	1,783,890	1,764,945
Intergovernmental revenues	1,132,499	1,235,660	1,256,336
Miscellaneous	954,180	975,494	1,184,453
Special item - donation of park land	<u>3,578,070</u>	<u>--</u>	<u>--</u>
Total general revenues	\$ <u>13,473,778</u>	\$ <u>10,595,222</u>	\$ <u>11,746,869</u>
Change in net assets	\$ <u>4,764,460</u>	\$ <u>1,727,386</u>	\$ <u>2,505,562</u>

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

	Fiscal Year			
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$ 24,464	\$ 44,371	\$ 33,567	\$ 109,589
Unreserved	<u>767,803</u>	<u>767,443</u>	<u>1,036,776</u>	<u>1,194,103</u>
Total general fund	<u>\$ 792,267</u>	<u>\$ 811,814</u>	<u>\$ 1,070,343</u>	<u>\$ 1,303,692</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ --	\$ 1,383	\$ 26	\$ --
Debt service funds	--	--	--	--
Capital project funds	--	--	--	--
Unreserved, reported in:				
Special revenue funds	280,184	382,411	428,516	300,059
Capital projects funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total all other governmental funds	<u>\$ 280,184</u>	<u>\$ 383,794</u>	<u>\$ 428,542</u>	<u>\$ 300,059</u>

TABLE 3

Fiscal Year					
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 141,088	\$ 437,413	\$ 43,273	\$ 210,341	\$ 465,897	\$ 777,899
<u>1,361,143</u>	<u>1,534,811</u>	<u>2,284,615</u>	<u>2,572,849</u>	<u>2,255,668</u>	<u>2,191,758</u>
\$ <u>1,502,231</u>	\$ <u>1,972,224</u>	\$ <u>2,327,888</u>	\$ <u>2,783,190</u>	\$ <u>2,721,565</u>	\$ <u>2,969,657</u>
\$ --	\$ 794	\$ 31,628	\$ --	\$ --	\$ 105,305
--	30	13,836	22,253	24,731	51,716
--	179,200	355,248	--	1,368,311	1,043,727
392,845	743,972	1,077,211	1,467,186	1,256,703	1,932,816
<u>--</u>	<u>5,853,538</u>	<u>4,729,511</u>	<u>1,776,630</u>	<u>1,303,722</u>	<u>659,687</u>
\$ <u>392,845</u>	\$ <u>6,777,534</u>	\$ <u>6,207,434</u>	\$ <u>3,266,069</u>	\$ <u>3,953,467</u>	\$ <u>3,793,251</u>

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

	Fiscal Year			
	1997	1998	1999	2000
Revenues				
Ad valorem taxes	\$ 2,926,478	\$ 3,069,976	\$ 3,018,794	\$ 3,308,388
Franchise fees	716,503	727,798	790,634	730,258
Utility service taxes	1,259,879	1,366,270	1,564,191	1,451,111
Licenses and permits	239,555	304,690	384,125	540,278
Intergovernmental revenues	1,091,493	1,102,468	1,206,717	1,201,645
Charges for services	1,147,064	1,217,841	1,240,448	1,433,910
Fines and forfeitures	46,481	78,227	110,242	81,132
Interest income	102,753	107,455	108,906	150,616
Miscellaneous	131,385	150,511	521,992	532,499
Total revenues	<u>7,661,591</u>	<u>8,125,236</u>	<u>8,946,049</u>	<u>9,429,837</u>
Expenditures				
General government	782,027	796,887	864,783	964,436
Public Safety	4,115,944	4,291,366	4,428,816	4,578,005
Physical environment	1,762,495	1,817,658	1,857,871	1,952,934
Transportation	--	--	--	--
Culture/recreation	571,668	600,174	617,414	692,410
Capital outlay	381,060	483,795	1,104,262	1,132,236
Debt service				
Interest	13,363	8,196	4,601	16,844
Principal	123,479	102,184	65,025	76,106
Other	--	--	--	--
Total expenditures	<u>7,750,036</u>	<u>8,100,260</u>	<u>8,942,772</u>	<u>9,412,971</u>
Excess of revenues over (under) expenditures	(88,445)	24,976	3,277	16,866
Other Financing Sources (Uses)				
Insurance proceeds	--	--	--	--
Capital leases	--	85,000	300,000	88,000
Net proceeds of general obligation bonds	--	--	--	--
Transfers in	297,816	210,196	106,110	124,023
Transfers out	(256,475)	(197,015)	(106,110)	(124,023)
Total other financing sources (uses)	<u>41,341</u>	<u>98,181</u>	<u>300,000</u>	<u>88,000</u>
Net change in fund balance	<u>\$ (47,104)</u>	<u>\$ 123,157</u>	<u>\$ 303,277</u>	<u>\$ 104,866</u>
Debt service as a % of noncapital expenditures	1.9%	1.4%	0.9%	1.1%

TABLE 4

		Fiscal Year									
		2001	2002	2003	2004	2005	2006				
\$	3,659,957	\$	4,034,953	\$	4,812,054	\$	5,259,301	\$	5,762,042	\$	6,580,068
	907,325		765,128		718,263		787,205		788,445		940,568
	1,472,817		1,744,035		1,748,939		1,757,313		1,785,206		1,761,194
	463,734		513,472		577,195		652,083		814,855		896,506
	1,406,988		1,220,693		1,569,825		1,584,915		1,857,598		4,051,484
	1,517,185		1,519,491		1,555,750		1,689,303		1,731,541		2,349,084
	196,473		152,066		197,636		202,293		437,059		137,530
	138,047		88,441		149,746		111,222		211,407		379,691
	500,427		587,566		628,338		853,609		785,674		851,267
	<u>10,262,953</u>		<u>10,625,845</u>		<u>11,957,746</u>		<u>12,897,244</u>		<u>14,173,827</u>		<u>17,947,392</u>
	949,317		978,389		1,166,165		1,190,309		1,112,111		1,189,441
	4,948,812		5,338,832		5,587,354		6,044,963		6,380,681		6,757,601
	2,126,960		2,039,742		2,084,729		2,426,329		2,477,986		5,116,482
	23,035		48,175		50,015		50,595		52,573		45,172
	713,684		739,810		783,114		796,813		875,005		973,317
	1,187,408		620,899		2,095,126		4,242,804		1,724,411		4,401,549
	16,161		16,035		242,102		248,797		239,503		231,707
	101,074		126,627		375,615		424,957		386,950		387,533
	2,437		142,289		2,962		2,850		2,550		813
	<u>10,068,888</u>		<u>10,050,798</u>		<u>12,387,182</u>		<u>15,428,417</u>		<u>13,251,770</u>		<u>19,103,615</u>
	194,065		575,047		(429,436)		(2,531,173)		922,057		(1,156,223)
	--		--		--		--		--		626,021
	97,260		110,000		215,000		161,000		101,664		104,240
	--		6,169,635		--		--		--		--
	110,684		256,351		375,565		335,331		2,327,284		1,242,569
	<u>(110,684)</u>		<u>(256,351)</u>		<u>(375,565)</u>		<u>(335,331)</u>		<u>(2,327,284)</u>		<u>(1,242,569)</u>
	<u>97,260</u>		<u>6,279,635</u>		<u>215,000</u>		<u>161,000</u>		<u>101,664</u>		<u>730,261</u>
\$	<u>291,325</u>	\$	<u>6,854,682</u>	\$	<u>(214,436)</u>	\$	<u>(2,370,173)</u>	\$	<u>1,023,721</u>	\$	<u>(425,962)</u>
	1.3%		1.5%		6.0%		6.0%		5.4%		4.2%

CITY OF LIGHTHOUSE POINT, FLORIDA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property</u>
1996/97	\$ **	\$ **	\$ **	\$ **
1997/98	**	**	**	**
1998/99	**	**	**	**
1999/00	**	**	**	**
2000/01	**	**	**	**
2001/02	**	**	**	**
2002/03	**	**	**	**
2003/04	**	**	**	**
2004/05	**	**	**	**
2005/06	2,414,459,670	119,103,800	**	16,761,140

SOURCE: Broward County, Florida, Property Appraiser

NOTES: (1) Florida Law requires all property to be assessed at current fair market value.

TABLE 5

	<u>Total</u>	<u>Exemptions</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Net Assessed Value as a Percentage of Estimated Actual Value</u>
\$	**	\$ **	\$ 779,793,703	3.8808	**
	**	**	802,293,585	3.9629	**
	**	**	835,726,404	3.7422	**
	**	**	865,630,846	3.9113	**
	**	**	932,564,410	4.0224	**
	**	**	1,047,099,497	3.8984	**
	**	**	1,213,593,951	4.1308	**
	**	**	1,349,773,902	3.9669	**
	**	**	1,538,931,580	3.8860	**
	2,550,324,610	779,419,053	1,770,905,557	3.8387	69.44%

CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$ 1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Roll Year</u>	<u>Operating</u>	<u>City Debt</u>	<u>Total</u>	<u>County</u>	<u>School Board</u>
1996/97	1996	3.8808	0.0000	3.8808	7.7524	9.9400
1997/98	1997	3.9629	0.0000	3.9629	7.8380	9.9745
1998/99	1998	3.7422	0.0000	3.7422	7.5710	9.7256
1999/00	1999	3.9113	0.0000	3.9113	7.5710	9.1283
2000/01	2000	4.0224	0.0000	4.0224	7.5250	8.9553
2001/02	2001	3.8984	0.0000	3.8984	7.4005	8.7541
2002/03	2002	3.7362	0.3946	4.1308	7.3650	8.8825
2003/04	2003	3.6107	0.3562	3.9669	7.1880	8.4176
2004/05	2004	3.5746	0.3114	3.8860	7.0230	8.2695
2005/06	2005	3.5630	0.2757	3.8387	6.7830	8.0623

SOURCE: Broward County Revenue Collection Division

TABLE 6

Overlapping Rates					
<u>Children Services Council</u>	<u>South Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>North Broward Hospital District</u>	<u>Hillsboro Inlet</u>	<u>Total City and Overlapping Rate</u>
0.0000	0.6720	0.0380	2.4200	0.1112	24.8144
0.0000	0.6970	0.0500	2.4087	0.1071	25.0382
0.0000	0.6970	0.0470	2.5000	0.1021	24.3849
0.0000	0.6970	0.0440	2.4895	0.0955	23.9366
0.0000	0.6970	0.0410	2.4803	0.1036	23.8246
0.3055	0.6970	0.0385	2.4803	0.0951	23.6694
0.3316	0.6970	0.0385	2.4803	0.1170	24.0427
0.3920	0.6970	0.0385	2.5000	0.2490	23.4490
0.4231	0.6970	0.0385	2.4803	0.1845	23.0019
0.4231	0.6970	0.0385	2.1746	0.1845	22.2017

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

TABLE 7

Taxpayer	Fiscal Year 2006			Fiscal Year 1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Heritage Realty LTD \$	18,394,320	1	1.04%	\$ --	--	--
Beacon Light Partners LTD	11,001,930	2	0.62%	1,202,610	10	0.15%
James C. and Suzanne Acheson	10,878,620	3	0.61%	--	--	--
J.H. and T.M. Verillo	9,163,120	4	0.52%	--	--	--
Robert and Beverly Plath	7,617,160	5	0.43%	--	--	--
Silver Seas Hotel Inc	6,254,640	6	0.35%	2,783,980	7	0.36%
Hang Tough Holdings, LLC	5,610,580	7	0.32%	--	--	--
Shawn and Susan Ryan	5,516,680	8	0.31%	--	--	--
LGT Point Auto Investors	5,259,180	9	0.30%	--	--	--
Manuel and Jenny P. Marin	4,386,210	10	0.25%	--	--	--
Net Realty Holdings	--	--	--	9,063,510	1	1.16%
Sherwood Sheehan TR	--	--	--	3,141,680	2	0.40%
First Union National Bank	--	--	--	3,009,110	3	0.39%
B.D. and G.M. Barrington	--	--	--	2,971,730	4	0.38%
Infiniti Motors	--	--	--	2,851,200	5	0.37%
C.H. and J.V. Redd	--	--	--	2,818,810	6	0.36%
King Motor Company	--	--	--	2,766,160	8	0.35%
E.A. Enterprises Inc.	--	--	--	1,310,220	9	0.17%
Total	\$ 84,082,440		4.75%	\$ 31,919,010		4.09%

Source: Broward County Property Appraiser

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

<u>Fiscal Year Ended September 30</u>	<u>Taxes Levied for the Fiscal Year</u>		
	<u>Gross Levy</u>	<u>Discount *</u>	<u>Net Levy</u>
1996/97	\$ 3,036,753	\$ 99,868	\$ 2,936,885
1997/98	3,186,204	104,238	3,081,966
1998/99	3,126,792	102,907	3,023,885
1999/00	3,417,404	113,963	3,303,441
2000/01	3,790,413	122,551	3,667,862
2001/02	4,155,495	134,050	4,021,445
2002/03	4,965,096	160,237	4,804,859
2003/04	5,438,248	172,723	5,265,525
2004/05	5,972,826	209,048	5,763,778
2005/06	6,797,975	291,858	6,506,117

- * Florida Statutes provide for up to a 4% discount for timely payment of property taxes.
- ** Collections in subsequent years includes prior year's collections, corrections, and penalties.
A new appraiser placed renewed emphasis on tax compliance in FY 2006.
- *** Fiscal year 2002/03 reflects initial year of levy for general obligation bond debt service.

TABLE 8

<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Years **</u>	<u>Total Collections to Date</u>	
<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
\$ 2,918,508	99.37%	\$ 7,970	\$ 2,926,478	99.65%
3,068,466	99.56%	1,510	3,069,976	99.61%
3,017,080	99.77%	1,714	3,018,794	99.83%
3,297,187	99.81%	11,201	3,308,388	100.15%
3,648,433	99.47%	11,524	3,659,957	99.78%
4,027,112	100.14%	7,841	4,034,953	100.34%
4,807,030	100.05%	5,024	4,812,054	100.15%
5,259,949	99.89%	(648)	5,259,301	99.88%
5,758,072	99.90%	221,936	5,980,008	103.75%
6,358,132	97.73%	--	6,358,132	97.73%

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	
1996/97	\$ --	\$ 132,490	\$ 132,490
1997/98	--	126,558	126,558
1998/99	--	361,524	361,524
1999/00	--	373,390	373,390
2000/01	--	368,992	368,992
2001/02	6,190,000	350,521	6,540,521
2002/03	5,970,000	408,124	6,378,124
2003/04	5,740,000	372,019	6,112,019
2004/05	5,505,000	333,032	5,838,032
2005/06	5,265,000	296,534	5,561,534

* Source: Broward County Planning Services Division (county data)
 ** Source: Bureau of Economic and Business Research, University of Florida
 *** Data not available from the Broward County Planning Services Division

TABLE 9

	<u>Per Capita Personal Income *</u>	<u>Percentage of Personal Income</u>	<u>** Population</u>	<u>Per Capita</u>
\$	26,888	0.05%	10,470	\$ 13
	28,506	0.04%	10,469	12
	29,158	0.12%	10,458	35
	30,709	0.11%	10,645	35
	31,496	0.11%	10,829	34
	32,189	1.88%	10,829	604
	32,280	1.82%	10,857	587
	34,008	1.66%	10,836	564
	***	1.58%	10,836	539
	***	1.51%	10,857	512

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

TABLE 10

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property</u>
1996/97	\$ --	\$ 779,793,703	0.00%
1997/98	--	802,293,585	0.00%
1998/99	--	835,726,404	0.00%
1999/00	--	865,630,846	0.00%
2000/01	--	932,564,410	0.00%
2001/02	6,190,000	1,047,099,497	0.59%
2002/03	5,970,000	1,213,593,931	0.49%
2003/04	5,740,000	1,349,773,902	0.43%
2004/05	5,505,000	1,538,931,580	0.36%
2005/06	5,265,000	1,770,905,557	0.30%

* Source: Broward County Planning Services Division

** Source: Bureau of Economic and Business Research, University of Florida

CITY OF LIGHTHOUSE POINT, FLORIDA
 DIRECT AND OVERLAPPING ACTIVITIES DEBT
 As of September 30, 2006

TABLE 11

Jurisdiction	Net Debt Outstanding *	Percentage Applicable To City Of Lighthouse Point **	Amount Applicable To City Of Lighthouse Point
Direct General Debt City of Lighthouse Point	\$ 5,509,818	100.00%	\$ 5,509,818
Broward County	575,384,000	0.93%	5,339,564
Broward District Schools	54,056,000	0.93%	<u>502,721</u>
		Total	\$ <u>11,352,103</u>

* Source: Broward County Comprehensive Annual Financial Report
 ** Source: Broward County Property Appraiser

NOTE: 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, 2006

TABLE 12

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEDGED-REVENUE COVERAGE
September 30, 2006

TABLE 13

The City does not have any pledged revenue.

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

TABLE 14

<u>Calendar Year</u>	<u>Population</u>	<u>* School Enrollment</u>	<u>Unemployment Rate</u>
1997	10,470	222,633	5.1%
1998	10,469	230,552	4.5%
1999	10,458	239,960	4.2%
2000	10,645	249,923	3.8%
2001	10,829	260,892	4.2%
2002	10,829	266,272	5.5%
2003	10,857	271,339	5.3%
2004	10,836	272,691	4.5%
2005	10,836	270,935	3.5%
2006	10,857	262,616	3.1%

NOTE: School enrollment and unemployment data is county-wide.

* Source: School Board of Broward County

** Source: Broward County Planning Services Division

CITY OF LIGHTHOUSE POINT, FLORIDA
PRINCIPAL EMPLOYERS
September 30, 2006

TABLE 15

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

CITY OF LIGHTHOUSE POINT, FLORIDA
 FULL AND PART-TIME EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

<u>Function/Program</u>	<u>1997 *</u>	<u>1998 *</u>	<u>1999 *</u>	<u>2000 *</u>	<u>2001 *</u>
General Government					
Finance and Administration	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Subtotal	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Public Safety					
Police	41	42	42	41	41
Fire	21	21	24	25	28
Building	2	2	4	4	3
Code Enforcement	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Subtotal	<u>66</u>	<u>67</u>	<u>72</u>	<u>72</u>	<u>74</u>
Public Works	16	16	17	17	17
Transportation	--	--	--	--	--
Culture/Recreation					
Library	4	4	4	4	4
Recreation	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Subtotal	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total authorized employees	<u>99</u>	<u>100</u>	<u>100</u>	<u>106</u>	<u>106</u>

* Full and part time data not available for year.

TABLE 16

Employees as of September 30									
2002		2003		2004		2005		2006	
Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>
<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>
41	4	41	5	41	5	42	4	42	4
27	--	27	--	27	--	27	--	27	--
4	--	4	--	4	--	3	--	3	--
<u>2</u>	<u>1</u>	<u>2</u>	<u>--</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>74</u>	<u>5</u>	<u>74</u>	<u>5</u>	<u>74</u>	<u>7</u>	<u>74</u>	<u>6</u>	<u>74</u>	<u>6</u>
16	--	16	--	16	--	16	--	16	--
--	2	--	2	--	2	--	2	--	2
4	4	4	3	4	3	4	4	4	4
<u>5</u>	<u>22</u>	<u>4</u>	<u>22</u>	<u>4</u>	<u>22</u>	<u>4</u>	<u>23</u>	<u>4</u>	<u>23</u>
<u>9</u>	<u>26</u>	<u>8</u>	<u>25</u>	<u>8</u>	<u>25</u>	<u>8</u>	<u>27</u>	<u>8</u>	<u>27</u>
<u>106</u>	<u>33</u>	<u>105</u>	<u>32</u>	<u>105</u>	<u>34</u>	<u>105</u>	<u>35</u>	<u>105</u>	<u>35</u>

**CITY OF LIGHTHOUSE POINT, FLORIDA
OPERATING INDICATORS BY PROGRAM**

Function/Program	Fiscal Year			
	1997	1998	1999	2000
General government				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,645	7,496	7,609	7,510
Votes cast in last election	1,656	1,656	2,449	2,385
Lien searches processed	*	*	*	*
Business licenses issued	*	*	*	*
Ordinances prepared and adopted	*	*	*	*
Resolutions prepared and adopted	*	*	*	*
Public Safety				
Police				
Stations	1	1	1	1
Uniformed employees	32	32	32	32
Calls-for-service handled	**	**	**	**
Traffic accidents handled	**	**	**	**
Traffic citations/warnings issued	**	**	**	**
Fire				
Stations	1	1	1	1
Uniformed employees	20	20	23	24
Incidents responded to	***	1,600	1,634	1,681
Building				
Permits issued	2,001	2,020	1,735	1,815
Value of construction	\$ 11,707,998	\$ 16,919,443	\$ 22,829,662	\$ 39,063,897
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	****	****	****	****
Circulation	****	****	****	****
Volunteer hours	****	****	****	****
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

* Data for prior years not available from the City Clerk's Office
 ** Data for prior years not available from the Police Department
 *** Data not available from the Fire Department
 **** Data for prior years not available from the Library Department

TABLE 17

Fiscal Year					
2001	2002	2003	2004	2005	2006
2.49	2.49	2.49	2.49	2.49	2.49
7,807	8,007	8,222	8,222	8,353	8,353
3,016	1,936	3,274	3,274	2,690	2,690
*	*	*	*	*	278
*	*	*	*	*	546
*	*	*	*	*	8
*	*	*	*	*	73
1	1	1	1	1	1
32	32	32	32	32	32
**	**	**	**	**	8,251
**	**	**	**	**	414
**	**	**	**	**	3,768
1	1	1	1	1	1
27	26	26	26	26	26
2,006	1,769	1,587	1,196	1,454	***
1,586	1,548	1,580	1,497	1,535	1,945
\$ 30,612,349	\$ 32,054,548	\$ 35,965,191	\$ 35,664,875	\$ 37,657,625	\$ 43,886,924
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
****	****	****	****	****	46,223
****	****	****	****	****	50,691
****	****	****	****	****	8,672
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
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	1997	1998	1999	2000
Governmental activities:				
General government				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	*	*	*	*
Public Safety				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
Culture and 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

Fiscal Year					
2001	2002	2003	2004	2005	2006
41.12 *	41.12 *	41.12 *	41.12 *	41.12 *	41.12 55,208
1 1	1 1	1 1	1 1	1 1	1 1
1 31 5	1 31 5	1 31 5	1 31 5	1 31 5	1 31 5

OTHER REPORTS OF INDEPENDENT AUDITORS

Independent Auditors' 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 Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Program

Independent Auditors' Report to City Management

Schedule of Expenditures of Federal Awards

Schedule of Other State Funding

Notes to Schedule of Expenditures of Federal Awards and Other State Funding

Schedule of Findings and Questioned Costs - Federal Programs



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**INDEPENDENT AUDITORS' 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 the basic financial statements of the City of Lighthouse Point, Florida as of and for the year ended September 30, 2006, and have issued our report thereon dated February 7, 2007. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Lighthouse Point, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we did note certain immaterial weaknesses involving internal control over financial reporting and have communicated them in a separate letter to management dated February 7, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lighthouse Point, Florida's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 that are required to be reported under Government Auditing Standards.

City of Lighthouse Point, Florida

This report is intended solely for the information and use of City management, members of the City Commission and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

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

Fort Lauderdale, Florida
February 7, 2007



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER COMPLIANCE
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM

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

Compliance

We have audited the compliance of City of Lighthouse Point, Florida with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, that are applicable to its major Federal program for the year ended September 30, 2006. City of Lighthouse Point, Florida's major Federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs on pages 103-104. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal program is the responsibility of City of Lighthouse Point, Florida's management. Our responsibility is to express an opinion on City of Lighthouse Point, Florida's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about City of Lighthouse Point, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Lighthouse Point, Florida's compliance with those requirements.

In our opinion, City of Lighthouse Point, Florida complied, in all material respects, with the requirements referred to above that are applicable to its major Federal program for the year ended September 30, 2006.

City of Lighthouse Point, Florida

Internal Control over Compliance

The management of City of Lighthouse Point, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered City of Lighthouse Point, Florida's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A -133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by management in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the City management, members of the City Commission, Federal awarding agencies, other grantor and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 7, 2007



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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

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

We have audited the basic financial statements of City of Lighthouse Point, Florida as of and for the year ended September 30, 2006, and have issued our report thereon dated February 7, 2007.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. We have issued our Independent Auditors' 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 on the Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Program and schedule of findings and questioned costs. Disclosures in those reports, which are dated February 7, 2007, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures and internal controls. In connection with our audit, we communicated such findings in a separate letter dated February 7, 2007.

City of Lighthouse Point, Florida

The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' report on compliance and internal controls: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the basic financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters that are required to be disclosed by Rules of Auditor General (Section 10.554 (1)(h)4.)

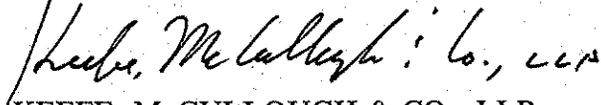
The Rules of the Auditor General (Section 10.554(1)(h)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the report to City management, unless disclosed in the notes to the basic financial statements. The City of Lighthouse Point, Florida was established in 1957 under the provisions of Chapter 57.1534 of the laws of the State of Florida. The City does not have any component units.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. 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.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.b.), we determined that the annual financial report for the City for the year ended September 30, 2006, 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, 2006.

As required by the Rules of the Auditor General (Section 10.554(h)(6)c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

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


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 7, 2007

CITY OF LIGHTHOUSE POINT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2006

<u>Federal Agency Federal Program</u>	<u>CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
FEDERAL AGENCY NAME:				
Indirect Programs:				
United States Department of Homeland Security				
Passed through the State of Florida				
Department of Community Affairs	*	06WL&K-11-16-02-588	\$ 1,924,383	--
Disaster Grants-Public Assistance	*	06KT&11-16-00-552	3,666	--
Natural Resources Conservation Services Department of Agriculture				
Watershed Rehabilitation Program	10.916	--	114,292	--
Department of Housing and Urban Development				
Passed through Broward County, Florida				
Community Development Block Grants				
31 st Year Community Development Block Grant Senior Center Program	14.218	--	46,994	--
31 st Year Community Development Block Grant Senior Center Program	14.218	--	10,000	--
30 th Year Community Development Block Grant Senior Center Program	14.218	--	1,552	--
U.S. Department of Justice Bulletproof Vest Partnership Program			<u>4,200</u>	<u>--</u>
Total Federal Agency			<u>2,105,087</u>	<u>--</u>
Total Expenditures of Federal Awards			<u>\$ 2,105,087</u>	<u>\$ --</u>

* Denotes a major program

See notes to Schedule of Federal Awards and Other State Funding.

CITY OF LIGHTHOUSE POINT, FLORIDA
 SCHEDULE OF EXPENDITURES OF OTHER STATE FUNDING
 For the Year Ended September 30, 2006

<u>Grantor</u>	<u>Program Title</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
OTHER STATE FUNDING:			
United States Department of Homeland Security - Passed through the State of Florida Department of Community Affairs Disaster Grants - Public Assistance	06WL&K-11-16-02-588	\$ <u>279,542</u>	\$ <u> --</u>
Total Expenditures of Other State Funding		\$ <u><u>279,542</u></u>	\$ <u><u> --</u></u>

See notes to Schedule of Federal Awards and Other State Funding.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
OTHER STATE FUNDING
For the Year Ended September 30, 2006

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the City of Lighthouse Point and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The schedule of other state funding presented for purposes of additional analysis is not a requirement of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

NOTE B - ESTIMATES

Grant and contract revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. The preparation of these schedules require management to make estimates and assumptions that affect the reported amounts of assets at the date of the basic financial statements and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

Grant related expenditures made by the City of Lighthouse Point are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned and/or pending reimbursements deemed unallowable.

CITY OF LIGHTHOUSE POINT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
For the Year Ended September 30, 2006

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No reportable conditions relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the basic financial statements of City of Lighthouse Point, Florida, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major Federal program are reported in the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program.
5. The auditors' report on compliance for the major Federal programs for City of Lighthouse Point, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal programs for City of Lighthouse Point, Florida are reported in Part C of this schedule.
7. The program tested as a major program is as follows:

Federal Program	Federal CFDA No.
United States Department of Homeland Security, Grants Public Assistance	97.036

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal programs.
9. City of Lighthouse Point, Florida was not determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

NONE

D. OTHER ISSUES

1. A separate management letter is presented; however, there are not items related to Federal awards in the management letter.

CITY OF LIGHTHOUSE POINT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
For the Year Ended September 30, 2006

D. OTHER ISSUES (continued)

2. No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs.
3. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.