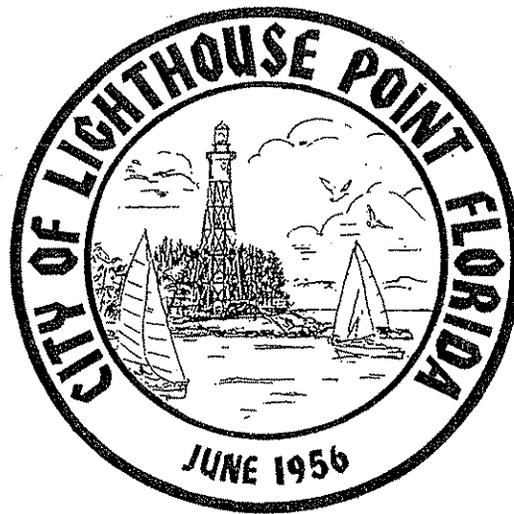


COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LIGHTHOUSE POINT, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2007



Prepared By:
Finance Department

Terry Sharp
Finance Director

**CITY OF LIGHTHOUSE POINT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

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INTRODUCTORY SECTION



March 29, 2008

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2007 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, 2007. While the City historically has had a strong and stable real estate market, the recent downturn in the housing marketing locally and nationally as well as recent actions by the State of Florida Legislature and an approve State Constitutional amendment will dampen the traditional growth in revenue from real estate. The City has utilized additional real estate tax revenue for investments in capital improvements. In future years, more of these improvements will likely require borrowing instead of pay-as-you-go cash outlays.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2007 focused upon capital improvements.

During the fiscal year, the City made the final payment on the new bridge at 44th Street and Lighthouse Drive, the main thoroughfare in Lighthouse Point. The City replaced roofs on City buildings damaged during Hurricane Wilma in 2005 with the help of property insurance claims. The City's campus of City Hall, Police Headquarters, Fire Station and Dixon Ahl Hall Recreation Center now reflect the same color scheme of green roofs and tan walls. Additionally, roofs were replaced at the Public Works buildings north of Dan Witt Park. The entire lighting system at the Tennis Center was replaced after major components were destroyed by hurricanes in 2005.

At September 30, 2007, the City neared completion of the expansion of the Doreen Gauthier Library and the renovation of City Hall following water damage from a roof leak in December 2006.

The City began construction of a roundabout at Marina and Lighthouse Drive to improve the safe and efficient flow of traffic on the north/south traffic way. Additionally, work proceeded on improvements to Sample Road as a more pronounced entrance to the City.

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, 2007.

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 financial highlights of the last two years for required plans are as follows:

Summary of Retirement Plans

	<u>2007</u>	<u>2006</u>
City Contributions		
Defined Contributions		
General Employees	\$ 164,884	\$ 132,427
Firefighters	31,812	31,558
Police Officers	35,294	48,411
Management Employees	113,625	105,502
Defined Benefit		
Police and Fire	<u>394,617</u>	<u>368,787</u>
Total	\$ <u>740,232</u>	\$ <u>686,685</u>

	<u>2007</u>	<u>2006</u>
Net Changes		
Defined Contribution		
General Employees	\$ 380,152	\$ 207,663
Firefighters	229,390	(63,432)
Police Officers	(115,363)	(49,609)
Management Employees	464,801	287,448
Defined Benefit		
Police and Fire	<u>1,014,573</u>	<u>1,229,884</u>
Total	<u>\$ 1,973,553</u>	<u>\$ 1,611,954</u>
Net Assets		
Defined Contribution		
General Employees	\$ 2,742,908	\$ 2,362,756
Firefighters	2,905,390	2,676,000
Police Officers	3,509,024	3,624,387
Management Employees	3,951,962	3,487,161
Defined Benefit		
Police and Fire	<u>5,161,040</u>	<u>4,146,467</u>
Total	<u>\$ 18,270,324</u>	<u>\$ 16,296,771</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. At September 30, 2007, most of these investments were with the State of Florida Board of Administration (SBA) Local Government Surplus Fund as authorized by Florida Statute 166.261. Minor investment amounts have been placed with the Florida Municipal Investment Trust and Wachovia Bank. Subsequent events following fiscal year end have led the City to shift investments to other accounts as the sub-prime mortgage fiasco has affected the SBA. More information on the City's subsequent actions is discussed in the Notes to Financial Statements.

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 \$ 5,020,000 bonded debt and \$ 251,627 of lease purchase debt. The City's total net outstanding debt is \$ 5,271,627. This represents a ratio of net debt to assessed value of 0.20 and net debt per capita of \$ 483.68.

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.

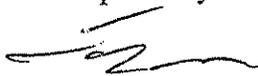
Awards:

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, 2006. This was the thirteenth 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.

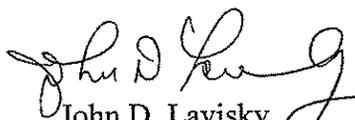
Acknowledgments:

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, 2006

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.

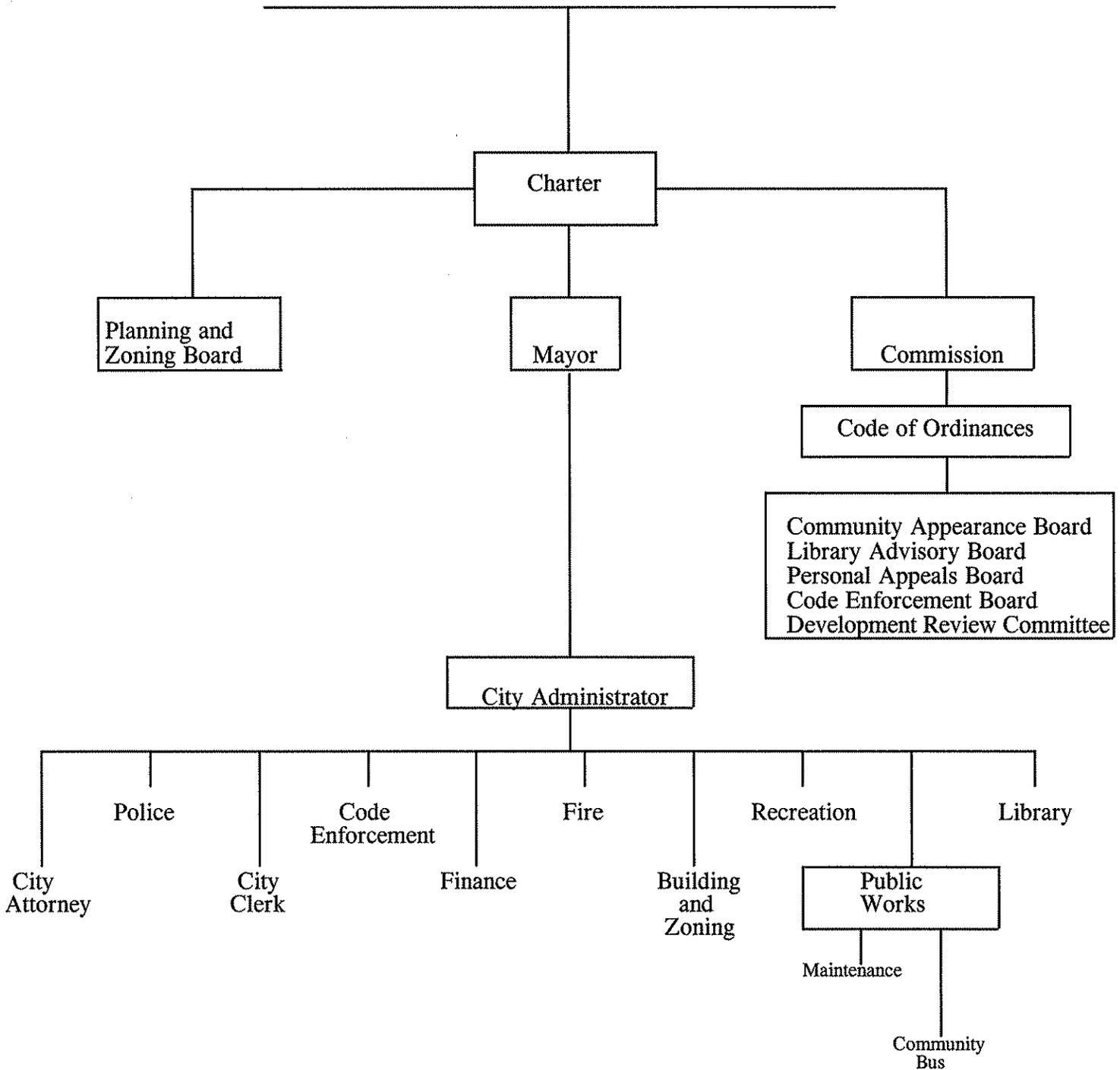


President

Executive Director

CITY OF LIGHTHOUSE POINT, FLORIDA
CITY GOVERNMENTAL STRUCTURE
September 30, 2007

CITIZENS OF LIGHTHOUSE POINT



CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2007

Mayor	Fred Schorr
Commission President	Chip LaMarca
Commission Vice President	Sandy Johnson
Commissioner	Susie E. Gordon
Commissioner	Thomas A. Hasis
Commissioner	Michael S. Long
City Administrator	John D. Lavisky
City Attorney	Michael Cirullo
City Clerk	Carol Landau
Finance Director	Terry Sharp
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.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.

LOUIS R. PROIETTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

ISRAEL J. GOMEZ, C.P.A.
CHARLES K. RUMPF, C.P.A.
JAMES R. LARAWAY, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.
HILLARY B. DAIGLE, 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, 2007, 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 did not audit the financial statements of the Pension Trust Fund which represents approximately 22% of the City's total fiduciary net assets. That financial statement was audited by other auditors whose report thereon has been furnished to us, and insofar as it relates to the amounts included for the Pension Trust Fund are based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2007, 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 March 29, 2008, 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 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
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 29, 2008

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, 2007. 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, 2007:

- The City's total assets exceeded its liabilities by \$ 20,412,928. The entire amount was derived from governmental fund activities. Of this amount, \$ 5,635,518 (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 \$ 18,109,637, including \$ 6,139,060 for program related services. Expenditures for all governmental activities were \$ 13,905,654.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 7,471,662, an increase of \$ 708,754. The primary source of this increase is the receipt of more General Fund revenue than conservatively budgeted in the areas of franchise taxes, fines, and interest earnings.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$ 3,386,354 or approximately 27% of total General Fund expenditures during fiscal year 2007.
- The total value of the City's governmental cash and investments at September 30, 2007 was \$ 6,980,296. 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 the 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 12 and 13 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 22 and 23) 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 pages 14 and 15 as well as the governmental fund statement of revenues, expenditures, and changes in fund balance on pages 17 and 18 provides an indication of the long-term impact of near-term financing decisions.

The City maintains seven 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 56 and 57. Individual fund data is presented in the combining statements on pages 56-57. The City adopts an annual appropriation 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 24. 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 \$ 20,412,928 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2007 compared to September 30, 2006.

The largest portion of the City's net assets (67.4%) 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 \$ 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

	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 9,275,023	\$ 8,239,592
Capital assets	<u>19,027,553</u>	<u>15,662,932</u>
Total assets	<u>28,302,576</u>	<u>23,902,524</u>
Long-term liabilities outstanding	6,006,126	6,120,521
Other liabilities	<u>1,883,522</u>	<u>1,573,058</u>
Total liabilities	<u>7,889,648</u>	<u>7,693,579</u>
Net assets:		
Invested in capital assets, net of related debt	13,755,926	10,101,398
Restricted	1,021,484	1,701,725
Unrestricted	<u>5,635,518</u>	<u>4,405,822</u>
Total net assets	\$ <u>20,412,928</u>	\$ <u>16,208,945</u>

A portion of net assets, approximately 5% represents resources that are subject to external restrictions on how they may be used. The remaining balances of unrestricted net assets (\$ 5,635,518) 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 \$ 4,203,983. 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>2007</u>	<u>2006</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 4,588,144	\$ 3,383,120
Operating grants and contributions	223,088	2,569,879
Capital grants and contributions	1,327,828	222,861
General revenues:		
Ad-valorem taxes	7,422,102	6,580,068
Other taxes	2,806,925	2,726,012
Intergovernmental revenues	1,204,632	1,256,336
Miscellaneous	<u>536,918</u>	<u>1,184,453</u>
Total revenues	<u>18,109,637</u>	<u>17,922,729</u>
EXPENSES:		
General government	1,140,397	1,107,630
Public safety	7,454,524	7,028,043
Physical environment	3,909,260	5,948,269
Transportation	46,492	45,563
Culture and recreation	1,138,481	1,048,900
Debt service	<u>216,500</u>	<u>238,762</u>
Total expenses	<u>13,905,654</u>	<u>15,417,167</u>
Change in net assets	4,203,983	2,505,562
NET ASSETS AT BEGINNING OF YEAR	<u>16,208,945</u>	<u>13,703,383</u>
NET ASSETS AT END OF YEAR	<u>\$ 20,412,928</u>	<u>\$ 16,208,945</u>

The most significant increases in revenue were charges for services (\$ 1,205,024) due to increases in garbage fees with a new contract with outside vendor and ad valorem taxes (\$ 842,034) generated from a lower millage rate against an increasing tax base and used for capital investment.

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 2007, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 7,471,662. Approximately 89.7% of the fund balance constitutes unreserved fund balance, or \$ 6,699,855 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 \$ 3,386,354. 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 27.2% of the total General Fund expenditures, while total fund balance represents 29% 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 taxes, 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:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Ad Valorem	\$ 6,954,858	\$ 6,107,543	\$ 847,315	13.87
Franchise taxes	1,039,813	940,568	99,245	10.55
Utility service taxes	1,747,964	1,761,194	(13,230)	(0.75)
Licenses and permits	774,232	896,506	(122,274)	(13.64)
Intergovernmental revenues	1,532,696	4,051,484	(2,518,788)	(62.17)
Charges for services	789,873	775,236	14,637	1.89
Fines and forfeitures	302,596	99,831	202,765	203.11
Miscellaneous	284,651	376,169	(91,518)	(24.33)
Other sources	<u>402,840</u>	<u>666,053</u>	<u>(263,213)</u>	<u>(39.52)</u>
	<u>\$ 13,829,523</u>	<u>\$ 15,674,584</u>	<u>\$ (1,845,061)</u>	<u>(11.77)</u>
	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
General government	\$ 2,072,570	\$ 1,238,561	\$ 834,009	67.34
Public safety	7,244,876	6,968,057	276,819	3.97
Physical environment	1,857,269	4,860,542	(3,003,273)	(61.79)
Transportation	46,345	45,172	1,173	2.60
Culture/Recreation	1,001,897	1,010,878	(8,981)	(0.89)
Debt service	148,278	155,915	(7,637)	(4.90)
Other uses	<u>838,947</u>	<u>1,147,366</u>	<u>(308,419)</u>	<u>(26.88)</u>
	<u>\$ 13,210,182</u>	<u>\$ 15,426,491</u>	<u>\$ (2,216,309)</u>	<u>(20.55)</u>

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The City's assessed value after exemptions of approximately \$ 2 billion represented an increase of 15.2% from the previous year. This represents the sixth consecutive year of double digit growth in the City's tax base; the prior two-year's growth rates were 15.9% and 15%. 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 \$ 847,315 as a result of the growth in the tax base. The Commission decreased its operating rate by 1% from 3.5630 to 3.5440 for 2006-2007. This rate is the lowest rate since 1993-1994 when the rate was 3.3875. The General Fund revenues reflected the slowdown in the building market as well as little hurricane activity to yield increased intergovernmental revenues. Fine revenue increased due to the collection of some significant code enforcement fines.

General Fund expenditures increased primarily due to the roof replacement and refurbishment of City Hall in the General Government category. Most of the expenditure decrease was in Physical Environment where costs associated with debris removal were posted in fiscal year 2006.

Change to the City's original budget are summarized as follows:

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,912,405	\$ 6,912,405	\$ --	--
Franchise taxes	810,000	810,000	--	--
Utility Service taxes	1,728,810	1,728,810	--	--
Licenses and permits	669,000	669,000	--	--
Intergovernmental revenue	1,307,800	1,672,800	365,000	27.91
Charges for services	753,100	753,100	--	--
Fines and forfeitures	33,000	44,000	11,000	33.33
Miscellaneous	73,000	73,000	--	--
Transfer in and other sources	173,000	514,000	341,000	197.11
Allocation of fund balance	--	1,031,933	1,031,933	--
	<u>\$ 12,461,115</u>	<u>\$ 14,209,048</u>	<u>\$ 1,747,933</u>	14.04
	Original Budget	Final Budget	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,421,752	\$ 2,188,348	\$ 766,596	53.92
Public safety	7,255,850	7,346,826	90,976	1.25
Physical environment	2,190,145	2,499,798	309,653	14.14
Transportation	50,828	50,828	--	--
Culture/Recreation	914,533	1,099,301	184,768	20.20
Debt service	185,000	185,000	--	--
Transfers out	288,969	838,947	549,978	190.32
	<u>\$ 12,307,077</u>	<u>\$ 14,209,048</u>	<u>\$ 1,901,971</u>	15.45

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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 decrease in miscellaneous revenue with fiscal year 2006 reflecting grants and insurance proceeds for repairs from damage as a result of Hurricanes Katrina and Wilma. Expenditures in fiscal year 2007 include the completion of repair work.

	Fiscal Year 2007	Fiscal Year 2006	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 82,321	\$ 70,300	\$ 12,021	17.10
Miscellaneous	2,175	114,547	(112,372)	(98.10)
Transfers in	<u>86,969</u>	<u>86,969</u>	<u>--</u>	<u>0.00</u>
	<u>\$ 171,465</u>	<u>\$ 271,816</u>	<u>\$ (100,351)</u>	<u>(36.92)</u>
EXPENDITURES:				
Culture/Recreation	\$ 229,680	\$ 160,587	\$ 69,093	43.03
Debt Service	<u>--</u>	<u>213</u>	<u>(213)</u>	<u>(100.00)</u>
	<u>\$ 229,680</u>	<u>\$ 160,800</u>	<u>\$ 68,880</u>	<u>(42.84)</u>

Garbage and Trash Fund:

The City contracts for refuse collection service and charges a user fee to residential customers. The new contract with Waste Management resulted in an increase in contract expenditures which is reflected in both charges for services as well as expenditures.

	Fiscal Year 2007	Fiscal Year 2006	Dollar Change	Percent Change
REVENUES:				
Charges for services	\$ 2,526,006	\$ 1,502,878	\$ 1,023,128	68.08
Miscellaneous	<u>296,093</u>	<u>275,483</u>	<u>20,610</u>	<u>7.48</u>
	<u>\$ 2,822,099</u>	<u>\$ 1,778,361</u>	<u>\$ 1,043,738</u>	<u>58.69</u>
EXPENDITURES:				
Physical Environment	\$ 2,297,980	\$ 1,687,851	\$ 610,129	36.15
	<u>\$ 2,297,980</u>	<u>\$ 1,687,851</u>	<u>\$ 610,129</u>	<u>36.15</u>

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.

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	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Ad valorem taxes	\$ 467,244	\$ 472,877	\$ (5,633)	(1.19)
Miscellaneous	<u>21,087</u>	<u>18,385</u>	<u>2,702</u>	<u>14.70</u>
	\$ <u>488,331</u>	\$ <u>491,262</u>	\$ <u>(2,931)</u>	<u>(0.60)</u>
EXPENDITURES:				
Debt Service	\$ <u>462,025</u>	\$ <u>463,925</u>	\$ <u>(1,900)</u>	<u>(0.41)</u>

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, 2007 amounts to \$ 19,027,553 (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 completion of the new police headquarters (\$ 1.5 million), the near completion of the construction of the library expansion, the beginning of the repair and renovation of City Hall, and improvements to the Dixon Ahl Recreation Center. Roofs were replaced at the Public Works facility.

Capital assets for the year ended September 30, 2007 are summarized in the following table:

	<u>2007</u>	<u>2006</u>
Capital assets:		
Land	\$ 7,040,140	\$ 7,059,360
Buildings and land improvements	8,240,976	6,056,883
Equipment and fixtures	1,781,318	1,627,841
Vehicles	1,569,383	1,508,198
Infrastructure	1,596,046	666,345
Construction in progress	<u>3,076,649</u>	<u>2,947,185</u>
Total capital assets	\$ <u>23,304,512</u>	\$ <u>19,865,812</u>

Further data about the City's capital assets can be found in Note I on page 36.

Long-term debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 6,437,920. Ad valorem taxes provide the revenue stream for the repayment of bonds, while a General Fund pledge to budget supports the capital leases. Compensated absences are paid out upon termination based upon City policy and labor agreements.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
General obligation bonds	\$ 5,265,000	\$ --	\$ 245,000	\$ 5,020,000
Capital leases	296,534	102,840	147,747	251,627
Compensated absences	<u>994,038</u>	<u>730,959</u>	<u>558,704</u>	<u>1,166,293</u>
	\$ <u>6,555,572</u>	\$ <u>833,799</u>	\$ <u>951,451</u>	\$ <u>6,437,920</u>

Additional information about the City's long-term debt can be found in Note J on pages 37 and 38.

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Residents of the City of Lighthouse Point, Florida

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 taxes to support their governmental activities. During the fiscal year, the City of Lighthouse Point benefitted from a relatively low inflation rate except for fuel price increases, a significant increase in taxable property valuation, and a low unemployment rate.

The General Fund original budget for fiscal year 2008 has been approved in the amount of \$ 12,003,331, which represents a decrease of \$ 2,205,717 or 15.52% under the final budget of \$ 14,209,048 for fiscal year 2007. The fiscal year 2008 budget was heavily influenced by State Legislative action in 2007 that limited the ability of local government to increase property tax revenues. The operating millage rate has been established at 3.0887 which represents the 7% below the "rolled back" rate representing the amount of tax revenue levied in fiscal year 2007 with adjustments for new construction.

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, 2007

	<u>Governmental Activities</u>
ASSETS:	
Cash	\$ 568,506
Investments	6,411,790
Accounts receivable	391,281
Due from other governments	1,836,290
Prepays and other assets	67,106
Other assets	50
Capital assets, depreciable (net)	8,910,764
Capital assets, nondepreciable	<u>10,116,789</u>
Total assets	<u>28,302,576</u>
 LIABILITIES:	
Accounts payable	912,351
Retainage payable	183,095
Accrued payroll and related taxes	199,230
Accrued interest	36,905
Deposits	49,600
Licenses collected in advance	50,865
Unearned revenues	17,611
Other liabilities	2,071
Noncurrent liabilities:	
Due within one year	431,794
Due in more than one year	<u>6,006,126</u>
Total liabilities	<u>7,889,648</u>
 NET ASSETS:	
Invested in capital assets net of related debt	13,755,926
Restricted for:	
Capital projects	786,384
Debt service	78,022
Law enforcement trust	157,078
Unrestricted	<u>5,635,518</u>
Total net assets	<u>\$ 20,412,928</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, 2007

		Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
FUNCTIONS/PROGRAMS:					
Governmental activities:					
General government	\$ 1,140,397	\$ 150,626	\$ 10,000	\$ --	\$ (979,771)
Public safety	7,454,524	1,759,972	53,779	9,000	(5,631,773)
Physical environment	3,909,260	2,526,006	72,412	945,100	(365,742)
Transportation	46,492	--	42,067	--	(4,425)
Culture/recreation	1,138,481	151,540	44,830	373,728	(568,383)
Interest expense	<u>216,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(216,500)</u>
 Total governmental activities	 <u>\$ 13,905,654</u>	 <u>\$ 4,588,144</u>	 <u>\$ 223,088</u>	 <u>\$ 1,327,828</u>	 <u>(7,766,594)</u>
 General revenues:					
Taxes:					
					7,422,102
					1,058,761
					1,748,164
					1,204,632
					474,058
					546,184
					<u>(483,324)</u>
					 Total general revenues and loss on disposal of capital assets
					<u>11,970,577</u>
					 Change in net assets
					4,203,983
					 Net assets at beginning of year
					<u>16,208,945</u>
					 Net assets at end of year
					<u>\$ 20,412,928</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, 2007

	Major	
	General Fund	Garbage and Trash Fund
ASSETS:		
Cash	\$ 97,535	\$ --
Investments	4,632,062	--
Due from other funds	--	762,735
Accounts receivable	374,103	--
Due from other governments	266,909	472,507
Prepaid expenditures	66,154	--
Other assets	50	--
Total assets	\$ 5,436,813	\$ 1,235,242
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts payable	\$ 201,284	\$ 187,616
Retainage payable	39,230	--
Accrued payroll and related taxes	196,229	--
Due to other funds	902,387	--
Deposits	49,600	--
Licenses collected in advance	50,865	--
Unearned revenue	406,149	--
Other	2,071	--
Total liabilities	1,847,815	187,616
Fund balances:		
Reserved for:		
Encumbrances	136,490	--
Debt service	--	--
Prepaid expenditures	66,154	--
Unreserved:		
Undesignated:		
General Fund	3,386,354	--
Special Revenue Funds	--	1,047,626
Capital Project Funds	--	--
Total fund balances	3,588,998	1,047,626
Total liabilities and fund balances	\$ 5,436,813	\$ 1,235,242

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

Governmental Funds

	<u>Infrastructure Fund</u>	<u>Bond Construction Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	207,349	\$ --	\$ --	\$ 263,622	\$ 568,506
	--	1,385,865	345,406	48,457	6,411,790
	1,119,670	--	--	47,139	1,929,544
	--	--	--	17,178	391,281
	879,409	--	199,500	17,965	1,836,290
	--	--	--	952	67,106
	--	--	--	--	50
	<u>2,206,428</u>	<u>1,385,865</u>	<u>544,906</u>	<u>395,313</u>	<u>11,204,567</u>
\$	431,811	\$ 73,222	\$ 16,333	\$ 2,085	\$ 912,351
	116,190	27,675	--	--	183,095
	--	--	--	3,001	199,230
	--	346,901	680,256	--	1,929,544
	--	--	--	--	49,600
	--	--	--	--	50,865
	--	--	--	--	406,149
	--	--	--	--	2,071
	<u>548,001</u>	<u>447,798</u>	<u>696,589</u>	<u>5,086</u>	<u>3,732,905</u>
	227,394	213,203	31,551	18,041	626,679
	--	--	--	78,022	78,022
	--	--	--	952	67,106
	--	--	--	--	3,386,354
	1,431,033	--	--	293,212	2,771,871
	--	724,864	(183,234)	--	541,630
	<u>1,658,427</u>	<u>938,067</u>	<u>(151,683)</u>	<u>390,227</u>	<u>7,471,662</u>
\$	<u>2,206,428</u>	<u>1,385,865</u>	<u>544,906</u>	<u>395,313</u>	<u>11,204,567</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2007

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		\$ 7,471,662
--	--	--------------

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

The cost of capital assets is	\$ 23,304,512	
Accumulated depreciation is	<u>(4,276,959)</u>	19,027,553

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 unearned revenue in the governmental funds, and thus are not included in fund balance.

Adjustment of unearned revenue		388,538
--------------------------------	--	---------

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	(5,271,627)	
Compensated absences payable	(1,166,293)	
Accrued interest payable	<u>(36,905)</u>	<u>(6,474,825)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 13		\$ <u>20,412,928</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, 2007

	Major	
	General Fund	Garbage and Trash Fund
REVENUES:		
Ad valorem taxes	\$ 6,954,858	\$ --
Franchise taxes	1,039,813	--
Utility services taxes	1,747,964	--
Licenses and permits	774,232	--
Intergovernmental revenues	1,532,696	--
Charges for services	789,873	2,526,006
Fines and forfeitures	302,596	--
Interest income	281,040	33,302
Miscellaneous	<u>3,611</u>	<u>262,791</u>
Total revenues	<u>13,426,683</u>	<u>2,822,099</u>
 EXPENDITURES:		
Current:		
General government	1,375,913	--
Public safety	7,055,406	--
Physical environment	1,521,116	2,297,980
Transportation	46,345	--
Culture/recreation	783,664	--
Capital outlay	1,440,513	--
Debt service	<u>148,278</u>	<u>--</u>
Total expenditures	<u>12,371,235</u>	<u>2,297,980</u>
Excess (deficiency) of revenues over expenditures	1,055,448	524,119
 OTHER FINANCING SOURCES (USES):		
Transfers in	--	--
Insurance proceeds	300,000	--
Transfers out	(838,947)	--
Capital leases	<u>102,840</u>	<u>--</u>
Total other financing sources (uses)	<u>(436,107)</u>	<u>--</u>
Net change in fund balance	619,341	524,119
FUND BALANCES - BEGINNING	<u>2,969,657</u>	<u>523,507</u>
FUND BALANCES - ENDING	\$ <u>3,588,998</u>	\$ <u>1,047,626</u>

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

Governmental Funds

<u>Infrastructure Fund</u>	<u>Bond Construction Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ --	\$ --	\$ 467,244	\$ 7,422,102
--	--	--	--	1,039,813
--	--	--	--	1,747,964
--	--	--	--	774,232
945,100	--	285,000	--	2,762,796
--	--	--	83,333	3,399,212
--	--	--	112,104	414,700
65,100	52,628	2,516	39,472	474,058
<u>--</u>	<u>--</u>	<u>80,338</u>	<u>194,450</u>	<u>541,190</u>
<u>1,010,200</u>	<u>52,628</u>	<u>367,854</u>	<u>896,603</u>	<u>18,576,067</u>
--	--	--	--	1,375,913
--	--	--	3,658	7,059,064
--	2,548	--	9,604	3,831,248
--	--	--	--	46,345
--	--	--	243,613	1,027,277
1,396,501	364,620	954,327	164,042	4,320,003
<u>--</u>	<u>--</u>	<u>--</u>	<u>462,025</u>	<u>610,303</u>
<u>1,396,501</u>	<u>367,168</u>	<u>954,327</u>	<u>882,942</u>	<u>18,270,153</u>
(386,301)	(314,540)	(586,473)	13,661	305,914
649,978	152,748	103,325	108,969	1,015,020
--	--	--	--	300,000
--	--	(152,748)	(23,325)	(1,015,020)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>102,840</u>
<u>649,978</u>	<u>152,748</u>	<u>(49,423)</u>	<u>85,644</u>	<u>402,840</u>
263,677	(161,792)	(635,896)	99,305	708,754
<u>1,394,750</u>	<u>1,099,859</u>	<u>484,213</u>	<u>290,922</u>	<u>6,762,908</u>
\$ <u>1,658,427</u>	\$ <u>938,067</u>	\$ <u>(151,683)</u>	\$ <u>390,227</u>	\$ <u>7,471,662</u>

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, 2007

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 18 \$ 708,754

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	\$ 4,324,997	
Less current year depreciation expense	<u>(477,052)</u>	3,847,945

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net assets. (483,324)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Miscellaneous revenues		11,900
------------------------	--	--------

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	(102,840)	
Principal payments	<u>392,747</u>	289,907

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	1,056	
Change in compensated absences payable	<u>(172,255)</u>	<u>(171,199)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 13 \$ 4,203,983

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, 2007

	<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	\$ 6,912,405	\$ 6,912,405	\$ 6,954,858	\$ 42,453
Franchise taxes	810,000	810,000	1,039,813	229,813
Utility service taxes	1,728,810	1,728,810	1,747,964	19,154
Licenses and permits	669,000	669,000	774,232	105,232
Intergovernmental revenues	1,307,800	1,672,800	1,532,696	(140,104)
Charges for services	753,100	753,100	789,873	36,773
Fines and forfeitures	34,000	44,000	302,596	258,596
Miscellaneous	<u>73,000</u>	<u>73,000</u>	<u>284,651</u>	<u>211,651</u>
Total revenues	<u>12,288,115</u>	<u>12,663,115</u>	<u>13,426,683</u>	<u>763,568</u>
EXPENDITURES:				
Current				
General government	1,365,096	1,418,063	1,375,913	42,150
Public safety	7,114,206	7,116,622	7,055,406	61,216
Physical environment	1,263,244	1,589,301	1,521,116	68,185
Transportation	50,828	50,828	46,345	4,483
Culture/recreation	760,733	874,960	783,664	91,296
Capital outlay	1,279,001	2,135,327	1,440,513	694,814
Debt service	<u>185,000</u>	<u>185,000</u>	<u>148,278</u>	<u>36,722</u>
Total expenditures	<u>12,018,108</u>	<u>13,370,101</u>	<u>12,371,235</u>	<u>998,866</u>
Excess (deficiency) of revenues over expenditures	<u>270,007</u>	<u>(706,986)</u>	<u>1,055,448</u>	<u>1,762,434</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	73,000	73,000	--	(73,000)
Insurance proceeds	--	341,000	300,000	(41,000)
Transfers out	(288,969)	(838,947)	(838,947)	--
Capital leases	<u>100,000</u>	<u>100,000</u>	<u>102,840</u>	<u>2,840</u>
Total other financing sources (uses)	<u>(115,969)</u>	<u>(324,947)</u>	<u>(436,107)</u>	<u>(111,160)</u>
Net change in fund balances	154,038	(1,031,933)	619,341	1,651,274
FUND BALANCE - BEGINNING	<u>2,969,657</u>	<u>2,969,657</u>	<u>2,969,657</u>	<u>--</u>
FUND BALANCE - ENDING	\$ <u>3,123,695</u>	\$ <u>1,937,724</u>	\$ <u>3,588,998</u>	\$ <u>1,651,274</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - GARBAGE AND TRASH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended September 30, 2007

	<u>Budgeted amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services				
Garbage/solid waste fees	\$ <u>2,160,000</u>	\$ <u>2,160,000</u>	\$ <u>2,526,006</u>	\$ <u>366,006</u>
Miscellaneous				
Recycling proceeds	80,000	80,000	75,655	(4,345)
Refunded interest proceeds	30,000	30,000	187,136	157,136
Interest income	<u>20,000</u>	<u>20,000</u>	<u>33,302</u>	<u>13,302</u>
Total miscellaneous	<u>130,000</u>	<u>130,000</u>	<u>296,093</u>	<u>166,093</u>
Total revenues	<u>2,290,000</u>	<u>2,290,000</u>	<u>2,822,099</u>	<u>532,099</u>
EXPENDITURES:				
Physical environment				
Trash collection				
Operating expenditures	<u>2,290,000</u>	<u>2,290,000</u>	<u>2,297,980</u>	<u>(7,980)</u>
Total expenditures	<u>2,290,000</u>	<u>2,290,000</u>	<u>2,297,980</u>	<u>(7,980)</u>
Net change in fund balance	--	--	524,119	706,172
FUND BALANCE - BEGINNING				
	<u>523,507</u>	<u>523,507</u>	<u>523,507</u>	--
FUND BALANCE - ENDING				
	\$ <u>523,507</u>	\$ <u>523,507</u>	\$ <u>1,047,626</u>	\$ <u>706,172</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
September 30, 2007

ASSETS:

Investments:

U.S. Stock Funds	\$ 9,120,789
Money Market Funds	6,838,702
Balanced Funds	3,601,105
Bond Funds	2,373,208
International Stock Funds	<u>1,095,746</u>

Total 23,029,550

Participant loans receivable 283,828

Total assets 23,313,378

LIABILITIES

—

NET ASSETS:

Held in trust for pension and other benefits \$ 23,313,378

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, 2007

ADDITIONS:

Contributions:

City		\$ 740,232
Employees		<u>748,118</u>

Total contributions		<u>1,488,350</u>
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Investment earnings:

Interest, dividends and investment value changes		2,773,455
Less investment expense		<u>185,515</u>

Net investment earnings		<u>2,587,940</u>
-------------------------	--	------------------

Total additions		<u>4,076,290</u>
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DEDUCTIONS:

Benefits		1,374,800
----------	--	-----------

Refund of contributions:

City		10,708
Employees		<u>61,023</u>

Total deductions		<u>1,446,531</u>
------------------	--	------------------

Change in net assets		2,629,759
----------------------	--	-----------

**NET ASSETS HELD IN TRUST FOR PENSION
AND OTHER BENEFITS:**

October 1, 2006		<u>20,683,619</u>
-----------------	--	-------------------

September 30, 2007		\$ <u><u>23,313,378</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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, 2007, 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, 2007, 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, 2007

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.

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

Infrastructure Fund - This special purpose fund is a new special revenue fund reported as a major fund in this fiscal year because of its significant activity. This fund accounts for improvements to storm drainage, bridges, seawalls, sidewalks, street paving, canals, buildings, and Commission projects. The source of funds is primarily transfers from the General Fund either budgeted at the beginning of the fiscal year or unexpended balances at the end of the fiscal year.

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.

Capital Projects Fund - This fund was created in fiscal year 2005 and accounts for the construction of a new police facility and an expansion of the City's library facility with primarily local resources.

The City also reports on nonmajor funds within the governmental fund category including the Tennis Center Fund, Special Purpose Fund and the Debt Service 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. 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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. Grants for capital improvements are posted when earned rather than when they are received because generally the funds are reimbursements for expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

<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, 2007, encumbrances outstanding are as follows:

General Fund	\$ 136,490
Special Revenue	18,041
Infrastructure Fund	227,394
Bond Construction Fund	213,203
Capital Projects Fund	<u>31,551</u>
Total	\$ <u>626,679</u>

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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.

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 \$ 1,351,993 of supplemental appropriations. The primary reason for the increase in appropriations was prior year encumbrances carried forward. Additional resources were available from insurance proceeds related to roof repairs on City buildings and grants for improvements to Dixon Ahl Hall Recreation Center and the emergency medical services information system.

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE C - PROPERTY TAX (continued)

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2006, upon which the 2006-2007 levy was based, was approximately \$ 2,036,866,937. The Broward County revenue collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds. The tax rate to finance general governmental services for the year ended September 30, 2007 was 3.5440 per \$ 1,000. See the discussion under subsequent events in the notes to financial statements for more discussion about changes in the property tax statutes that impact future budget years.

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 \$ 568,506 and the bank balance was \$ 770,837. 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 \$ 5,713,432. 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, 2007 were managed by the Florida Municipal Investment Trust and Wachovia Bank.

Total governmental funds investments as of September 30, 2007, were as follows:

Investment Type	Fair Value	Less than 1	Investment Maturities (in years)		
			1 to 5	6 to 10	More than 10
Local Government Investment Pool	\$ 5,713,432	\$ 5,713,432	\$ --	\$ --	\$ --
Mutual Funds	309,444	--	309,444	--	--
Certificates of Deposit	345,406	345,406	--	--	--
Money Market Funds	<u>43,508</u>	<u>43,508</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total	\$ <u>6,411,790</u>	\$ <u>6,102,346</u>	\$ <u>309,444</u>	\$ <u>--</u>	\$ <u>--</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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. See additional discussion in the subsequent events section about the State Investment Pool and the City's corresponding action.

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

No one issuer holds five percent or more of the City's portfolio.

At September 30, 2007, the Local Government Investment Pool had a portfolio comprised of 45% in commercial paper, 33% in domestic and international bonds and notes, 11% in liquidity notes, and the remainder in certificates of deposit, Federal agencies securities and lending collateral investments. The Local Government Investment 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 or 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, or 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 see to maintain a bond fund credit rating from NSRSO of AAA. The City has investments in two mutual funds: 1-3 Year High Quality Bond Fund and the Intermediate High Quality Bond Fund. At September 30, 2007, the 1-3 High Quality Bond Fund's investments in asset-back securities, United States agency obligations, and nonagency mortgage back securities were rated AAA by Standard & Poor's. The money market mutual fund was rated Aaa by Moody's. The securities lending short term collateral investment pools were not rated. At September 30, 2007, the Intermediate High Quality Bond Fund's investments in asset-backed securities, United States agency obligations, and nonagency backed securities were also rated AAA by Standard & Poor's. Of the fund's investments in corporate bond and notes, \$ 984,230 were rated AA- by Standard & Poor's and \$ 544,380 were rated A by Standard & Poor's. The money market mutual fund was rated Aaa by Moody's. The securities lending short term collateral investment pools were not rated.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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, 2007 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Stock Funds	\$ 9,120,789	\$ --	\$ 9,120,789	\$ --	\$ --
Money Market Funds	6,838,702	--	6,838,702	--	--
Balanced Funds	3,601,105	--	3,601,105	--	--
Bonds Funds	2,373,208	--	2,373,208	--	--
International Stock Funds	<u>1,095,746</u>	<u>--</u>	<u>1,095,746</u>	<u>--</u>	<u>--</u>
Total	\$ <u>23,029,550</u>	\$ <u>--</u>	\$ <u>23,029,550</u>	\$ <u>--</u>	\$ <u>--</u>

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 5.75 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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE E - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2007 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ --	\$ 902,387
Special Revenue Funds		
Infrastructure Fund	1,119,670	--
Garbage and Trash Fund	762,735	--
Tennis Center	24,753	--
Other	22,386	--
Bond Construction Fund	--	346,901
Capital Projects Fund	<u>--</u>	<u>680,256</u>
Total	\$ <u>1,929,544</u>	\$ <u>1,929,544</u>

Interfund transfers during the year were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ --	\$ 838,947
Special Revenue Funds		
Tennis Center Fund	<u>86,969</u>	<u>--</u>
Total budgeted funds	<u>86,969</u>	<u>838,947</u>
Capital Projects Fund	256,073	--
Bond Construction Fund	--	152,748
Special Revenue Funds		
Infrastructure Fund	649,978	--
Public Safety Fund	--	23,325
Recreation Support	<u>22,000</u>	<u>--</u>
	<u>928,051</u>	<u>176,073</u>
Total	\$ <u>1,015,020</u>	\$ <u>1,015,020</u>

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

In fiscal year 2007, the General Fund transferred \$ 838,947 to other funds including \$ 649,978 to the Infrastructure Fund based upon City policy that any unexpended infrastructure appropriations are transferred to the Special Revenue Fund, \$ 86,969 for the Tennis Center representing the budgeted subsidy of the facility and its operations, \$ 80,000 for General Fund support for the library expansion project, and \$ 22,000 for the City's Keeper Day and Lighthouse A'Glow celebrations.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE F - SPECIAL REVENUE FUNDS

The City has four 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. In addition, the City broke out activities of the infrastructure component of the Special Purpose Fund separately into its own fund which is unbudgeted. 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.

The Special Purpose Fund maintains an internal allocation of the intended purposes of its fund balance. As of September 30, 2007, the following allocation of fund balance has been determined:

Recreation Support	
Sponsor fees for recreation programs	\$ 982
Playground 2000 for park development	10,000
Keeper Days for annual city anniversary	19,577
LHP A'Glow for annual holiday celebration	910
DeGroff Park	<u>29</u>
Total	<u>31,498</u>
Environmental	
Beautification improvements in the City	15,050
Waterway cleanup and protection	<u>25,657</u>
Total	<u>40,707</u>
Cultural Support	
Library	47,449
Senior Outreach	26
Historical Committee	<u>117</u>
Total	<u>47,592</u>
Public Safety	
CPR	31
Contraband - State	8,114
Contraband - Federal	136,813
Police education	<u>12,120</u>
Total	<u>157,078</u>
Total of Special Purpose Fund	<u>\$ 276,875</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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, 2007 was 0.2383.

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	\$ 3,334,748	\$ 13,492
Bridges	408,000	348,868	--
Roads	1,505,000	838,727	199,711
Sidewalks	285,000	281,911	--
Storm drains	<u>655,000</u>	<u>456,843</u>	<u>--</u>
Total project costs	\$ <u>6,035,000</u>	\$ <u>5,261,097</u>	\$ <u>213,203</u>

<u>Capital Projects</u>	<u>Project Authorizations</u>	<u>Expended</u>	<u>Encumbered</u>
Police Station	\$ 1,695,228	\$ 1,532,713	\$ --
Library	<u>1,056,090</u>	<u>1,030,574</u>	<u>31,551</u>
Total project costs	\$ <u>2,751,318</u>	\$ <u>2,563,287</u>	\$ <u>31,551</u>

The apparent overexpenditure of the new police station, fire station and library projects in the bond fund has been funded from a transfer from savings in the Police Station in the Capital Projects Fund. In the Capital Projects Fund, the library anticipates contributions from loyal patrons in the coming year which should fund the deficit fund balance of \$ 183,234.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE I - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007, was as follows:

	<u>Balance October 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2007</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 7,059,360	\$ --	\$ --	\$ (19,220)	\$ 7,040,140
Construction in progress	<u>2,947,185</u>	<u>129,464</u>	<u>--</u>	<u>--</u>	<u>3,076,649</u>
Total capital assets, not being depreciated	<u>10,006,545</u>	<u>129,464</u>	<u>--</u>	<u>(19,220)</u>	<u>10,116,789</u>
Capital assets, being depreciated:					
Buildings and land improvements	6,056,883	2,998,039	690,440	(123,506)	8,240,976
Equipment and fixtures	1,627,841	154,879	144,128	142,726	1,781,318
Infrastructure	666,345	929,701	--	--	1,596,046
Vehicles	<u>1,508,198</u>	<u>112,914</u>	<u>51,729</u>	<u>--</u>	<u>1,569,383</u>
Total capital assets being depreciated	<u>9,859,267</u>	<u>4,195,533</u>	<u>886,297</u>	<u>19,220</u>	<u>13,187,723</u>
Total assets	<u>19,865,812</u>	<u>4,324,997</u>	<u>886,297</u>	<u>--</u>	<u>23,304,512</u>
Less accumulated depreciation for:					
Buildings and land improvements	2,139,369	192,437	306,428	--	2,025,378
Equipment and fixtures	973,315	135,140	61,644	--	1,046,811
Infrastructure	28,699	14,576	--	--	43,275
Vehicles	<u>1,061,497</u>	<u>134,899</u>	<u>34,901</u>	<u>--</u>	<u>1,161,495</u>
Total accumulated depreciation	<u>4,202,880</u>	<u>477,052</u>	<u>402,973</u>	<u>--</u>	<u>4,276,959</u>
Total capital assets, being depreciated, net	<u>5,656,387</u>	<u>3,718,481</u>	<u>483,324</u>	<u>19,220</u>	<u>8,910,764</u>
Governmental activities, capital assets, net	\$ <u>15,662,932</u>	\$ <u>3,847,945</u>	\$ <u>483,324</u>	\$ <u>--</u>	\$ <u>19,027,553</u>
Total governmental activities, capital assets, net	\$ 15,662,932	\$ 3,847,945	\$ 483,324	\$ --	\$ 19,027,553
Related debt	<u>5,561,534</u>	<u>102,840</u>	<u>392,747</u>	<u>--</u>	<u>5,271,627</u>
Invested in capital assets, net of related debt	\$ <u>10,101,398</u>	\$ <u>3,745,105</u>	\$ <u>90,577</u>	\$ <u>--</u>	\$ <u>13,755,926</u>

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

Governmental activities:	
General government	\$ 60,208
Public safety	269,643
Physical environment	54,210
Transportation	45
Culture and recreation	<u>92,946</u>
Total depreciation expense - governmental activities	\$ <u>477,052</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 5,265,000	\$ --	\$ 245,000	\$ 5,020,000	\$ 255,000
Capital leases	296,534	102,840	147,747	251,627	102,480
Compensated absences	<u>994,038</u>	<u>730,959</u>	<u>558,704</u>	<u>1,166,293</u>	<u>74,314</u>
Total	\$ <u>6,555,572</u>	\$ <u>833,799</u>	\$ <u>951,451</u>	\$ <u>6,437,920</u>	\$ <u>431,794</u>

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

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>
2008	\$ 255,000	\$ 209,866	\$ 464,866
2009	260,000	201,960	461,960
2010	270,000	193,120	463,120
2011-2015	1,510,000	806,500	2,316,500
2016-2020	1,855,000	466,536	2,321,536
2021-2022	<u>870,000</u>	<u>62,462</u>	<u>932,462</u>
	\$ <u>5,020,000</u>	\$ <u>1,940,444</u>	\$ <u>6,960,444</u>

Capital leases:

As of September 30, 2007, the City had obligations under four separate lease purchase agreements. The first lease for \$ 161,000 (Series 2004) was for the purchase of four police vehicles, two public works trucks, and recreation lights and poles. The second lease outstanding for \$ 101,774 (Series 2005) was for the purchase of four police vehicles and one public works truck. The third lease (Series 2006) was for the purchase of four police vehicles and one administrative vehicle in the amount of \$ 104,210. The fourth lease (Series 2007) was for the purchase of four police vehicles, one public works truck, and one fire command vehicle in the amount of \$ 102,840. 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 \$ 333,500. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2007.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE J - LONG-TERM DEBT (continued)

<u>Year ending September 30,</u>	<u>Series 2004</u>	<u>Series 2005</u>	<u>Series 2006</u>	<u>Series 2007</u>	<u>Total</u>
2008	\$ 32,128	\$ 27,375	\$ 28,581	\$ 21,064	\$ 109,148
2009	--	27,376	28,581	28,086	84,043
2010	--	--	28,580	28,086	56,666
2011	--	--	--	21,065	21,065
Total minimum lease payments	32,128	54,751	85,742	98,301	270,922
Less: amount representing interest	<u>472</u>	<u>2,123</u>	<u>9,308</u>	<u>7,392</u>	<u>19,295</u>
Present value of future minimum lease payments	\$ <u>31,656</u>	\$ <u>52,628</u>	\$ <u>76,434</u>	\$ <u>90,909</u>	\$ <u>251,627</u>

NOTE K - ACCOUNTS PAYABLE

Accounts payable at September 30, 2007 were as follows:

	<u>Vendors</u>	<u>Subcontractor</u>	<u>Total Accounts Payable</u>
Governmental activities:			
General Fund	\$ 201,284	\$ --	\$ 201,284
Garbage and Trash Fund	187,616	--	187,616
Bond Construction Fund	--	73,222	73,222
Capital Projects Fund	--	16,333	16,333
Tennis Center Fund	2,043	--	2,043
Special Purpose Funds	<u>42</u>	<u>431,811</u>	<u>431,852</u>
Total governmental activities	\$ <u>390,985</u>	\$ <u>521,366</u>	\$ <u>912,351</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 58-61.

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, 2007

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 2007, the City made bi-weekly contributions to the plan equal to 12% (general employees), 14% (fire, police and management) of each participant's base salary. In addition, each participant must contribute 3% (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 2007 subject to pension contributions was \$ 2,660,314. The City made the required contributions as follows:

General employees	\$	164,884
Firefighters		31,812
Police officers		35,294
Management		<u>113,625</u>
	\$	<u><u>345,615</u></u>

Plan membership at September 30, 2007, consisted of the following:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	5	--	3	4
Terminated members entitled to, but not yet receiving benefits	14	3	7	6
Current employees:				
Fully vested	19	11	13	6
Partially vested	11	4	2	2
Nonvested	<u>4</u>	<u>--</u>	<u>--</u>	<u>1</u>
Total current employees	<u>34</u>	<u>15</u>	<u>15</u>	<u>9</u>
Total membership	<u><u>53</u></u>	<u><u>18</u></u>	<u><u>25</u></u>	<u><u>19</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE L - PENSION PLAN (continued)

Investment summaries at September 30, 2007, are as follows:

<u>Investments</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
General Employees		
Money Market Funds	38%	
Bond Funds	1%	
Balanced Funds	29%	
U.S. Stock Funds	31%	
International Stock Funds	0%	
Total		\$ 2,629,556
Firefighters		
Money Market Funds	23%	
Bond Funds	0%	
Balanced Funds	16%	
U.S. Stock Funds	58%	
International Stock Funds	3%	
Total		2,866,522
Police Officers		
Money Market Funds	50%	
Bond Funds	1%	
Balanced Funds	16%	
U.S. Stock Funds	26%	
International Stock Funds	7%	
Total		3,387,583
Management Employees		
Money Market Funds	43%	
Bond Funds	5%	
Balanced Funds	13%	
U.S. Stock Funds	34%	
International Stock Funds	5%	
Total		3,941,795

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, 2007, participant loans outstanding amounted to \$ 283,828.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

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 2007, the City contributed 14.25% of employee salaries and employees contributed 8.0%. All investments, totaling \$ 5,161,040 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, 2007, the membership in the plan consists of forty-nine active participants and one retiree. An actuarial valuation was conducted during the fiscal year and based upon its projections, the contribution rate for the City and employees were increased effective October 1, 2007 to 15.76% and 9.51% respectively. A separate audited GAAP-basis pension plan is available for review in the City's Finance Department.

The annual required contribution is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The following table shows the last three fiscal years:

Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
09/30/2005	\$ 332,619	\$ 326,139	98%	\$ (6,480)
09/30/2006	\$ 351,519	\$ 368,787	105%	\$ 17,268
09/30/2007	\$ 371,520	\$ 394,617	106%	\$ 23,097

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

Valuation date	October 1, 2006
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% - 7%
* Includes inflation at	3.5%
Cost-of-living adjustments	0% - 3% as applicable

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE L - PENSION PLAN (continued)

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 is presented as a Pension Trust Fund in the accompanying financial statements.

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 \$ 175,894 at fiscal year end 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. See further discussion of this plan in subsequent events.

Pension costs and contributions:

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

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
General Employees - Defined Contribution				
2005	\$ 159,926	\$ 159,926	\$ 1,230,202	13.00%
2006	156,504	156,504	1,235,213	12.67%
2007	205,878	205,878	1,346,386	15.29%
Firefighter - Defined Contribution				
2005	56,203	56,203	247,336	22.72%
2006	49,592	49,592	224,109	22.13%
2007	49,990	49,990	227,224	22.00%
Police Officer - Defined Contribution				
2005	69,084	69,084	345,419	20.00%
2006	69,146	69,146	345,788	20.00%
2007	50,420	50,420	252,102	20.00%
Management - Defined Contribution				
2005	154,375	154,375	757,525	20.38%
2006	151,217	151,217	753,585	20.07%
2007	162,321	162,321	811,609	20.00%

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE L - PENSION PLAN (continued)

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
Police/Fire Defined Benefit *				
2005	509,235	509,235	2,288,701	22.25%
2006	575,863	1,030,832	2,587,561	39.84%
2007	618,113	618,113	2,769,238	22.32%
Retirement Health Savings				
2005	105,896	105,896	1,101,382	9.61%
2006	36,352	36,352	1,197,916	3.03%
2007	37,772	37,772	1,331,552	2.84%

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

NOTE M - COMMITMENTS AND CONTINGENCIES

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's only post retirement benefit is offering retired employees the opportunity to retain the City's health insurance coverage by paying the full premium paid by the City for active employees. For department directors only, employees who retire at age 62 with at least ten years of service receive the City's health insurance until age 65 with the City paying the full premium for the former employee. At age 55 with at least ten years service, a department director may receive 33% of the premium subsidy from the City. At present, only one former director is receiving the benefit. All other employees may stay with the City's health plan upon normal retirement but without any City contribution. Governmental Accounting Standards Board Statement 45 actuarial valuation was completed in the last year. As of September 30, 2007, the net other post employment benefit amount is \$ 27,498.

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 not required to conduct a "single audit" for Federal or state grants. The threshold for such audits is \$ 500,000 for either level of government. The following summarizes grant activity for the year ended September 30, 2007:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE M - COMMITMENTS AND CONTINGENCIES (continued)

<u>Grant</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>
Federal Grants:			
Community Development Block Grant	\$ 140,812	\$ 140,812	\$ 22,130
Federal Emergency Management Agency	30,991	30,991	--
Environment Projection Agency	<u>165,100</u>	<u>165,100</u>	<u>99,409</u>
Total Federal grants	\$ <u>336,903</u>	\$ <u>336,903</u>	\$ <u>121,539</u>
State Grants:			
Department of Transportation	\$ 26,800	\$ 26,800	\$ --
Department of State - Library	300,746	300,746	199,500
Department of Health - EMS	<u>9,000</u>	<u>9,000</u>	<u>--</u>
Total state grants	\$ <u>336,546</u>	\$ <u>336,546</u>	\$ <u>199,500</u>
Local Grants:			
Broward County			
Broward Beautiful Grant	\$ 9,621	\$ 9,621	\$ --
Community Bus	42,067	42,067	--
Marine Law Enforcement	35,779	35,779	--
Green Shade Grant	5,000	5,000	--
Florida Power and Light			
Library Lighting	5,000	5,000	--
South Florida Water Management District	<u>780,000</u>	<u>780,000</u>	<u>780,000</u>
Total local grants	\$ <u>877,467</u>	\$ <u>877,467</u>	\$ <u>780,000</u>

NOTE N - INDIVIDUAL FUND DISCLOSURES AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At September 30, 2007, the Capital Projects Fund reported an unreserved deficit fund balance of \$ 183,234. The City expects to obtain additional contribution funding to restore the balance and any remaining deficiency will be funded by the General Fund.

NOTE O - SUBSEQUENT EVENT

Three significant events occurred after September 30, 2007 that are being disclosed as part of the Comprehensive Annual Financial Report.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE O - SUBSEQUENT EVENT (continued)

The first event occurred on November 27, 2007. The City Commission on that date voted to terminate the Retirement Health Savings Plan as described in Note L. The City took this action because of a ruling by the Internal Revenue Service (IRS) and the International City Management Association Retirement Corporation (ICMA-RC). The program offered by ICMA-RC and adopted by the City of Lighthouse Point in 2003 was voluntary and permitted employees to choose at what level of contribution they wish to participate. The IRS and ICMA-RC agreed that the program should be restructured to eliminate all elective features which means that all employees in a benefit group would have to contribute at the level. After discussing with the City's various labor groups, no consensus could be reached to provide uniform participation in such a revised plan. Therefore, effective January 1, 2008, no further contributions can be made to the Retirement Health Savings Plan. The twenty-two active employees in the plan retain their contributed balances and earnings and may withdraw those funds based upon the plan's provisions. No new participants are allowed. The City may implement a new retirement health savings plan in the future subject to the new IRS requirements and consensus with labor groups. No City contributions are involved with this program.

The second event took place on November 29, 2007. Note D describes the City's investment in the Local Government Investment Pool as of September 30, 2007. The State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$ 12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$ 2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$ 2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A. Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. However, some limited transfers from Pool B to Pool A have been made in the last two months which have been available for withdrawal from Pool A.

As of February 29, 2008, the City of Lighthouse Point has \$ 0 invested in Pool A and \$ 318,766 invested in Pool B. Funds that would have been invested in the Pool in prior years prior to this event have been invested in 90-day treasury bills and money market funds that are rated AAA and collateralized with U.S. agency securities exclusively. Additional information regarding the Local Government Investment Pool may be obtained from the State Board of Administration.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2007

NOTE O - SUBSEQUENT EVENT (continued)

The third series of events relate to property tax reform in the State of Florida. As noted in the City's Comprehensive Annual Financial Report over the last several years, property values in the State and the City have increased significantly. This has resulted in additional tax revenues even as the City has reduced its millage rate. The property tax structure provides for significantly different treatment for property owners tax liability depending upon whether they are full-time residents versus part-time and nonresidential property owners. Additionally, the recent active hurricane seasons have led to increased insurance premiums on property. These pressures on property owners led to mandate for the new governor and the State Legislature in 2007 to make changes in the way property tax is levied upon property in Florida. During a special legislative session in June, 2007, the Legislature passed and the Governor signed legislation that established new requirements for levying taxes. Those requirements encouraged local governments to reduce tax levies and higher levies would be approved only by super majority votes to elective bodies or the voters. This led the City of Lighthouse Point to adopt a millage rate for fiscal year 2008 which is 7 percent less than the "rolled-back" rate, the rate which would yield the same revenue levied in fiscal year 2007 plus new construction.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October, 2007. With respect to homestead property (property owned by full-time residents), Amendment 1 increases the current \$ 25,000 homestead exemption by an additional \$ 25,000 which applies fully to homesteads valued over \$ 75,000 and partially for homesteads valued between \$ 50,000 and \$ 75,000 and does not apply to school district taxes. Since the new \$ 25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$ 15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$ 240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$ 500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3 percent or the percentage change in the Consumer Price Index, whichever is less.

With respect to nonhomestead property, Amendment 1 limited (caps) the annual increase in assessed value for nonhomestead property (businesses, industrial property, rental property, second homes, etc) to ten percent (10%), except for school district taxes. The Amendment also provides for a \$ 25,000 exemption for tangible personal property. Amendment 1 becomes effective on October 1, 2008, with the exception of the 10 percent assessment cap on nonhomestead property which becomes effective on January 1, 2009.

The financial impact of Amendment 1 is unclear. Current statutes provide for the calculation of the "rolled-back" rate which would roll up should the taxable value of all property decline. This base rate is the foundation for tax levies and current statutory provisions makes the Amendment revenue neutral. The State Legislature may consider further changes in its session in the Spring 2008. The City has calculated an impact of \$ 300,000 in tax revenue loss from the increase in the homestead exemption should the calculation of the "rolled-back" rate be changed by the Legislature. The City has used its growth in the tax base primarily for pay-as-you-go capital improvements rather than increasing staff or adding to recurring expenses. At present, there is no accurate way to determine the impact of the portability and assessment cap on nonhomestead property provisions in terms of potential loss of property tax revenues.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 POLICE AND FIRE DEFINED BENEFIT PENSION PLAN

<u>Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAA (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/01/04	\$ 2,175,561	\$ 2,334,883	\$ 159,322	93.2%	\$ 2,164,684	7.4%
10/01/05	2,904,761	3,062,676	157,915	94.8%	2,296,730	6.9%
10/01/06	4,104,087	4,260,483	156,396	96.3%	2,269,045	6.9%

* Plan started on October 1, 2003

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
 AND EMPLOYEES
 FOR THE LAST FOUR FISCAL YEARS

PENSION PLAN: POLICE AND FIRE DEFINED BENEFIT

<u>Fiscal Year Ended</u>	<u>Member</u>		<u>Employer</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
09/30/2004	\$ 1,856,487	100%	\$ 304,230	98%
09/30/2005	183,096	100%	332,619	98%
09/30/2006	662,045	100%	351,519	105%
09/30/2007	223,496	100%	371,520	106%

**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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes				
Current	\$ 6,912,405	\$ 6,912,405	\$ 6,713,610	\$ (198,795)
Delinquent	--	--	241,248	241,248
	6,912,405	6,912,405	6,954,858	42,453
Franchise taxes:				
Electricity	725,000	725,000	918,935	193,935
Solid waste	85,000	85,000	120,878	35,878
	810,000	810,000	1,039,813	229,813
Utility service taxes:				
Electricity	830,000	830,000	863,493	33,493
Water	370,500	370,500	321,137	(49,363)
Gas	3,910	3,910	2,234	(1,676)
Propane	24,400	24,400	35,392	10,992
Communications services	500,000	500,000	525,708	25,708
	1,728,810	1,728,810	1,747,964	19,154
Licenses and permits:				
Occupational licenses	69,000	69,000	69,120	120
Building permits	300,000	300,000	326,526	26,526
Plumbing permits	50,000	50,000	53,483	3,483
Electrical permits	75,000	75,000	104,235	29,235
Other	175,000	175,000	220,868	45,868
	669,000	669,000	774,232	105,232
Intergovernmental revenues:				
State revenue sharing	300,000	300,000	324,037	24,037
Mobile home licenses	200	200	39	(161)
Alcoholic beverage license	10,000	10,000	7,996	(2,004)
Gasoline tax	205,000	205,000	200,456	(4,544)
Half cent sales tax	660,000	660,000	656,667	(3,333)
Firefighters supplemental	3,000	3,000	8,351	5,351
Motor fuel rebate	3,600	3,600	4,051	451
County occupational license	13,000	13,000	10,284	(2,716)
Federal grants	35,000	400,000	171,802	(228,198)
State grants	--	--	51,546	51,546
Local grants	78,000	78,000	97,467	19,467
	1,307,800	1,672,800	1,532,696	(140,104)

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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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues (continued):				
Charges for services				
Lien search fees	10,000	10,000	7,830	(2,170)
Zoning fees	2,000	2,000	4,834	2,834
Merchandise sales	100	100	2,066	1,966
Certification, copying, research	--	--	550	550
City Commission appeals	--	--	--	--
Other fees - City Clerk	--	--	5	5
Accident reports	--	--	544	544
Fingerprinting fees	2,000	2,000	3,650	1,650
Alarm fees	10,000	10,000	7,413	(2,587)
Special detail fees	20,000	20,000	51,784	31,784
Fire inspection fees	23,000	23,000	23,313	313
Construction inspection fees	10,000	10,000	20,616	10,616
Other fees - fire	800	800	625	(175)
Ambulance fees	200,000	200,000	189,319	(10,681)
Special Assessments - Fire	401,700	401,700	409,707	8,007
Photostat and other fees	1,000	1,000	356	(644)
Registration - recreation	21,000	21,000	14,695	(6,305)
Summer recreation fees	45,000	45,000	47,780	2,780
Other recreation fees	<u>6,500</u>	<u>6,500</u>	<u>4,786</u>	<u>(1,714)</u>
	753,100	753,100	789,873	36,773
Fines and forfeitures:				
Court fines	20,000	30,000	46,701	16,701
Library fines	2,000	2,000	590	(1,410)
Parking citations	2,000	2,000	19,520	17,520
Code enforcement fines	<u>10,000</u>	<u>10,000</u>	<u>235,785</u>	<u>225,785</u>
	34,000	44,000	302,596	258,596
Miscellaneous:				
Interest income	73,000	73,000	281,040	208,040
Other	<u>--</u>	<u>--</u>	<u>3,611</u>	<u>3,611</u>
	73,000	73,000	284,651	211,651
Total revenues	<u>12,288,115</u>	<u>12,663,115</u>	<u>13,426,683</u>	<u>763,568</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General government				
Legislative - commission				
Personal services	32,492	34,505	34,573	(68)
Operating expenditures	52,050	60,225	44,757	15,468
Capital outlay	<u> --</u>	<u> 3,243</u>	<u> 3,084</u>	<u> 159</u>
	84,542	97,973	82,414	15,559
Executive - Mayor:				
Personal services	24,446	24,446	24,562	(116)
Operating expenditures	38,845	35,602	22,197	13,405
Capital outlay	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
	63,291	60,048	46,759	13,289
Administration/finance:				
Personal services	574,730	574,730	557,049	17,681
Operating expenditures	87,676	123,517	149,060	(25,543)
Capital outlay	<u> 56,656</u>	<u> 760,983</u>	<u> 690,192</u>	<u> 70,791</u>
	719,062	1,459,230	1,396,301	62,929
City attorney:				
Operating expenditures	129,550	139,731	139,731	--
Support services:				
Personal services	52,600	57,485	57,485	--
Operating expenditures	372,707	367,822	346,499	21,323
Capital outlay	<u> --</u>	<u> 6,059</u>	<u> 3,381</u>	<u> 2,678</u>
	<u>425,307</u>	<u>431,366</u>	<u>407,365</u>	<u>24,001</u>
Total general government	1,421,752	2,188,348	2,072,570	115,778
Public safety:				
Police department:				
Personal services	3,574,518	3,509,580	3,456,009	53,571
Operating expenditures	282,810	325,002	334,785	(9,783)
Capital outlay	<u>108,069</u>	<u>138,242</u>	<u>112,477</u>	<u>25,765</u>
	3,965,397	3,972,824	3,903,271	69,553

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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, 2007

	<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	2,341,384	2,327,979	2,324,059	3,920
Operating expenditures	162,454	198,018	209,631	(11,613)
Capital outlay	<u>32,375</u>	<u>87,055</u>	<u>72,717</u>	<u>14,338</u>
	2,536,213	2,613,052	2,606,407	6,645
Building department:				
Personal services	163,237	163,237	162,643	594
Operating expenditures	373,975	383,978	380,606	3,372
Capital outlay	<u>1,200</u>	<u>1,200</u>	<u>569</u>	<u>631</u>
	538,412	548,415	543,818	4,597
Code enforcement:				
Personal services	192,503	185,503	165,336	20,167
Operating expenditures	23,325	23,325	22,337	988
Capital outlay	<u>--</u>	<u>3,707</u>	<u>3,707</u>	<u>--</u>
	<u>215,828</u>	<u>212,535</u>	<u>191,380</u>	<u>21,155</u>
Total public safety	7,255,850	7,346,826	7,244,876	101,950
Physical environment:				
Public works				
Personal services	1,000,608	1,004,608	950,651	53,957
Operating expenditures	262,636	584,693	570,465	14,228
Capital outlay	<u>926,901</u>	<u>910,497</u>	<u>336,153</u>	<u>574,344</u>
Total physical environment	2,190,145	2,499,798	1,857,269	642,529
Transportation:				
Community bus				
Personal services	37,578	37,578	35,339	2,239
Operating expenditures	<u>13,250</u>	<u>13,250</u>	<u>11,006</u>	<u>2,244</u>
Total transportation	50,828	50,828	46,345	4,483

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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, 2007

	<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	325,195	325,195	284,030	41,165
Operating expenditures	62,818	135,318	104,253	31,065
Capital outlay	<u>108,800</u>	<u>171,283</u>	<u>165,175</u>	<u>6,108</u>
	496,813	631,796	553,458	78,338
Recreation department:				
Personal services	223,520	223,520	217,398	6,122
Operating expenditures	149,200	190,927	177,983	12,944
Capital outlay	<u>45,000</u>	<u>53,058</u>	<u>53,058</u>	<u>--</u>
	<u>417,720</u>	<u>467,505</u>	<u>448,439</u>	<u>19,066</u>
Total culture/recreation	914,533	1,099,301	1,001,897	36,612
Debt service	<u>185,000</u>	<u>185,000</u>	<u>148,278</u>	<u>36,722</u>
Total expenditures	<u>12,018,108</u>	<u>13,370,101</u>	<u>12,371,235</u>	<u>998,866</u>
Excess (deficiency) of revenues over expenditures	270,007	(706,986)	1,055,448	1,762,434
Other financing sources (uses):				
Transfers in	73,000	73,000	--	(73,000)
Insurance proceeds	--	341,000	300,000	(41,000)
Transfers out	(288,969)	(838,947)	(838,947)	--
Capital lease proceeds	<u>100,000</u>	<u>100,000</u>	<u>102,840</u>	<u>2,840</u>
Total other financing sources (uses)	<u>(115,969)</u>	<u>(324,947)</u>	<u>(436,107)</u>	<u>(111,160)</u>
Net change in fund balance	154,038	(1,031,933)	619,341	1,651,274
Fund balance at beginning of year	<u>2,969,657</u>	<u>2,969,657</u>	<u>2,969,657</u>	<u>--</u>
Fund balance at end of year	\$ <u>3,123,695</u>	\$ <u>1,937,724</u>	\$ <u>3,588,998</u>	\$ <u>1,651,274</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services:				
Membership fees	\$ 57,000	\$ 57,000	\$ 69,753	\$ 12,753
Daily use fees	7,500	7,500	8,690	1,190
Lighting fees	<u>2,500</u>	<u>2,500</u>	<u>1,853</u>	<u>(647)</u>
	<u>67,000</u>	<u>67,000</u>	<u>80,296</u>	<u>13,296</u>
Miscellaneous:				
Interest income	--	--	2,175	2,175
Other	<u>2,000</u>	<u>2,000</u>	<u>2,025</u>	<u>25</u>
	<u>2,000</u>	<u>2,000</u>	<u>4,200</u>	<u>2,200</u>
Total revenues	<u>69,000</u>	<u>69,000</u>	<u>84,496</u>	<u>15,496</u>
Expenditures:				
Culture/recreation				
Personal services	131,927	131,927	130,364	1,563
Operating expenditures	17,600	25,600	29,416	(3,816)
Capital outlay	<u>6,000</u>	<u>75,900</u>	<u>69,900</u>	<u>6,000</u>
Total expenditures	<u>155,527</u>	<u>233,427</u>	<u>229,680</u>	<u>3,747</u>
Excess (deficiency) of revenues over expenditures	(86,527)	(164,427)	(145,184)	19,243
Other financing sources:				
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>86,969</u>	<u>86,969</u>	<u>--</u>
Net change in fund balance	442	(77,458)	(58,215)	19,243
FUND BALANCE, BEGINNING OF YEAR	<u>93,545</u>	<u>93,545</u>	<u>93,545</u>	<u>--</u>
FUND BALANCE, END OF YEAR	\$ <u><u>93,987</u></u>	\$ <u><u>16,087</u></u>	\$ <u><u>35,330</u></u>	\$ <u><u>19,243</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, 2007

	<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	\$ 461,860	\$ 461,860	\$ 467,244	\$ 5,384
Miscellaneous - interest income	<u>2,000</u>	<u>2,000</u>	<u>21,087</u>	<u>19,087</u>
Total revenues	<u>463,860</u>	<u>463,860</u>	<u>488,331</u>	<u>24,471</u>
 EXPENDITURES:				
Debt service				
Principal	245,000	245,000	245,000	--
Interest	216,724	216,724	216,725	(1)
Other	<u>2,136</u>	<u>2,136</u>	<u>300</u>	<u>1,836</u>
Total expenditures	<u>463,860</u>	<u>463,860</u>	<u>462,025</u>	<u>1,835</u>
Net change in fund balance	--	--	26,306	26,306
 FUND BALANCE, BEGINNING OF YEAR	<u>51,716</u>	<u>51,716</u>	<u>51,716</u>	<u>--</u>
 FUND BALANCE, END OF YEAR	\$ <u><u>51,716</u></u>	\$ <u><u>51,716</u></u>	\$ <u><u>78,022</u></u>	\$ <u><u>26,306</u></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.

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

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, 2007

		Special Revenue				
	Tennis Center Fund	Special Purpose Fund	Total	Debt Service Fund	Total Nonmajor Governmental Funds	
ASSETS:						
Cash	\$ 100	\$ 234,004	\$ 234,104	\$ 29,518	\$ 263,622	
Investments	--	--	--	48,457	48,457	
Due from other funds	24,753	22,386	47,139	--	47,139	
Due from other governments	--	17,918	17,918	47	17,965	
Prepaid expenditures	952	--	952	--	952	
Accounts receivable	<u>14,569</u>	<u>2,609</u>	<u>17,178</u>	<u>--</u>	<u>17,178</u>	
Total assets	<u>\$ 40,374</u>	<u>\$ 276,917</u>	<u>\$ 317,291</u>	<u>\$ 78,022</u>	<u>\$ 395,313</u>	
 LIABILITIES AND FUND BALANCES:						
Accounts payable	\$ 2,043	\$ 42	\$ 2,085	\$ --	\$ 2,085	
Accrued payroll and related taxes	<u>3,001</u>	<u>--</u>	<u>3,001</u>	<u>--</u>	<u>3,001</u>	
Total liabilities	<u>5,044</u>	<u>42</u>	<u>5,086</u>	<u>--</u>	<u>5,086</u>	
 Fund balances:						
Reserved for:						
Debt service	--	--	--	78,022	78,022	
Encumbrances	--	18,041	18,041	--	18,041	
Prepaid expenditures	952	--	952	--	952	
Unreserved:						
Undesignated	<u>34,378</u>	<u>258,834</u>	<u>293,212</u>	<u>--</u>	<u>293,212</u>	
Total fund balances	<u>35,330</u>	<u>276,875</u>	<u>312,205</u>	<u>78,022</u>	<u>390,227</u>	
Total liabilities and fund balances	<u>\$ 40,374</u>	<u>\$ 276,917</u>	<u>\$ 317,291</u>	<u>\$ 78,022</u>	<u>\$ 395,313</u>	

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2007

	Special Revenue				Total Nonmajor Governmental Funds
	Tennis Center Fund	Special Purpose Fund	Total	Debt Service Fund	
REVENUES:					
Ad valorem taxes	\$ --	\$ --	\$ --	\$ 467,244	\$ 467,244
Charges for services	82,321	1,012	83,333	--	83,333
Fines and forfeitures	--	112,104	112,104	--	112,104
Interest income	2,175	16,210	18,385	21,087	39,472
Miscellaneous	<u>--</u>	<u>194,450</u>	<u>194,450</u>	<u>--</u>	<u>194,450</u>
Total revenues	<u>84,496</u>	<u>323,776</u>	<u>408,272</u>	<u>488,331</u>	<u>896,603</u>
EXPENDITURES:					
Current:					
Public safety	--	3,658	3,658	--	3,658
Culture/recreation	159,780	83,833	243,613	--	243,613
Physical environment	--	9,604	9,604	--	9,604
Capital outlay	69,900	94,142	164,042	--	164,042
Debt service	<u>--</u>	<u>--</u>	<u>--</u>	<u>462,025</u>	<u>462,025</u>
Total expenditures	<u>229,680</u>	<u>191,237</u>	<u>420,917</u>	<u>462,025</u>	<u>882,942</u>
Excess (deficiency) of revenues over expenditures	<u>(145,184)</u>	<u>132,539</u>	<u>(12,645)</u>	<u>26,306</u>	<u>13,661</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	86,969	22,000	108,969	--	108,969
Transfers out	<u>--</u>	<u>(23,325)</u>	<u>(23,325)</u>	<u>--</u>	<u>(23,325)</u>
Total other financing sources (uses)	<u>86,969</u>	<u>(1,325)</u>	<u>85,644</u>	<u>--</u>	<u>85,644</u>
Net change in fund balance	(58,215)	131,214	72,999	26,306	99,305
FUND BALANCE, BEGINNING OF YEAR	<u>93,545</u>	<u>145,661</u>	<u>239,206</u>	<u>51,716</u>	<u>290,922</u>
FUND BALANCE, END OF YEAR	\$ <u><u>35,330</u></u>	\$ <u><u>276,875</u></u>	\$ <u><u>312,205</u></u>	\$ <u><u>78,022</u></u>	\$ <u><u>390,227</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2007

	<u>Defined Contribution Pension Plans</u>				<u>Total</u>
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	
ASSETS:					
Investments	\$ 2,629,556	\$ 2,866,522	\$ 3,387,583	\$ 3,941,795	\$ 12,825,456
Participant loans receivable	<u>113,352</u>	<u>38,868</u>	<u>121,441</u>	<u>10,167</u>	<u>283,828</u>
Total assets	2,742,908	2,905,390	3,509,024	3,951,962	13,109,284
LIABILITIES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET ASSETS:					
Held in trust for pension and other benefits	\$ <u>2,742,908</u>	\$ <u>2,905,390</u>	\$ <u>3,509,024</u>	\$ <u>3,951,962</u>	\$ <u>13,109,284</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$ 5,161,040	\$ 4,867,160	\$ 175,894	\$ 23,029,550
<u> --</u>	<u> --</u>	<u> --</u>	<u> 283,828</u>
5,161,040	4,867,160	175,894	23,313,378
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
\$ <u>5,161,040</u>	\$ <u>4,867,160</u>	\$ <u>175,894</u>	\$ <u>23,313,378</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, 2007

	<u>Defined Contribution Pension Plans</u>				<u>Total</u>
	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>	
ADDITIONS:					
Contributions:					
City	\$ 164,884	\$ 31,812	\$ 35,294	\$ 113,625	\$ 345,615
Employees	<u>40,994</u>	<u>18,178</u>	<u>15,126</u>	<u>48,696</u>	<u>122,994</u>
Total contributions	205,878	49,990	50,420	162,321	468,609
Investment earnings					
Interest, dividends and investment value changes	374,336	411,454	343,680	417,713	1,547,183
Less investment expense	<u>26,001</u>	<u>28,256</u>	<u>33,959</u>	<u>38,722</u>	<u>126,938</u>
Net investment earnings	348,335	383,198	309,721	378,991	1,420,245
Total additions	554,213	433,188	360,141	541,312	1,888,854
DEDUCTIONS:					
Benefits	163,353	203,798	475,504	76,511	919,166
Refund of contributions:					
City	10,708	--	--	--	10,708
Employees	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total deductions	<u>174,061</u>	<u>203,798</u>	<u>475,504</u>	<u>76,511</u>	<u>929,874</u>
Change in net assets	380,152	229,390	(115,363)	464,801	958,980
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
Beginning 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>
End of year	\$ <u>2,742,908</u>	\$ <u>2,905,390</u>	\$ <u>3,509,024</u>	\$ <u>3,951,962</u>	\$ <u>13,109,284</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$ 394,617	\$ --	\$ --	\$ 740,232
<u>223,496</u>	<u>363,856</u>	<u>37,772</u>	<u>748,118</u>
618,113	363,856	37,772	1,488,350
524,566	682,363	19,343	2,773,455
<u>10,102</u>	<u>46,845</u>	<u>1,630</u>	<u>185,515</u>
514,464	635,518	17,713	2,587,940
1,132,577	999,374	55,485	4,076,290
56,981	353,846	44,807	1,374,800
--	--	--	10,708
<u>61,023</u>	<u>--</u>	<u>--</u>	<u>61,023</u>
<u>118,004</u>	<u>353,846</u>	<u>44,807</u>	<u>1,446,531</u>
1,014,573	645,528	10,678	2,629,759
<u>4,146,467</u>	<u>4,221,632</u>	<u>165,216</u>	<u>20,683,619</u>
\$ <u>5,161,040</u>	\$ <u>4,867,160</u>	\$ <u>175,894</u>	\$ <u>23,313,378</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Governmental funds capital assets:		
Land	\$ 7,040,140	\$ 7,059,360
Buildings and land improvements	8,240,976	6,056,882
Equipment and fixtures	1,781,318	1,627,842
Vehicles	1,569,383	1,508,198
Infrastructure	1,596,046	666,345
Construction in progress	<u>3,076,649</u>	<u>2,947,185</u>
 Total governmental funds capital assets	 \$ <u>23,304,512</u>	 \$ <u>19,865,812</u>
Investment in governmental funds capital assets by source:		
General revenues	\$ 13,351,869	\$ 11,382,643
Special revenues	2,403,275	921,472
County grants	3,952,089	3,952,089
State grants	237,378	237,378
Federal grants	364,119	378,455
Donations	2,875,451	2,873,444
Confiscated	<u>120,331</u>	<u>120,331</u>
 Total governmental funds capital assets	 \$ <u>23,304,512</u>	 \$ <u>19,865,812</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
September 30, 2007

	<u>Land</u>	<u>Buildings and Land Improvements</u>
General government:		
Legislative	\$ --	\$ --
Executive	--	--
Finance and administration	--	--
Other general government	<u>15,087</u>	<u>1,741,252</u>
Total general government	15,087	1,741,252
Public safety:		
Law enforcement	--	3,887,651
Fire control	6,215	573,807
Building department	--	--
Code enforcement	<u>--</u>	<u>--</u>
Total public safety	6,215	4,461,458
Physical environment:		
Maintenance	2,956,880	344,832
Transportation:		
Community bus	--	--
Culture/recreation:		
Library	--	138,433
Recreation	<u>4,061,958</u>	<u>1,555,001</u>
Total culture/recreation	<u>4,061,958</u>	<u>1,693,434</u>
Total governmental funds capital assets	\$ <u>7,040,140</u>	\$ <u>8,240,976</u>

<u>Equipment and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 19,579	\$ --	\$ --	\$ --	\$ 19,579
1,528	--	--	--	1,528
152,521	19,080	--	--	171,601
<u>55,306</u>	<u>--</u>	<u>--</u>	<u>408,863</u>	<u>2,220,508</u>
228,934	19,080	--	408,863	2,413,216
549,815	467,695	--	--	4,905,161
383,921	675,454	--	--	1,639,397
34,623	--	--	--	34,623
<u>20,978</u>	<u>51,384</u>	<u>--</u>	<u>--</u>	<u>72,362</u>
989,337	1,194,533	--	--	6,651,543
189,238	314,630	1,596,046	1,564,544	6,966,170
453	--	--	--	453
96,931	--	--	1,103,242	1,338,606
<u>276,425</u>	<u>41,140</u>	<u>--</u>	<u>--</u>	<u>5,934,524</u>
<u>373,356</u>	<u>41,140</u>	<u>--</u>	<u>1,103,242</u>	<u>7,273,130</u>
\$ <u>1,781,318</u>	\$ <u>1,569,383</u>	\$ <u>1,596,046</u>	\$ <u>3,076,649</u>	\$ <u>23,304,512</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, 2007

FUNCTION AND ACTIVITY:	Governmental Funds Capital Assets October 1, 2006	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Governmental Funds Capital Assets September 30, 2007
General government:					
Legislative	\$ 16,495	\$ 3,084	\$ --	\$ --	\$ 19,579
Executive	1,528	--	--	--	1,528
Finance and administration	144,062	26,139	--	1,400	171,601
Other general government	<u>1,464,360</u>	<u>759,529</u>	<u>3,381</u>	<u>--</u>	<u>2,220,508</u>
Total general government	<u>1,626,445</u>	<u>788,752</u>	<u>3,381</u>	<u>1,400</u>	<u>2,413,216</u>
Public safety:					
Law enforcement	6,045,891	194,403	741,243	(593,890)	4,905,161
Fire control	1,546,664	118,714	25,981	--	1,639,397
Building department	21,184	569	--	12,870	34,623
Code enforcement	<u>30,737</u>	<u>3,707</u>	<u>--</u>	<u>37,918</u>	<u>72,362</u>
Total public safety	<u>7,644,476</u>	<u>317,393</u>	<u>767,224</u>	<u>(543,102)</u>	<u>6,651,543</u>
Physical environment:					
Maintenance	<u>4,510,756</u>	<u>1,955,366</u>	<u>41,654</u>	<u>541,702</u>	<u>6,966,170</u>
Transportation:					
Community bus	<u>453</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>453</u>
Culture/recreation:					
Library	341,421	1,048,886	51,701	--	1,338,606
Recreation	<u>5,742,261</u>	<u>214,600</u>	<u>22,337</u>	<u>--</u>	<u>5,934,524</u>
Total cultural/recreation	<u>6,083,682</u>	<u>1,263,486</u>	<u>74,038</u>	<u>--</u>	<u>7,273,130</u>
Total	<u>\$ 19,865,812</u>	<u>\$ 4,324,997</u>	<u>\$ 886,297</u>	<u>\$ --</u>	<u>\$ 23,304,512</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Amount available in Debt Service Fund	\$ 78,022	\$ 51,716
Amount to be provided for the retirement of general long-term debt	<u>6,359,898</u>	<u>6,503,856</u>
Total	\$ <u>6,437,920</u>	\$ <u>6,555,572</u>
General long-term debt payable:		
General obligation bonds	\$ 5,020,000	\$ 5,265,000
Capital leases	251,627	296,534
Accrued compensated absences	<u>1,166,293</u>	<u>994,038</u>
Total	\$ <u>6,437,920</u>	\$ <u>6,555,572</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2007

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 FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 1

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities*				
Invested in capital assets, net of related debt	\$ 6,923,964	\$ 7,497,567	\$ 10,101,398	\$ 13,755,926
Restricted	2,391,806	2,773,331	1,701,725	1,021,484
Unrestricted	<u>2,660,227</u>	<u>3,432,485</u>	<u>4,405,822</u>	<u>5,635,518</u>
 Total governmental activities net assets	 \$ <u>11,975,997</u>	 \$ <u>13,703,383</u>	 \$ <u>16,208,945</u>	 \$ <u>20,412,928</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 FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 2

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses				
Governmental activities				
General government	\$ 1,259,380	\$ 1,171,742	\$ 1,107,630	\$ 1,140,397
Public safety	6,307,172	6,725,610	7,028,043	7,454,524
Physical environment	2,807,414	3,186,329	5,948,269	3,909,260
Transportation	50,684	51,022	45,563	46,492
Culture/recreation	1,027,757	1,091,936	1,048,900	1,138,481
Interest expense	<u>247,274</u>	<u>253,352</u>	<u>238,762</u>	<u>216,500</u>
Total governmental activities expenses	\$ <u>11,699,681</u>	\$ <u>12,479,991</u>	\$ <u>15,417,167</u>	\$ <u>13,905,654</u>
Program Revenues				
Charges for services				
General government	\$ 92,604	\$ 94,712	\$ 148,617	\$ 150,626
Public Safety	1,034,492	1,456,603	1,592,243	1,759,972
Physical environment	1,282,860	1,297,520	1,502,879	2,526,006
Transportation	--	--	--	--
Culture/recreation	133,723	134,621	139,381	151,540
Operating grants and contributions	391,655	336,822	2,569,879	223,088
Capital grants and contributions	<u>55,029</u>	<u>291,877</u>	<u>222,861</u>	<u>1,327,828</u>
Total governmental activities program revenues	\$ <u>2,990,363</u>	\$ <u>3,612,155</u>	\$ <u>6,175,860</u>	\$ <u>6,139,060</u>
Net Expense over Revenue	\$ <u>8,709,318</u>	\$ <u>8,867,836</u>	\$ <u>9,241,307</u>	\$ <u>7,766,594</u>
General Revenues				
Taxes				
Ad valorem taxes	\$ 5,259,301	\$ 5,762,042	\$ 6,580,068	\$ 7,422,102
Franchise taxes	792,957	838,136	961,067	1,058,761
Utility service taxes	1,756,771	1,783,890	1,764,945	1,748,164
Intergovernmental revenues	1,132,499	1,235,660	1,256,336	1,204,632
Miscellaneous	954,180	975,494	1,184,453	536,918
Special item - donation of park land	<u>3,578,070</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total general revenues	\$ <u>13,473,778</u>	\$ <u>10,595,222</u>	\$ <u>11,746,869</u>	\$ <u>11,970,577</u>
Change in net assets	\$ <u>4,764,460</u>	\$ <u>1,727,386</u>	\$ <u>2,505,562</u>	\$ <u>4,203,983</u>

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

	Fiscal Year			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund				
Reserved	\$ 44,371	\$ 33,567	\$ 109,589	\$ 141,088
Unreserved	<u>767,443</u>	<u>1,036,776</u>	<u>1,194,103</u>	<u>1,361,143</u>
Total general fund	<u>\$ 811,814</u>	<u>\$ 1,070,343</u>	<u>\$ 1,303,692</u>	<u>\$ 1,502,231</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 1,383	\$ 26	\$ --	\$ --
Debt service funds	--	--	--	--
Capital project funds	--	--	--	--
Unreserved, reported in:				
Special revenue funds	382,411	428,516	300,059	392,845
Capital projects funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total all other governmental funds	<u>\$ 383,794</u>	<u>\$ 428,542</u>	<u>\$ 300,059</u>	<u>\$ 392,845</u>

TABLE 3

		Fiscal Year									
		2002	2003	2004	2005	2006	2007				
\$	437,413	\$	43,273	\$	210,341	\$	465,897	\$	777,899	\$	202,644
	<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>3,386,354</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>	\$	<u>3,588,998</u>
\$	794	\$	31,628	\$	--	\$	--	\$	105,305	\$	246,387
	30		13,836		22,253		24,731		51,716		78,022
	179,200		355,248		--		1,368,311		1,043,727		244,754
	743,972		1,077,211		1,467,186		1,256,703		1,932,816		2,771,871
	<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>541,630</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>	\$	<u>3,882,664</u>

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

	Fiscal Year			
	1998	1999	2000	2001
Revenues				
Ad valorem taxes	\$ 3,069,976	\$ 3,018,794	\$ 3,308,388	\$ 3,659,957
Franchise taxes	727,798	790,634	730,258	907,325
Utility service taxes	1,366,270	1,564,191	1,451,111	1,472,817
Licenses and permits	304,690	384,125	540,278	463,734
Intergovernmental revenues	1,102,468	1,206,717	1,201,645	1,406,988
Charges for services	1,217,841	1,240,448	1,433,910	1,517,185
Fines and forfeitures	78,227	110,242	81,132	196,473
Interest income	107,455	108,906	150,616	138,047
Miscellaneous	150,511	521,992	532,499	500,427
Total revenues	<u>8,125,236</u>	<u>8,946,049</u>	<u>9,429,837</u>	<u>10,262,953</u>
Expenditures				
General government	796,887	864,783	964,436	949,317
Public Safety	4,291,366	4,428,816	4,578,005	4,948,812
Physical environment	1,817,658	1,857,871	1,952,934	2,126,960
Transportation	--	--	--	23,035
Culture/recreation	600,174	617,414	692,410	713,684
Capital outlay	483,795	1,104,262	1,132,236	1,187,408
Debt service				
Interest	8,196	4,601	16,844	16,161
Principal	102,184	65,025	76,106	101,074
Other	--	--	--	2,437
Total expenditures	<u>8,100,260</u>	<u>8,942,772</u>	<u>9,412,971</u>	<u>10,068,888</u>
Excess of revenues over (under) expenditures	24,976	3,277	16,866	194,065
Other Financing Sources (Uses)				
Insurance proceeds	--	--	--	--
Capital leases	85,000	300,000	88,000	97,260
Net proceeds of general obligation bonds	--	--	--	--
Transfers in	210,196	106,110	124,023	110,684
Transfers out	(197,015)	(106,110)	(124,023)	(110,684)
Total other financing sources (uses)	<u>98,181</u>	<u>300,000</u>	<u>88,000</u>	<u>97,260</u>
Net change in fund balance	\$ <u>123,157</u>	\$ <u>303,277</u>	\$ <u>104,866</u>	\$ <u>291,325</u>
Debt service as a % of noncapital expenditures	1.4%	0.9%	1.1%	1.3%

TABLE 4

		Fiscal Year									
		2002	2003	2004	2005	2006	2007				
\$	4,034,953	\$	4,812,054	\$	5,259,301	\$	5,762,042	\$	6,580,068	\$	7,422,102
	765,128		718,263		787,205		788,445		940,568		1,039,813
	1,744,035		1,748,939		1,757,313		1,785,206		1,761,194		1,747,964
	513,472		577,195		652,083		814,855		896,506		774,232
	1,220,693		1,569,825		1,584,915		1,857,598		4,051,484		2,762,796
	1,519,491		1,555,750		1,689,303		1,731,541		2,349,084		3,399,212
	152,066		197,636		202,293		437,059		137,530		414,700
	88,441		149,746		111,222		211,407		379,691		474,058
	<u>587,566</u>		<u>628,338</u>		<u>853,609</u>		<u>785,674</u>		<u>851,267</u>		<u>541,190</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>		<u>18,576,067</u>
	978,389		1,166,165		1,190,309		1,112,111		1,189,441		1,375,913
	5,338,832		5,587,354		6,044,963		6,380,681		6,757,601		7,059,064
	2,039,742		2,084,729		2,426,329		2,477,986		5,116,482		3,831,248
	48,175		50,015		50,595		52,573		45,172		46,345
	739,810		783,114		796,813		875,005		973,317		1,027,277
	620,899		2,095,126		4,242,804		1,724,411		4,401,549		4,320,003
	16,035		242,102		248,797		239,503		231,707		217,256
	126,627		375,615		424,957		386,950		387,533		392,747
	<u>142,289</u>		<u>2,962</u>		<u>2,850</u>		<u>2,550</u>		<u>813</u>		<u>300</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>		<u>18,270,153</u>
	575,047		(429,436)		(2,531,173)		922,057		(1,156,223)		305,914
	--		--		--		--		626,021		300,000
	110,000		215,000		161,000		101,664		104,240		102,840
	6,169,635		--		--		--		--		--
	256,351		375,565		335,331		2,327,284		1,242,569		1,015,020
	<u>(256,351)</u>		<u>(375,565)</u>		<u>(335,331)</u>		<u>(2,327,284)</u>		<u>(1,242,569)</u>		<u>(1,015,020)</u>
	<u>6,279,635</u>		<u>215,000</u>		<u>161,000</u>		<u>101,664</u>		<u>730,261</u>		<u>402,840</u>
\$	<u>6,854,682</u>	\$	<u>(214,436)</u>	\$	<u>(2,370,173)</u>	\$	<u>1,023,721</u>	\$	<u>(425,962)</u>	\$	<u>708,754</u>
	1.5%		6.0%		6.0%		5.4%		4.2%		4.4%

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>
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
2006/07	2,977,383,250	133,053,330	**	17,823,420

SOURCE: Broward County, Florida, Property Appraiser

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

** Data not available from Broward County Property Appraiser

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>
\$	**	\$ **	\$ 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	801,369,280	1,748,955,330	3.8387	68.58%
	3,128,260,000	1,116,260,000	2,011,530,940	3.7823	64.30%

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>City</u>			<u>County</u>	<u>School Board</u>
		<u>Operating</u>	<u>Debt</u>	<u>Total</u>		
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
2006/07	2006	3.5440	0.2383	3.7823	6.0661	7.8687

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	0.6970	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
0.4073	0.6970	0.0385	1.8317	0.1170	20.8086

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

TABLE 7

Taxpayer	Fiscal Year 2007			Fiscal Year 1998		
	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 \$ James C. and Suzanne Acheson	17,364,170	1	0.85%	\$ --	--	--
Beacon Light Partners LTD	10,878,620	2	0.53%	1,951,600	9	0.24%
J.H. and T.M. Verillo	10,053,340	3	0.49%	--	--	--
Silver Seas Hotel Inc	9,163,120	4	0.45%	--	--	--
Hang Tough Holdings, LLC	6,254,640	5	0.31%	2,886,600	6	0.36%
Shawn and Susan Ryan	5,610,580	6	0.28%	--	--	--
Robert and Beverly Plath	5,516,680	7	0.27%	--	--	--
Manuel and Jenny P. Marin	5,062,900	8	0.25%	--	--	--
Neal Menaged	5,012,810	9	0.25%	--	--	--
Net Realty Holdings	4,979,390	10	0.24%	--	--	--
Sherwood Sheehan TR	--	--	--	9,369,620	1	1.17%
First Union National Bank	--	--	--	4,239,300	2	0.53%
B.D. and G.M. Barrington	--	--	--	3,009,110	3	0.37%
Infiniti Motors	--	--	--	2,971,730	4	0.37%
King Motor Company	--	--	--	2,968,500	5	0.37%
C.H. and J.V. Redd	--	--	--	2,789,880	7	0.35%
Sneider Management, Inc.	--	--	--	2,498,660	8	0.31%
	--	--	--	1,509,720	10	0.19%
Total	\$ 79,896,250		3.92%	\$ 34,194,720		4.26%

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>
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
2006/07	7,704,041	330,278	7,373,763

- * 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>
\$ 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%	257,066	6,615,198	101.68%
7,165,036	97.17%	--	7,165,036	97.17%

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>	
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
2006/07	5,020,000	251,627	5,271,627

* 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>
\$	28,510	0.04%	10,469	\$ 12
	29,340	0.12%	10,458	35
	31,220	0.11%	10,645	35
	32,011	0.11%	10,829	34
	32,618	1.85%	10,829	604
	32,983	1.78%	10,857	587
	35,589	1.58%	10,836	564
	37,597	1.51%	10,836	539
	***	1.37%	10,857	512
	***	1.29%	10,899	484

**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>
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%
2006/07	5,020,000	2,036,866,937	0.25%

* 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, 2007

TABLE 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding *</u>	<u>Percentage Applicable To City Of Lighthouse Point **</u>	<u>Amount Applicable To City Of Lighthouse Point</u>
Direct General Debt City of Lighthouse Point	\$ 5,193,605	100.00%	\$ 5,193,605
Broward County	532,536,000	0.93%	4,941,934
Broward District Schools	27,949,000	0.93%	<u>259,926</u>
		Total	\$ <u>10,395,465</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, 2007

TABLE 12

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEDGED-REVENUE COVERAGE
September 30, 2007

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>
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%
2007	10,899	258,905	3.8%

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, 2007

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

Function/Program	1998 *	1999 *	2000 *	2001 *	2002	
					Full Time	Part Time
General Government						
Finance and Administration	8	8	8	7	7	--
Subtotal	8	8	8	7	7	--
Public Safety						
Police	42	42	41	41	41	4
Fire	21	24	25	28	27	--
Building	2	4	4	3	4	--
Code Enforcement	2	2	2	2	2	1
Subtotal	67	72	72	74	74	5
Public Works	16	17	17	17	16	--
Transportation	--	--	--	--	--	2
Culture/Recreation						
Library	4	4	4	4	4	4
Recreation	5	5	5	4	5	22
Subtotal	9	9	9	8	9	26
Total authorized employees	<u>100</u>	<u>106</u>	<u>106</u>	<u>106</u>	<u>106</u>	<u>33</u>

* Full and part time data not available for year.

Employees as of September 30

2003		2004		2005		2006		2007	
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>6</u>	<u>--</u>
<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>6</u>	<u>--</u>
41	5	41	5	42	4	42	4	43	4
27	--	27	--	27	--	27	--	27	--
4	--	4	--	3	--	3	--	3	--
<u>2</u>	<u>--</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</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>	<u>76</u>	<u>5</u>
16	--	16	--	16	--	16	--	17	--
--	2	--	2	--	2	--	2	--	3
4	3	4	3	4	4	4	4	4	4
<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>4</u>	<u>23</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>8</u>	<u>27</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>	<u>107</u>	<u>35</u>

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

Function/Program	Fiscal Year			
	1998	1999	2000	2001
General government				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,496	7,609	7,510	7,807
Votes cast in last election	1,656	2,449	2,385	3,016
Lien searches processed	*	*	*	*
Business licenses issued	*	*	*	*
Ordinances prepared and adopted	*	*	*	*
Resolutions prepared and adopted	*	*	*	*
Commission minutes prepared/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	23	24	27
Incidents responded to	1,600	1,634	1,681	2,006
Building				
Permits issued	2,020	1,735	1,815	1,586
Value of construction	\$ 16,919,443	\$ 22,829,662	\$ 39,063,897	\$ 30,612,349
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	****	****	****	44,950
Circulation	****	****	****	53,098
Volunteer hours	****	****	****	8,500
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						
2002	2003	2004	2005	2006	2007	
2.49	2.49	2.49	2.49	2.49	2.49	2.49
8,007	8,222	8,222	8,353	8,353	7,317	
1,936	3,274	3,274	2,690	2,690	2,690	
*	*	*	*	278	263	
*	*	*	*	546	522	
*	*	*	*	8	10	
*	*	*	*	73	61	
*	*	*	29	27	27	
1	1	1	1	1	1	
32	32	33	34	34	33	
**	**	**	**	8,251	8,806	
**	**	**	**	414	422	
**	**	**	**	3,768	4,248	
1	1	1	1	1	1	
27	26	26	26	26	26	
1,769	1,587	1,196	1,454	1,226	1,241	
1,548	1,580	1,497	1,535	1,945	1,667	
\$ 32,054,548	\$ 35,965,191	\$ 35,664,875	\$ 37,657,625	\$ 43,886,924	\$ 36,002,643	
41.12	41.12	41.12	41.12	41.12	41.12	
18.00	18.00	18.00	18.00	18.00	18.00	
44,525	47,125	42,485	44,056	46,223	****	
53,903	53,442	58,171	57,875	50,691	****	
8,500	8,200	8,500	8,500	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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
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					
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
41.12 *	41.12 *	41.12 *	41.12 *	41.12 55,208	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 to City Management



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
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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, 2007, and have issued our report thereon dated March 29, 2008. 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 City of Lighthouse Point, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lighthouse Point, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lighthouse Point, Florida's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. As significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Lighthouse Point, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Lighthouse Point's financial statements that is more than inconsequential will not be prevented or detected by the City of Lighthouse Point, Florida's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented to detected by the City of Lighthouse Point, Florida's internal control.

City of Lighthouse Point, Florida

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

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.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 29, 2008



KEEFE, MCCULLOUGH & CO., LLP
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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, 2007, and have issued our report thereon dated March 29, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent 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. Disclosures in those report, which is dated March 29, 2008, 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, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were recommendations made in the preceding annual financial audit report and their status has been reported on a separate letter dated March 29, 2008.

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

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

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material, but more than inconsequential. In connection with our audit, we did not have any such findings.

City of Lighthouse Point, Florida

Section 10.554(1)(i)5., Rules of Auditor General, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

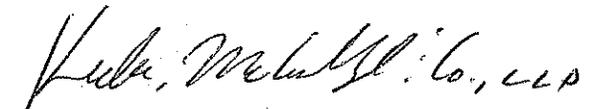
Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Lighthouse Point, Florida was established in 1957 under the provision of Chapter 57-1534 of the laws of the State of Florida. The City does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that City of Lighthouse Point, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for City of Lighthouse Point, Florida for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.

Section 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, 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 management letter is intended solely for the information and use of City management, members of the City Commission, federal awarding agencies, the Office of the Auditor General of the State of Florida, and other grantor and pass-through entities, and is not intended to be an should not be used by anyone other than these specified parties.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 29, 2008