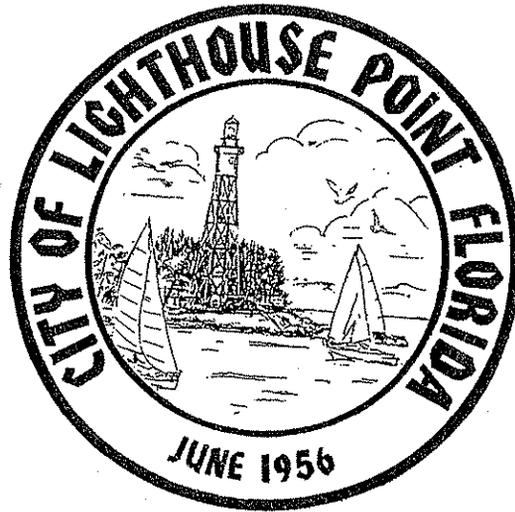


COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF LIGHTHOUSE POINT, FLORIDA  
FOR THE YEAR ENDED  
September 30, 2008



Prepared By:  
Finance Department

Terry Sharp  
Finance Director

CITY OF LIGHTHOUSE POINT, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED September 30, 2008

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# INTRODUCTORY SECTION



March 30, 2009

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -  
FOR THE YEAR ENDED September 30, 2008**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2008 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 section of the County. While the City has been impacted by the overall economic decline, for the fiscal year ending September 30, 2008, the property tax base grew by almost eight percent. The City is primarily a residential community and, due to its location on the Intracoastal Waterway, has generally maintained its property value. The 2008/2009 fiscal year has seen the first drop in real estate values and assessed valuation in recent memory. The City has not been dependent upon economic development activity or job creation programs for its livelihood. The City anticipates weathering this economic downturn through its conservative spending habits and no growth objectives. The City has made significant investments in infrastructure the last few years which minimizes any immediate need to major spending initiatives.

## **MAJOR INITIATIVES**

The City's major initiatives for fiscal year 2008 focused upon capital improvements.

During the fiscal year ending September 30, 2008, the City completed storm drainage improvements at a critical intersection of 39<sup>th</sup> Street and Lighthouse Drive. Additionally, work was begun for drainage improvements along Southeast 24<sup>th</sup> Street. The City completed its long awaited entranceway into the City on East Sample Road with new medians, traffic control, and landscaping. Plans are underway to erect new entranceway and directional signs in 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, 2008.

### 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. While the contributions of both the City and the employees are fixed by employee group, the investment earnings are driven by the employee's choice of various investment vehicles as offered by the International City Management Association Retirement Corporation. A defined benefit pension plan was established on October 1, 2003 for Firefighters and Police Officers. This plan is evaluated annually by a plan actuary and costs are amortized over a thirty year period. To extent that investment returns are less than the actuarial assumptions, any increases in contribution are shared equally by both the City and the employees. The financial highlights of the last two years for these plans are as follows and reflect the economic downturn in investment markets:

### Summary of Retirement Plans

	<u>2008</u>	<u>2007</u>
<b>City Contributions</b>		
Defined Contributions		
General Employees	\$ 184,256	\$ 164,884
Firefighters	35,502	31,812
Police Officers	36,020	35,294
Management Employees	111,906	113,625
Defined Benefit		
Police and Fire	<u>462,164</u>	<u>394,617</u>
Total	<u>\$ 829,848</u>	<u>\$ 740,232</u>

	<u>2008</u>	<u>2007</u>
<b>Net Changes</b>		
Defined Contributions		
General Employees	\$ (281,370)	\$ 380,152
Firefighters	(421,448)	229,390
Police Officers	(640,016)	(115,363)
Management Employees	(305,249)	464,801
Defined Benefit		
Police and Fire	<u>30,930</u>	<u>1,014,573</u>
<b>Total</b>	<b>\$ <u>(1,617,153)</u></b>	<b>\$ <u>1,973,553</u></b>
	<u>2008</u>	<u>2007</u>
<b>Net Assets</b>		
Defined Contributions		
General Employees	\$ 2,461,538	\$ 2,742,908
Firefighters	2,483,942	2,905,390
Police Officers	2,869,008	3,509,024
Management Employees	3,646,713	3,951,962
Defined Benefit		
Police and Fire	<u>5,191,970</u>	<u>5,161,040</u>
<b>Total</b>	<b>\$ <u>16,653,171</u></b>	<b>\$ <u>18,270,324</u></b>

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, 2008, the City had investments in five different financial institutions with most accounts collateralized with U.S. Government securities. The City's holdings the State Board of Administration's Local Government Investment Pool, which was the primary investment vehicle in prior years, was only \$ 138,990.

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. As of September 30, 2008, the City had \$ 4,765,000 bonded debt and \$ 805,281 lease purchase debt. The City's total net outstanding debt is \$ 5,570,281. This represents a ratio of net bonded debt to assessed value of 0.22 and net debt per capita of \$ 508. The primary reason for the increase in lease purchase debt was the purchase of a new fire ladder truck.

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.

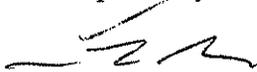
### Awards:

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, 2007. This was the fourteenth 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, 2007

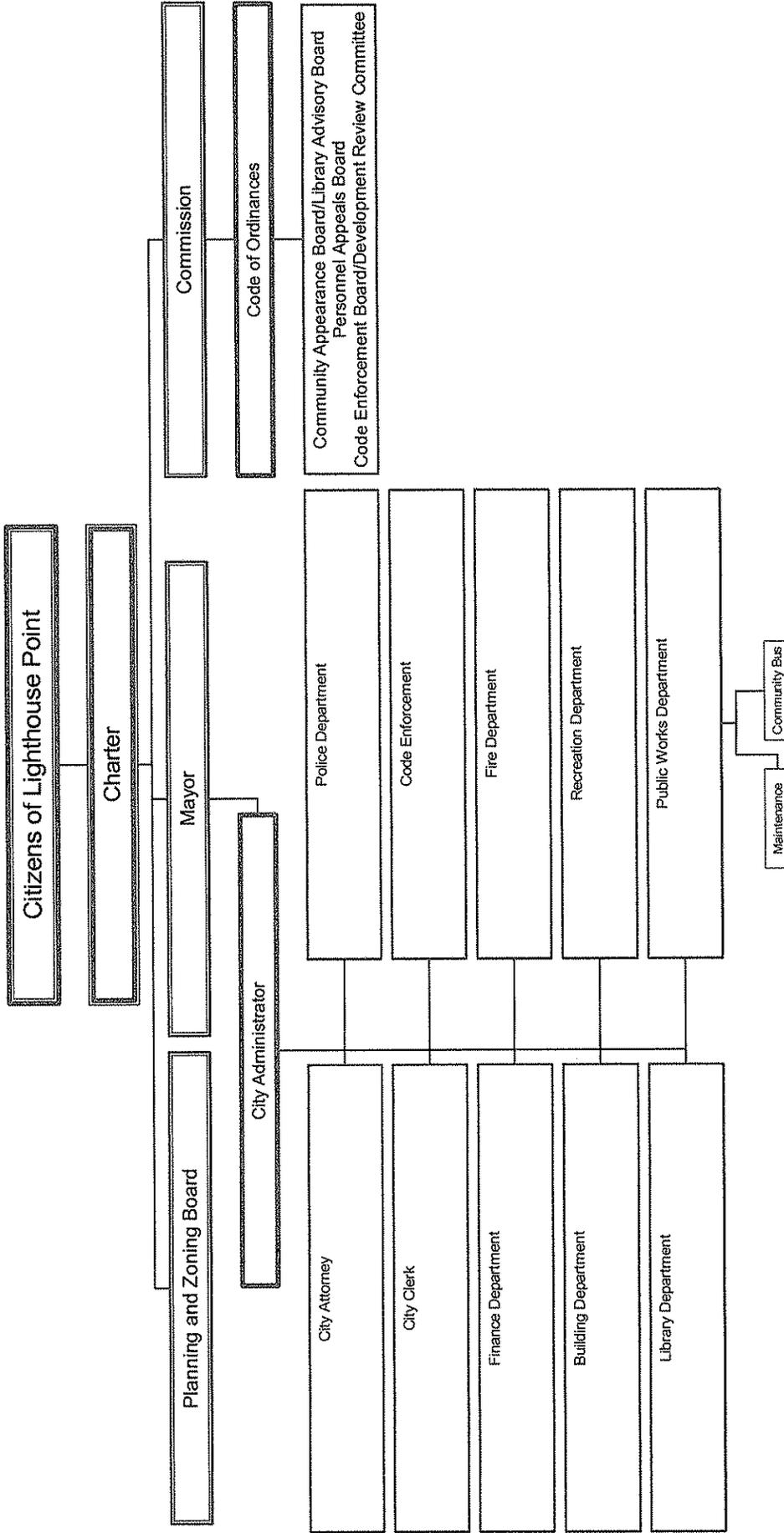
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

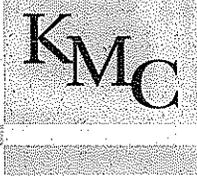
**City of Lighthouse Point, Florida  
City Governmental Structure  
September 30, 2008**



CITY OF LIGHTHOUSE POINT, FLORIDA  
LIST OF PRINCIPAL OFFICIALS  
September 30, 2008

Mayor	Fred Schorr
Commission President	Sandy Johnson
Commission Vice President	Michael S. Long
Commissioner	Susie E. Gordon
Commissioner	Thomas A. Hasis
Commissioner	Chip LaMarca
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.  
ISRAEL J. GOMEZ, 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)

JAMES R. LARAWAY, C.P.A.  
HILLARY B. DAIGLE, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.  
SAMUEL RAMIREZ, 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, 2008, 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 24% 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.

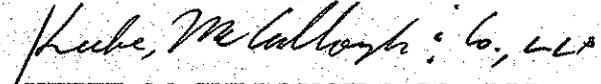
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Lighthouse Point, Florida at September 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Garbage and Trash Fund 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 30, 2009, 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

Fort Lauderdale, Florida  
March 30, 2009

# 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, 2008. 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, 2008:

- The City's total assets exceeded its liabilities by \$ 24,785,197. The entire amount was derived from governmental fund activities. Of this amount, \$ 4,958,569 (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 \$ 19,474,956, including \$ 8,054,870 for program related services. Expenditures for all governmental activities were \$ 15,102,687.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,935,367, an increase of \$ 3,463,705. The primary source of this increase is the receipt of \$ 3,269,697 in Federal forfeitures.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$ 4,102,845 or approximately 33% of total General Fund expenditures during fiscal year 2007.
- The total value of the City's governmental cash and investments at September 30, 2008 was \$ 10,590,471. The amount increased due to Federal forfeitures. Returns were down dramatically with economic events around the globe.

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 13 and 14 include the statement of net assets and the statement of activities. They are designed to provide a broad overview of the City's financial position as a whole, similar to private sector financial statements. The statement of net assets shows the total assets and liabilities for the City, the difference represents the net assets. The change in net assets over time may be an indicator of the City's financial health. The statement of activities shows how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both of the government-wide financial statements distinguish functions of the City of Lighthouse Point that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government (administration), public safety, physical environment (public works, building, and code enforcement), and culture and recreation (including library). The City of Lighthouse Point is the primary government and has no component units to report. These statements do not include the fiduciary funds (see pages 23 and 24) 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 15 and 16 as well as the governmental fund statement of revenues, expenditures, and changes in fund balance on pages 18 and 19 provides an indication of the long-term impact of near-term financing decisions.

The City maintains six funds of the governmental type divided into major and nonmajor categories based upon their significance in amount. All are combined into a single presentation on pages 15 through 20. 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 25. 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 \$ 24,785,197 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2008 compared to September 30, 2007.

The largest portion of the City's net assets (59.3%) reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment and infrastructure) less any related outstanding debt used to acquire those assets (approximately \$ 5.6 million). The City of Lighthouse Point uses the capital assets to provide services to the residents. Therefore, these assets are not available for future spending. However, since these capital assets cannot be used to liquidate the liabilities, the City must provide other sources for repayment of debt.

#### City of Lighthouse Point, Florida Net Assets September 30

	2008	2007
Current and other assets	\$ 12,891,860	\$ 9,275,023
Capital assets	20,284,027	19,027,553
Total assets	33,175,887	28,302,576
Other liabilities	1,597,793	1,883,522
Long-term liabilities outstanding	6,792,897	6,006,126
Total liabilities	8,390,690	7,889,648
Net assets:		
Invested in capital assets, net of related debt	14,713,746	13,755,926
Restricted	5,112,882	1,021,484
Unrestricted	4,958,569	5,635,518
Total net assets	\$ 24,785,197	\$ 20,412,928

A portion of net assets, approximately 19% represents resources that are subject to external restrictions on how they may be used. The remaining balances of unrestricted net assets (\$ 4,958,569) 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 \$ 4,372,269. The activity accounted for all the growth in the net assets of the City. Key elements of the change are described below with the most significant contribution being the receipt of \$ 3,269,697 for Federal forfeitures:

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>2008</u>	<u>2007</u>
<b>REVENUES:</b>		
Program revenues:		
Charges for services	\$ 3,679,137	\$ 4,588,144
Operating grants and contributions	4,025,992	223,088
Capital grants and contributions	349,741	1,327,828
General revenues:		
Ad valorem taxes	6,950,839	7,422,102
Other taxes	2,784,051	2,806,925
Intergovernmental revenues	1,143,836	1,204,632
Miscellaneous	541,360	536,918
Total revenues	<u>19,474,956</u>	<u>18,109,637</u>
<b>EXPENSES:</b>		
General government	1,491,969	1,140,397
Public safety	8,078,961	7,454,524
Physical environment	4,007,031	3,909,260
Transportation	53,925	46,492
Culture and recreation	1,258,251	1,138,481
Debt service	212,550	216,500
Total expenses	<u>15,102,687</u>	<u>13,905,654</u>
Change in net assets	4,372,269	4,203,983
NET ASSETS AT BEGINNING OF YEAR	<u>20,412,928</u>	<u>16,208,945</u>
NET ASSETS AT END OF YEAR	<u>\$ 24,785,197</u>	<u>\$ 20,412,928</u>

The most significant changes in revenue were \$ 909,007 less in charges for services primarily in building permits as a result of the economic slowdown and a reduction in grants with the completion of post hurricane renovation and storm drainage projects. Expenditures for physical environment were due to these capital projects.

**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.

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At the end of fiscal year 2008, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,935,367. Approximately 93.2% of the fund balance constitutes unreserved fund balance, or \$ 10,189,653 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 fiscal period or for future debt service.

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 \$ 4,102,845. 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 32.7% of the total General Fund expenditures, while total fund balance represents 36% of the same amount. The key factors responsible for the increase in the fund balance of the City of Lighthouse Point are:

- Capturing grants that were not anticipated in the original budget process,
- Conservative budgeting of franchise fees and utility taxes,
- Continued attention to expenses, resulting in cost savings.

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

	Fiscal Year 2008	Fiscal Year 2007	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,518,843	\$ 6,954,858	\$ 436,015	6.27
Franchise taxes	1,015,706	1,039,813	24,107	2.32
Utility service taxes	1,763,939	1,747,964	(15,975)	(0.91)
Licenses and permits	517,443	774,232	256,789	33.17
Intergovernmental revenues	2,082,009	1,532,696	(549,313)	(35.84)
Charges for services	875,895	789,873	(86,022)	(10.89)
Fines and forfeitures	157,816	302,596	144,780	47.85
Miscellaneous	135,606	284,651	149,045	52.36
Other sources	700,833	402,840	(297,993)	(73.97)
	<u>\$ 13,768,090</u>	<u>\$ 13,829,523</u>	<u>\$ 61,433</u>	<u>0.44</u>

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	Fiscal Year 2008	Fiscal Year 2007	Dollar Change	Percent Change
<b>EXPENDITURES:</b>				
General government	\$ 1,370,098	\$ 2,072,570	\$ 702,472	33.89
Public safety	8,188,687	7,244,876	(943,811)	(13.03)
Physical environment	1,991,302	1,857,269	(134,033)	(7.22)
Transportation	53,719	46,345	(7,374)	(15.91)
Culture/Recreation	781,511	1,001,897	220,386	22.00
Debt service	147,726	148,278	552	0.37
Other uses	258,969	838,947	579,978	69.13
	<u>\$ 12,792,012</u>	<u>\$ 13,210,182</u>	<u>\$ 418,170</u>	<u>3.17</u>

The City's assessed value after exemptions of approximately \$ 2.193 billion represented an increase of 7.7% from the previous year. This change reflected the beginnings of the economic slowdown and drop in property values. 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 decreased by \$ 436,015 as a deliberate decision of the City Commission to control taxes. The Commission decreased its operating rate by 13% from 3.5440 to 3.0887 for 2007-2008. This rate was 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 decreased primarily due to the completion of capital projects in the prior year.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
<b>REVENUES:</b>				
Ad Valorem	\$ 6,511,887	\$ 6,511,887	-	-
Franchise taxes	810,000	810,000	-	-
Utility service taxes	1,724,500	1,724,500	-	-
Licenses and permits	667,000	667,000	-	-
Intergovernmental revenues	1,221,600	1,595,311	373,711	23.43
Charges for services	842,400	842,400	-	-
Fines and forfeitures	34,000	75,200	41,200	54.79
Miscellaneous	73,000	73,000	-	-
Other sources	128,944	725,944	597,000	82.24
	<u>\$ 12,013,331</u>	<u>\$ 13,025,242</u>	<u>\$ 1,011,911</u>	<u>7.77</u>

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	Original Budget	Final Budget	Dollar Change	Percent Change
<b>EXPENDITURES:</b>				
General government	\$ 1,431,172	\$ 1,442,321	\$ 11,149	0.77
Public safety	7,551,704	8,330,169	778,465	9.35
Physical environment	1,585,944	2,013,251	427,307	21.22
Transportation	51,788	55,288	3,500	6.33
Culture/Recreation	815,754	811,734	(4,020)	(0.50)
Debt service	308,000	250,000	(58,000)	(23.20)
Other uses	258,969	258,969	-	-
	<u>\$ 12,003,331</u>	<u>\$ 13,161,732</u>	<u>\$ 1,158,401</u>	<u>8.80</u>

Intergovernmental revenue projections were increased to reflect grant funding of storm drainage projects, security, and environmental improvements. Other sources were amended to reflect the lease proceeds for the new fire ladder truck. Public Safety and Physical Environment budgets were increased to reflect the receipt of grant funds and lease proceeds. The General Fund balance increased with the receipt of additional franchise fees and grants above the original budgeted amount and savings in expenditures compared to budget.

Tennis Center:

The Tennis Center Fund accounts for the activities of the City's tennis facility. The revenues and expenditures were down due to the completion of capital improvements in fiscal year 2007.

	Fiscal Year 2008	Fiscal Year 2007	Dollar Change	Percent Change
<b>REVENUES:</b>				
Charges for services	\$ 64,712	\$ 82,321	\$ (17,609)	(21.39)
Miscellaneous	1,650	2,175	(525)	(24.14)
Transfers in	86,969	86,969	-	-
	<u>\$ 153,331</u>	<u>\$ 171,465</u>	<u>\$ (18,134)</u>	<u>(10.58)</u>
<b>EXPENDITURES:</b>				
Culture/Recreation	\$ 155,692	\$ 229,680	\$ (73,988)	(32.21)
Debt service	-	-	-	-
	<u>\$ 155,692</u>	<u>\$ 229,680</u>	<u>\$ (73,988)</u>	<u>(32.21)</u>

There were no changes in the budget for the Tennis Center during the fiscal year and no significant changes in fund balance.

Garbage and Trash Fund:

The Garbage and Trash Fund accounts for the activities of the collection and disposal of debris in the City. The City contracts for the service and charges a user fee to residential customers. Commercial customers and some condominiums pay for the service directly to the franchisee. Charges for Services revenue and contract expenditures were down due to the transition of some condominium developments from traditional residential service to commercial dumpster service. The former service is billed and paid for by the City while the latter service is billed by the franchisee and paid directly to the service provider. Miscellaneous revenue was down due to the conclusion of the Broward County refunded bond interest.

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	Fiscal Year 2008	Fiscal Year 2007	Dollar Change	Percent Change
<b>REVENUES:</b>				
Charges for services	\$ 2,055,722	\$ 2,526,006	\$ (470,284)	(18.62)
Miscellaneous	<u>263,040</u>	<u>296,093</u>	<u>(33,053)</u>	<u>(11.16)</u>
	<u>\$ 2,318,762</u>	<u>\$ 2,822,099</u>	<u>\$ (503,337)</u>	<u>(17.84)</u>
<b>EXPENDITURES:</b>				
Physical environment	\$ <u>2,244,854</u>	\$ <u>2,297,980</u>	\$ <u>(53,126)</u>	<u>(2.31)</u>
	<u>\$ 2,244,854</u>	<u>\$ 2,297,980</u>	<u>\$ (53,126)</u>	<u>(2.31)</u>

There were no changes in the budget for the Garbage and Trash Fund during the fiscal year and no significant changes in fund balance.

#### Debt Service Fund:

The Debt Service Fund received additional property taxes from delinquent taxpayers during the year.

	Fiscal Year 2008	Fiscal Year 2007	Dollar Change	Percent Change
<b>REVENUES:</b>				
Ad valorem taxes	\$ 431,996	\$ 467,244	\$ 35,248	7.54
Miscellaneous	<u>310</u>	<u>21,087</u>	<u>20,777</u>	<u>98.53</u>
	<u>\$ 432,306</u>	<u>\$ 488,331</u>	<u>\$ 56,025</u>	<u>11.47</u>
<b>EXPENDITURES:</b>				
Debt service	\$ <u>465,165</u>	\$ <u>462,025</u>	\$ <u>(3,140)</u>	<u>(0.68)</u>
	<u>\$ 465,165</u>	<u>\$ 462,025</u>	<u>\$ (3,140)</u>	<u>(0.68)</u>

There were no changes in the budget for the Debt Service Fund during the fiscal year. The fund balance was reduced by \$ 32,859 intentionally to levy the minimally required property taxes.

## **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, 2008 amounts to \$ 20,284,027 (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 purchase of a new fire ladder truck (\$ 574,284), storm drainage improvements on 24<sup>th</sup> Street (\$ 360,568) and 39<sup>th</sup> Street (\$ 378,685), and improvements to Sample Road (\$ 733,286).

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Capital assets for the year ended September 30, 2008 are summarized in the following table:

	<u>2008</u>	<u>2007</u>
Capital assets:		
Land	\$ 7,040,140	\$ 7,040,140
Buildings and land improvements	9,792,487	8,240,976
Equipment and fixtures	1,997,037	1,781,318
Vehicles	2,144,470	1,569,383
Infrastructure	4,272,560	1,596,046
Construction in progress	<u>360,568</u>	<u>3,076,649</u>
Total capital assets	<u>\$ 25,607,262</u>	<u>\$ 23,304,512</u>

Further data about the City's capital assets can be found in Note H on pages 36-37.

Long-term debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 6,792,897. 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>
<b>Governmental activities:</b>				
General obligation bonds	\$ 5,020,000	\$ -	\$ 255,000	\$ 4,765,000
Capital leases	251,627	700,833	147,179	805,281
Compensated absences	<u>1,166,293</u>	<u>89,492</u>	<u>33,169</u>	<u>1,222,616</u>
	<u>\$ 6,437,920</u>	<u>\$ 790,325</u>	<u>\$ 435,348</u>	<u>\$ 6,792,897</u>

Additional information about the City's long-term debt can be found in Note I on pages 38 and 39.

**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 local business taxes and franchise fees 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 and an increase in taxable property valuation.

The General Fund original budget for fiscal year 2009 has been approved in the amount of \$ 11,822,702, which represents a decrease of \$ 476,596 or 3.9% under the final budget of \$ 12,299,298 for fiscal year 2008. The fiscal year 2009 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 3.2822 which represents the .44% below the "rolled back" rate representing the amount of tax revenue levied in fiscal year 2008 with adjustments for new construction.

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## **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. 38<sup>th</sup> Street, Lighthouse Point, Florida 33064.

**BASIC  
FINANCIAL STATEMENTS**

CITY OF LIGHTHOUSE POINT, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2008

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash	\$ 3,136,186
Investments	7,454,285
Accounts receivable	965,790
Due from other governments	941,633
Prepays and other assets	393,966
Other assets	
Capital assets, depreciable (net)	12,883,319
Capital assets, nondepreciable	<u>7,400,708</u>
Total assets	<u>33,175,887</u>
 <b>LIABILITIES:</b>	
Accounts payable	1,183,401
Retainage payable	20,366
Accrued payroll and related taxes	263,932
Accrued interest	34,244
Deposits	31,881
Licenses collected in advance	45,175
Unearned revenues	15,730
Other liabilities	3,064
Noncurrent liabilities:	
Due within one year	454,732
Due in more than one year	<u>6,338,165</u>
Total liabilities	<u>8,390,690</u>
 <b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	14,713,746
Restricted for:	
Infrastructure	1,665,941
Debt service	45,163
Law enforcement trust	3,401,778
Unrestricted	<u>4,958,569</u>
Total net assets	<u>\$ 24,785,197</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, 2008

	Program Revenues			Total Governmental Activities	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental activities:					
General government	\$ 1,491,969	\$ 84,577	\$ 6,600	\$ -	\$ (1,400,792)
Public safety	8,078,961	1,392,705	3,377,015	93,438	(3,215,803)
Physical environment	4,007,031	2,055,722	432,542	256,303	(1,262,464)
Transportation	53,925	-	42,235	-	(11,690)
Culture/recreation	1,258,251	146,133	167,600	-	(944,518)
Interest expense	212,550	-	-	-	(212,550)
	<u>\$ 15,102,687</u>	<u>\$ 3,679,137</u>	<u>\$ 4,025,992</u>	<u>\$ 349,741</u>	<u>(7,047,817)</u>
Total governmental activities					
General revenues:					
Taxes:					
Ad-valorem taxes					6,950,839
Franchise taxes					1,015,706
Utility service taxes					1,768,345
Intergovernmental revenues (unrestricted)					1,143,836
Miscellaneous					541,360
					<u>11,420,086</u>
Total general revenues					<u>11,420,086</u>
Change in net assets					4,372,269
Net assets at beginning of year					<u>20,412,928</u>
Net assets at end of year					<u>\$ 24,785,197</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, 2008

	Major	
	General Fund	Garbage and Trash Fund
<b>ASSETS:</b>		
Cash	\$ 133,166	\$ -
Investments	7,048,840	-
Due from other funds	-	841,366
Accounts receivable	948,374	-
Due from other governments	434,734	459,690
Prepaid expenditures	393,116	-
	<u>8,958,230</u>	<u>1,301,056</u>
Total assets	\$ <u>8,958,230</u>	\$ <u>1,301,056</u>
 <b>LIABILITIES AND FUND BALANCES:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 766,896	\$ 179,522
Retainage payable	-	-
Accrued payroll and related taxes	260,140	-
Due to other funds	2,877,324	-
Deposits	31,881	-
Licenses collected in advance	45,175	-
Unearned revenue	408,674	-
Other	3,064	-
	<u>4,393,154</u>	<u>179,522</u>
Total liabilities	4,393,154	179,522
 <b>Fund balances:</b>		
<b>Reserved for:</b>		
Encumbrances	69,115	-
Prepaid expenditures	393,116	-
Debt service	-	-
<b>Unreserved:</b>		
<b>Undesignated:</b>		
General Fund	4,102,845	-
Special Revenue Funds	-	1,121,534
	<u>4,565,076</u>	<u>1,121,534</u>
Total fund balances	4,565,076	1,121,534
Total liabilities and fund balances	\$ <u>8,958,230</u>	\$ <u>1,301,056</u>

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

Governmental Funds

Infrastructure Fund	Public Safety Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,950,675	\$ 52,345	\$ 3,136,186
-	-	405,445	7,454,285
1,920,845	443,195	93,376	3,298,782
-	7,908	9,508	965,790
-	-	47,209	941,633
-	-	850	393,966
<u>\$ 1,920,845</u>	<u>\$ 3,401,778</u>	<u>\$ 608,733</u>	<u>\$ 16,190,642</u>
234,538	-	\$ 2,445	\$ 1,183,401
20,366	-	-	20,366
-	-	3,792	263,932
-	-	421,458	3,298,782
-	-	-	31,881
-	-	-	45,175
-	-	-	408,674
-	-	-	3,064
<u>254,904</u>	<u>-</u>	<u>427,695</u>	<u>5,255,275</u>
237,470	-	-	306,585
-	-	850	393,966
-	-	45,163	45,163
-	-	-	4,102,845
<u>1,428,471</u>	<u>3,401,778</u>	<u>135,025</u>	<u>6,086,808</u>
<u>1,665,941</u>	<u>3,401,778</u>	<u>181,038</u>	<u>10,935,367</u>
<u>\$ 1,920,845</u>	<u>\$ 3,401,778</u>	<u>\$ 608,733</u>	<u>\$ 16,190,642</u>

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

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
For the Year Ended September 30, 2008

**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 16	\$	10,935,367
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

The cost of capital assets is	\$	25,607,262	
Accumulated depreciation is		<u>(5,323,235)</u>	20,284,027

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		392,944
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Long-term liabilities, including leases and bonds payable are not due and payable in the current period and therefore are not due in the funds including the following:

Debt		(5,570,281)	
Compensated absences payable		(1,222,616)	
Accrued interest payable		<u>(34,244)</u>	<u>(6,827,141)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 13	\$	<u>24,785,197</u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF LIGHTHOUSE POINT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2008

	Major	
	General Fund	Garbage and Trash Fund
<b>REVENUES:</b>		
Ad valorem taxes	\$ 6,518,843	\$ -
Franchise taxes	1,015,706	-
Utility service taxes	1,763,939	-
Licenses and permits	517,443	-
Intergovernmental revenues	2,082,009	-
Charges for services	875,895	2,055,722
Fines and forfeitures	157,816	-
Miscellaneous	135,606	263,040
	<u>13,067,257</u>	<u>2,318,762</u>
Total revenues		
<b>EXPENDITURES:</b>		
Current:		
General government	1,186,532	-
Public safety	7,392,727	-
Physical environment	1,986,414	2,244,854
Transportation	53,719	-
Culture/recreation	773,112	-
Capital outlay	992,813	-
Debt service	147,726	-
	<u>12,533,043</u>	<u>2,244,854</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>534,214</u>	<u>73,908</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	-	-
Insurance proceeds	-	-
Transfers out	(258,969)	-
Capital leases	700,833	-
	<u>441,864</u>	<u>-</u>
Total other financing sources (uses)		
Net change in fund balance	976,078	73,908
<b>FUND BALANCES - BEGINNING</b>	<u>3,588,998</u>	<u>1,047,626</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,565,076</u>	<u>\$ 1,121,534</u>

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

<u>Governmental Funds</u>			
<u>Infrastructure Fund</u>	<u>Public Safety Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 431,996	\$ 6,950,839
-	-	-	1,015,706
-	-	-	1,763,939
-	-	-	517,443
167,863	-	-	2,249,872
-	-	72,261	3,003,878
-	3,269,697	-	3,427,513
78,709	40,729	65,012	583,096
<u>246,572</u>	<u>3,310,426</u>	<u>569,269</u>	<u>19,512,286</u>
-	-	-	1,186,532
-	35,388	-	7,428,115
-	-	2,278	4,233,546
-	-	-	53,719
-	-	243,606	1,016,718
689,058	30,338	801,184	2,513,393
-	-	469,665	617,391
<u>689,058</u>	<u>65,726</u>	<u>1,516,733</u>	<u>17,049,414</u>
<u>(442,486)</u>	<u>3,244,700</u>	<u>(947,464)</u>	<u>2,462,872</u>
150,000	-	331,463	481,463
300,000	-	-	300,000
-	-	(222,494)	(481,463)
-	-	-	700,833
<u>450,000</u>	<u>-</u>	<u>108,969</u>	<u>1,000,833</u>
7,514	3,244,700	(838,495)	3,463,705
<u>1,658,427</u>	<u>157,078</u>	<u>1,019,533</u>	<u>7,471,662</u>
<u>\$ 1,665,941</u>	<u>\$ 3,401,778</u>	<u>\$ 181,038</u>	<u>\$ 10,935,367</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2008

NET CHANGES IN FUND BALANCE - TOTAL  
GOVERNMENTAL FUNDS, PAGE 19 \$ 3,463,705

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

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

Expenditures for capital assets	\$ 2,513,393	
Less current year provision for depreciation	<u>(1,215,183)</u>	1,298,210

The net effect of various miscellaneous transactions  
involving capital assets (trade-ins, retirements) is  
to decrease net assets. (41,736)

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

Miscellaneous revenues		4,406
------------------------	--	-------

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	(700,833)	
Principal payments	<u>402,179</u>	(298,654)

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	2,661	
Change in compensated absences payable	<u>(56,323)</u>	<u>(53,662)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL  
ACTIVITIES, PAGE 14 \$ 4,372,269

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, 2008

	Budgeted amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad valorem taxes	\$ 6,511,887	\$ 6,511,887	\$ 6,518,843	\$ 6,956
Franchise fees	810,000	810,000	1,015,706	205,706
Utility service taxes	1,724,500	1,724,500	1,763,939	39,439
Licenses and permits	667,000	667,000	517,443	(149,557)
Intergovernmental revenues	1,211,600	1,595,311	2,082,009	486,698
Charges for services	842,400	842,400	875,895	33,495
Fines and forfeitures	34,000	75,200	157,816	82,616
Miscellaneous	73,000	73,000	135,606	62,606
	<u>11,874,387</u>	<u>12,299,298</u>	<u>13,067,257</u>	<u>767,959</u>
<b>EXPENDITURES:</b>				
Current:				
General government:	1,431,172	1,408,405	1,186,532	221,873
Public safety	7,443,824	7,495,284	7,392,727	102,557
Physical environment	1,246,412	1,989,219	1,986,414	2,805
Transportation	51,788	55,288	53,719	1,569
Culture/recreation	805,754	789,310	773,112	16,198
Capital outlay	457,412	915,257	992,813	(77,556)
Debt service	308,000	250,000	147,726	102,274
	<u>11,744,362</u>	<u>12,902,763</u>	<u>12,533,043</u>	<u>369,720</u>
Excess (deficiency) of revenues over expenditures	<u>130,025</u>	<u>(603,465)</u>	<u>534,214</u>	<u>1,137,679</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	28,944	28,944	-	(28,944)
Insurance proceeds	-	-	-	-
Transfers out	(258,969)	(258,969)	(258,969)	-
Capital leases	100,000	697,000	700,833	3,833
	<u>(130,025)</u>	<u>466,975</u>	<u>441,864</u>	<u>(25,111)</u>
Net change in fund balances	-	(136,490)	976,078	1,112,568
FUND BALANCE - BEGINNING	<u>3,588,998</u>	<u>3,588,998</u>	<u>3,588,998</u>	<u>--</u>
FUND BALANCE - ENDING	<u>\$ 3,588,998</u>	<u>\$ 3,452,508</u>	<u>\$ 4,565,076</u>	<u>\$ 1,112,568</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, 2008

	Budgeted amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Charges for services				
Garbage/solid waste fees	\$ 2,224,800	\$ 2,224,800	\$ 2,055,722	\$ (169,078)
Miscellaneous				
Recycling proceeds	60,000	60,000	90,694	30,694
Refunded interest proceeds	-	-	138,214	138,214
Interest income	20,000	20,000	34,132	14,132
Total miscellaneous	80,000	80,000	263,040	183,040
Total revenues	2,304,800	2,304,800	2,318,762	13,962
<b>EXPENDITURES:</b>				
Physical environment				
Trash collection				
Operating expenditures	2,290,000	2,290,000	2,244,854	45,146
Total expenditures	2,290,000	2,290,000	2,244,854	45,146
Net change in fund balance	14,800	14,800	73,908	59,108
FUND BALANCE - BEGINNING	1,047,626	1,047,626	1,047,626	-
FUND BALANCE - ENDING	\$ 1,062,426	\$ 1,062,426	\$ 1,121,534	\$ 59,108

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, 2008

ASSETS:

Investments:

U.S. Stock Funds	\$ 7,211,830
Money Market Funds	7,449,634
Balanced Funds	2,939,503
Bond Funds	2,427,643
International Stock Funds	<u>810,563</u>

Total 20,839,173

Participant loans receivables 389,472

Total assets 21,228,645

LIABILITIES

-

NET ASSETS:

Held in trust for pension and other benefits \$ 21,228,645

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, 2008

ADDITIONS:

Contributions:

City	\$	829,848
Employees		<u>920,934</u>
Total contributions		<u>1,750,782</u>

Investment earnings (losses):

Interest, dividends and investment value changes		(2,196,498)
Investment expense		<u>(166,622)</u>
Net investment earnings (losses)		<u>(2,363,120)</u>
Total additions		<u>(612,338)</u>

DEDUCTIONS:

Benefits		1,327,067
Refund of contributions:		
City		-
Employees		<u>145,328</u>
Total deductions		<u>1,472,395</u>
Change in net assets		(2,084,733)

NET ASSETS HELD IN TRUST FOR PENSION  
AND OTHER BENEFITS:

October 1, 2007		<u>23,313,378</u>
September 30, 2008	\$	<u><u>21,228,645</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

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 criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon this review, there were no component units or related organizations of the City.

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, 2008, 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, 2008, 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, 2008

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 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. In fiscal year 2007/2008, the Fund received resources from insurance proceeds related to the refurbishment of City Hall and grant funds for storm drainage improvements.

**Public Safety 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. The primary purpose of the fund is to account for the receipt and expenditure of Federal and state forfeitures stemming from Police Department participation in anti-crime task forces. In fiscal year 2007/2008, the City received over \$ 3 million in Federal forfeitures which raised the prominence of this fund to the major fund category.

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. Interfund services provided and use are not eliminated in the process of consolidation. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by GASB. 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, 2008

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, 2008

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 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, 2008, encumbrances outstanding are as follows:

General Fund	\$	69,115
Infrastructure Fund		<u>237,470</u>
Total	\$	<u><u>306,585</u></u>

Compensated absences:

City employees earn vacation, sick and compensatory leave in varying amounts based on length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service and age. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net assets. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources and only if they have matured.

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned revenue:

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

Long-term obligations:

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

Equity classifications:

*Government-wide statements*

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

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

*Fund statements*

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting

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

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.

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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 \$ 1,158,401 of supplemental appropriations. The primary reason for the increase in appropriations was the purchase of a new fire ladder truck funded by lease purchase proceeds, the receipt of unanticipated Federal and state grants, and prior year encumbrances carried forward.

NOTE C - PROPERTY TAX

Property taxes are adopted as part of the budget process in September for the upcoming fiscal year. Payments are due November 1 with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and bear interest of eighteen percent from April 1 until a tax sale certificate is sold at auction.

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2007, upon which the 2007-2008 levy was based, was approximately \$ 2,192,739,914. 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 operating tax rate to finance general governmental services for the year ended September 30, 2008 was 3.0887 per \$ 1,000

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**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 \$ 3,136,186 and the bank balance was \$ 3,263,563. 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. The exception to this maturity limit is the City's investment in Pool B of the Local Government Investment Pool. Actions taken by State Board of Administration (SBA) in 2007 restrict withdrawals. The SBA invested in securities with longer maturities than either the City policy or State policy permitted. As withdrawals are permitted, the City has initiated withdrawals and does not intend to reinvest in the Local Government Investment Pool. Total governmental fund investments at September 30, 2008 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>Investment Maturities (in years)</u>		
			<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Local Government Investment Pool	\$ 138,990	\$ -	\$ -	\$ 138,990	\$ -
Mutual Funds	6,861,478	6,543,133	318,345	-	-
Money Market Funds	453,817	453,817	-	-	-
<b>Total</b>	<b>\$ 7,454,285</b>	<b>\$ 6,996,950</b>	<b>\$ 318,345</b>	<b>\$ 138,990</b>	<b>\$ -</b>

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.

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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.

The Local Government Investment Pool is managed by the Florida State Board of Administration. The City's balance is part of "Fund B" which is not rated by any nationally recognized statistical rating agency. Withdrawals have been restricted to when securities mature. The City has been withdrawing at the time of liquidity. The weighted average life of Fund B at September 30, 2008 was 9.36 years. The City owns shares of the Local Government Investment Pool and not the underlying securities. Fund B has not participated in a securities lending program during this fiscal year. Fund B is not registered with the Securities and Exchange Commission. Oversight of the pool is the responsibility of the Board of Trustees consisting of the Governor, the State's Chief Financial Officer, and the Attorney General. The Board has contracted with Federated Investment Counseling to provide investment advisory services.

The City has invested in three different funds with the Florida Municipal Investment Trust: the High Quality Government Fund, the 1-3 Year High Quality Bond Fund, and the Intermediate High Quality Bond Fund. The High Quality Government Fund has a Standard & Poor's rating of AAAf/S1+ and is restricted to U.S. Treasury and Agency holdings with a weighted average maturity of .22 years. The 1-3 Year High Quality Bond Fund is rated AAA/V2 by Fitch with a weighted average maturity of 1.43 years. The Intermediate High Quality Bond Fund is rated AAA/V3 by Fitch with a weighted average maturity of 4.01 years.

The Wachovia Money Market account invests in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities and Repurchase agreements backed by such obligations. The Fund is rated AAA by both Standard & Poor's and Moody's. The account is also insured by the Federal Deposit Insurance Corporation up to \$ 250,000.

Colonial Bank has provided the brokerage services for the City to invest in the Dreyfus Treasury Prime Cash Management Fund. This fund has been rated AAAM by Standard and Poor's and Aaa by Moody's. The fund invested exclusively in securities issued by U.S. Treasury Department.

Commerce Bank, now TDBank, provides brokerage service for additional investments. At September 30, 2008, the City had \$ 1,007,869 in U.S. Treasury Bills which matured on October 23, 2008. Additionally, the City owned \$ 1,500,994 in shares of the Federal Government Ultra Short Fund. The latter fund invests in U.S. Government and agency securities with an overall dollar-weighted average duration of one year or less.

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**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, 2008 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Stock Funds	\$ 7,211,830	\$ -	\$ 7,211,830	\$ -	\$ -
Money Market Funds	7,449,634	-	7,449,634	-	-
Balanced Funds	2,939,503	-	2,939,503	-	-
Bonds Funds	2,427,643	-	2,427,643	-	-
International Stock Funds	810,563	-	810,563	-	-
<b>Total</b>	<b>\$ 20,839,173</b>	<b>\$ -</b>	<b>\$ 20,839,173</b>	<b>\$ -</b>	<b>\$ -</b>

Interest rate risk:

To mitigate its exposure to losses in fair value, the City's fiduciary funds are invested in a well-diversified and balanced portfolio. The overall focus is on long-term growth given that the funds are for employee retirement purposes. For the defined benefit plan, the investment plan is 40% in fixed income high quality bond funds and 60% equities. The bond fund carries a Fitch rating of AA/V4 with weighted average maturity of 5.04 years.

Credit risk:

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

**NOTE E - INTERFUND TRANSACTIONS**

The City uses a pooled cash arrangement and at any point in time some funds may carry a higher balance of cash and provide resources to other funds that carry a negative balance. Those funds requiring cash at year end are shown with a payable amount. Those funds with available cash to loan out are shown with a receivable amount. Interfund receivables and payables at September 30, 2008 were as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE E - INTERFUND TRANSACTIONS (continued)

Fund	Receivable	Payable
General Fund	\$ -	\$ 2,877,324
Garbage and Trash Fund	841,366	-
Infrastructure Fund	1,920,845	-
Public Safety Fund	443,195	-
Special Revenue Funds		
Tennis Center	28,696	-
Bond Construction Fund	-	34,356
Capital Projects Fund	-	387,102
Other	64,680	-
	<u>3,298,782</u>	<u>3,298,782</u>
Total	\$ <u>3,298,782</u>	\$ <u>3,298,782</u>

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 258,969
Special Revenue Funds	-	-
Tennis Center Fund	86,969	-
Total budgeted funds	<u>86,969</u>	<u>258,969</u>
Infrastructure Fund	150,000	-
Special Revenue Funds		
Bond construction Fund	-	174,494
Capital projects Fund	222,494	-
Cultural support Fund	-	48,000
Recreation Support	22,000	-
	<u>394,494</u>	<u>222,494</u>
Total	\$ <u>481,463</u>	\$ <u>481,463</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 2008, the General Fund transferred \$ 258,969 to other funds including \$ 150,000 to the Infrastructure Fund for street paving, \$ 86,969 for the Tennis Center representing the budgeted subsidy of the facility and its operations, \$ 22,000 for the City's Keeper Day and Lighthouse A'Glow celebrations. The transfers for Special Revenue Funds involved the exchange of resources between different capital project funds as the Library expansion project was completed.

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE F - SPECIAL REVENUE FUNDS

The City has three special revenue funds. The Garbage and Trash Fund is budgeted and designed to account for revenues and expenditures associated with the collection and disposal of residential refuse. The Tennis Center Fund is budgeted and accounts for the operation of the City's recreational facility at Frank McDonough Park. The Special Purpose Fund actually represents a number of special purposes including proceeds from specific revenue sources or to finance specified activities as required by law or administrative regulations. This fund is not budgeted. Appropriations are authorized by the City Commission on an as needed basis.

The Special Purpose Fund maintains an internal allocation of the intended purposes of its fund balance. For fiscal year 2008, the City has determined that the Public Safety Fund component is a major fund because of the significant activity of the year related to a sizable receipt of forfeitures. Additionally, the City's bond fund and capital projects fund have funded the completion of planned projects and thus have very little activity during the fiscal year. As of September 30, 2008, the following allocation of fund balance for all of the Special Purpose subfunds has been determined:

Recreation Support	
Sponsor fees for recreation programs	\$ 5,368
Playground 2000 for park development	1,805
Keeper Days for annual city anniversary	10,410
LHP A'Glow for annual holiday celebration	2,285
DeGroff Park	30
Total	19,898
Environmental	
Beautification improvements in the City	15,574
Waterway cleanup and protection	45,140
Total	60,714
Cultural Support	
Library	11,240
Senior Outreach	32
Historical Committee	118
Total	11,390
Bond construction	10,903
Capital projects	-
Total of Special Purpose Fund	\$ 102,905

The Bond Construction Fund accounts for the expenditures of the \$ 6,190,000 in bonds to finance various capital improvement projects outlined in the following table. The Capital Projects Fund has established to track the revenue 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:

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE F - SPECIAL REVENUE FUNDS (continued)

<u>Bonds 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	\$ -
Bridges	408,000	348,868	-
Roads	1,505,000	1,572,013	-
Sidewalks	285,000	281,911	-
Storm drains	655,000	657,482	-
<b>Total project costs</b>	<b>\$ <u>6,035,000</u></b>	<b>\$ <u>6,195,022</u></b>	<b>\$ <u>-</u></b>

<u>Capital Projects</u>	<u>Project Authorizations</u>	<u>Expended</u>	<u>Encumbered</u>
Police Station	\$ 1,695,228	\$ 1,822,332	\$ -
Library	1,056,090	1,086,341	-
<b>Total project costs</b>	<b>\$ <u>2,751,318</u></b>	<b>\$ <u>2,908,673</u></b>	<b>\$ <u>-</u></b>

The amount expended which exceeded the original project authorizations were funded with additional resources including interest earnings and outside contributions. The fund balance for the Bond Fund at September 30, 2008 was \$ 10,903 and for the Capital Projects Fund, \$ 0.

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, 2008 was 0.2047.

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008, was as follows:

	<u>Balance October 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2008</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,040,140	\$ -	\$ -	\$ -	\$ 7,040,140
Construction in progress	3,076,649	360,568	-	(3,076,649)	360,568
<b>Total capital assets, not being depreciated</b>	<b><u>10,116,789</u></b>	<b><u>360,568</u></b>	<b><u>-</u></b>	<b><u>(3,076,649)</u></b>	<b><u>7,400,708</u></b>

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**NOTE H - CAPITAL ASSETS (continued)**

	<u>Balance October 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2008</u>
Capital assets, being depreciated					
Buildings and land improvements	8,240,976	127,973	88,568	1,512,106	9,792,487
Equipment and fixtures	1,781,318	229,412	13,693	-	1,997,037
Infrastructure	1,596,046	1,111,971	-	1,564,543	4,272,560
Vehicles	<u>1,569,383</u>	<u>683,469</u>	<u>108,382</u>	<u>-</u>	<u>2,144,470</u>
Total capital assets being depreciated	<u>13,187,723</u>	<u>2,152,825</u>	<u>210,643</u>	<u>3,076,649</u>	<u>18,206,554</u>
Total assets	<u>23,304,512</u>	<u>2,513,393</u>	<u>210,643</u>	<u>-</u>	<u>25,607,262</u>
Less accumulated depreciation for:					
Buildings and land improvements	2,025,378	538,112	12,018	-	2,551,472
Equipment and fixtures	1,046,811	306,206	84,610	-	1,268,407
Infrastructure	43,275	73,910	-	-	117,185
Vehicles	<u>1,161,495</u>	<u>296,955</u>	<u>72,279</u>	<u>-</u>	<u>1,386,171</u>
Total accumulated depreciation	<u>4,276,959</u>	<u>1,215,183</u>	<u>168,907</u>	<u>-</u>	<u>5,323,235</u>
Total capital assets, being depreciated, net	<u>8,910,764</u>	<u>937,642</u>	<u>41,736</u>	<u>3,076,649</u>	<u>12,883,319</u>
Governmental activities, capital assets, net	<u>\$ 19,027,553</u>	<u>\$ 1,298,210</u>	<u>\$ 41,736</u>	<u>\$ -</u>	<u>\$ 20,284,027</u>
Total governmental activities, capital assets, net	<u>\$ 19,027,553</u>	<u>\$ 1,298,210</u>	<u>\$ 41,736</u>	<u>\$ -</u>	<u>\$ 20,284,027</u>
Related debt	<u>5,271,627</u>	<u>700,833</u>	<u>402,179</u>	<u>-</u>	<u>5,570,281</u>
Invested in capital assets, net of related debt	<u>\$ 13,755,926</u>	<u>\$ 597,377</u>	<u>\$ (360,443)</u>	<u>\$ -</u>	<u>\$ 14,713,746</u>

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

Governmental activities:	
General government	\$ 149,641
Public safety	620,873
Physical environment	207,189
Transportation	91
Culture and recreation	<u>237,389</u>
Total depreciation expense - governmental activities	<u>\$ 1,215,183</u>

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**NOTE I - 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, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 5,020,000	\$ -	\$ 255,000	\$ 4,765,000	\$ 260,000
Capital leases	251,627	700,833	147,179	805,281	135,816
Compensated absences	<u>1,166,293</u>	<u>89,492</u>	<u>33,169</u>	<u>1,222,616</u>	<u>58,916</u>
	<u>\$ 6,437,920</u>	<u>\$ 790,325</u>	<u>\$ 435,348</u>	<u>\$ 6,792,897</u>	<u>\$ 454,732</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>
2009	\$ 260,000	\$ 201,960	\$ 461,960
2010	270,000	193,120	463,120
2011	280,000	183,400	463,400
2012	290,000	172,500	462,500
2013	300,000	162,020	462,020
2014-2018	1,705,000	616,550	2,321,550
2019-2022	<u>1,660,000</u>	<u>200,488</u>	<u>1,860,488</u>
	<u>\$ 4,765,000</u>	<u>\$ 1,730,038</u>	<u>\$ 6,495,038</u>

Capital leases:

As of September 30, 2008, the City had obligations under five separate lease purchase agreements. The first lease outstanding for \$ 101,774 (Series 2005) was for the purchase of four police vehicles and one public works truck. The second lease (Series 2006) was for the purchase of four police vehicles and one administrative vehicle in the amount of \$ 104,210. The third 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. The lease proceeds from one police vehicle in the amount of \$ 19,920 were received in fiscal year 2008. Series 2008 is comprised of two different leases: \$ 596,913 for a fire ladder truck and extrication equipment and \$ 84,000 for four police vehicles. 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 \$ 789,000. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2008.

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**NOTE I - LONG-TERM DEBT (continued)**

Year ending September 30,	Series 2005	Series 2006	Series 2007	Series 2008	Total
2009	\$ 20,532	\$ 28,581	\$ 25,146	\$ 133,040	\$ 207,299
2010	-	28,580	33,528	133,040	195,148
2011	-	-	26,506	133,040	159,546
2012	-	-	1,356	127,397	128,753
2013	-	-	-	110,468	110,468
Thereafter	-	-	-	82,851	82,851
<b>Total minimum lease payments</b>	<b>20,532</b>	<b>57,161</b>	<b>86,536</b>	<b>719,836</b>	<b>884,065</b>
<b>Less: amount representing interest</b>	<b>359</b>	<b>7,335</b>	<b>4,997</b>	<b>66,093</b>	<b>78,784</b>
<b>Present value of future minimum lease payments</b>	<b>\$ 20,173</b>	<b>\$ 49,826</b>	<b>\$ 81,539</b>	<b>\$ 653,743</b>	<b>\$ 805,281</b>

**NOTE J - ACCOUNTS PAYABLE**

Accounts payable at September 30, 2008 were as follows:

	Vendors	Subcontractor	Total Accounts Payable
<b>Governmental activities:</b>			
General Fund	\$ 766,896	\$ -	\$ 766,896
Infrastructure Fund	-	234,538	234,538
Garbage and Trash Fund	179,522	-	179,522
Tennis Center Fund	2,392	-	2,392
Special Purpose Funds	53	-	53
<b>Total governmental activities</b>	<b>\$ 948,863</b>	<b>\$ 234,538</b>	<b>\$ 1,183,401</b>

**NOTE K - 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, 2008

NOTE K - 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 2008, the City made bi-weekly contributions to the plan equal to 12.5% (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 2008 subject to pension contributions was \$ 2,785,963. The City made the required contributions as follows:

General employees	\$	184,257
Firefighters		35,502
Police officers		36,020
Management		111,906
		111,906
	\$	367,685

The required contributions by employees were as follows:

General employees	\$	44,221
Firefighters		20,287
Police officers		15,438
Management		48,302
		48,302
	\$	128,248

Plan membership at September 30, 2008, consisted of the following:

	General	Fire	Police	Management
Retirees and beneficiaries currently receiving benefits	3	1	4	4
Terminated members entitled to, but not yet receiving benefits	11	2	6	6
Current employees:				
Fully vested	21	13	11	7
Partially vested	10	2	1	2
Nonvested	4	-	-	-
	49	15	12	9
Total current employees	49	15	12	9
Total membership	49	18	22	19

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE K - PENSION PLAN (continued)

Investment summaries at September 30, 2008, are as follows:

Investments	% of Portfolio	Fair Value
General employees		
Money Market Funds	47%	
Bond Funds	2%	
Balanced Funds	26%	
U.S. Stock Funds	23%	
International Stock Funds	2%	
Total		\$ 2,369,522
Firefighters		
Money Market Funds	30%	
Balanced Funds	17%	
U.S. Stock Funds	51%	
International Stock Funds	2%	
Total		2,427,328
Police Officers		
Money Market Funds	67%	
Bond Funds	1%	
Balanced Funds	15%	
U.S. Stock Funds	17%	
Total		2,744,268
Management Employees		
Money Market Funds	50%	
Bond Funds	5%	
Balanced Funds	13%	
U.S. Stock Funds	28%	
International Stock Funds	4%	
Total		3,530,611

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, 2008, participant loans outstanding amounted to \$ 389,473.

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**NOTE K - 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. The pension plan is of the single-employer defined-benefit variety. 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 2008, the City contributed 15.76% of employee salaries and employees contributed 9.51%. All investments, totaling \$ 5,191,970 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 with fiscal year 2008 as the last year. As of September 30, 2008, the membership in the plan consists of forty-nine active participants, one retiree, and two former employees who are vested but not yet eligible to receive benefits. A separate audited GAAP-basis pension plan is completed annually and is available for review in the City's Finance Department.

An actuarial valuation is in the process of being completed at this writing. The following information reflects the pension cost trend included in the latest completed valuation for the fiscal year ended September 30, 2008:

<b>Three Year Trend Information</b>					
<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	
2006	\$ 351,519	100%	\$ 351,519	100%	
2007	\$ 371,520	100%	\$ 371,520	100%	
2008	\$ 291,631	100%	\$ 291,631	100%	

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

Valuation date	October 1, 2007
Actuarial cost method	Frozen entry age
Amortization method	Level dollar closed
Remaining amortization period	30 years
Asset valuation method	Market value
<b>Actuarial assumptions:</b>	
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, 2008

**NOTE K - 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 account totaled \$ 141,211 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. In December, 2007, the City suspended current employee contributions due to a directive issued by the Internal Revenue Service to ICMA-RC. Subsequent to September 30, 2008, the City has reinstated employee contributions for certain employee groups based upon these new requirements.

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				
2006	\$ 156,504	\$ 156,504	\$ 1,235,213	12.67%
2007	205,878	205,878	1,346,386	15.29%
2008	228,475	228,475	1,474,052	15.50%
Firefighter - Defined Contribution				
2006	49,592	49,592	224,109	22.13%
2007	49,990	49,990	227,224	22.00%
2008	55,788	55,788	253,584	22.00%
Police Officer - Defined Contribution				
2006	69,146	69,146	345,788	20.00%
2007	50,420	50,420	252,102	20.00%
2008	51,458	51,458	257,286	20.00%
Management - Defined Contribution				
2006	151,217	151,217	753,585	20.07%
2007	162,321	162,321	811,609	20.00%
2008	160,208	160,208	801,040	20.00%

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2008

**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				
2006 *	575,863	1,030,832	2,587,561	39.84%
2007	618,113	618,113	2,769,238	22.32%
2008	821,703	821,703	2,932,589	28.02%
Retirement Health Savings				
2006	36,352	36,352	1,197,916	3.03%
2007	37,772	37,772	1,331,552	2.84%
2008 **	10,235	10,235	376,080	2.72%

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

\*\* The contributions are lower due to a suspension of contributions in December, 2007 in response to Internal Revenue Service directive to the plan administrator. The plan was reinstated with active contributions subsequent to September 30, 2008.

**NOTE L - 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. A Governmental Accounting Standards Board Statement 45 actuarial valuation completed on October 29, 2007 estimated the net other post employment benefit (OPEB) amount as of September 30, 2008, at \$ 57,658. An updated estimate of OPEB liability is being prepared.

Risk management:

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

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

Grants compliance:

The City receives financial assistance from Federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Florida Single Audit Act, the City was not required to conduct a "single audit" for Federal or state grants. The threshold for such audits is \$ 500,000 for either level of government. The following summarizes grant activity for the year ended September 30, 2008:

<u>Grant</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>
Federal Grants:			
Federal Forfeitures	\$ 3,269,697	\$ 33,970	\$ -
Community Development Block Grant	36,277	36,277	8,470
Justice	323	323	-
Federal Emergency Management Agency	325,159	21,660	-
Environment Protection Agency	46,567	46,567	-
Total Federal grants	<u>\$ 3,678,023</u>	<u>\$ 138,797</u>	<u>\$ 8,470</u>
State Grants:			
Department of State - Library	\$ 14,551	\$ 14,551	\$ -
Department of Environmental Protection	232,440	232,440	70,759
Department of Agriculture	24,314	24,314	-
Department of Health - EMS	11,994	11,994	-
Department of Law Enforcement	2,874	2,874	-
Department of Community Affairs	488	-	-
Department of Transportation	98,305	98,305	-
Total state grants	<u>\$ 384,966</u>	<u>\$ 384,478</u>	<u>\$ 70,759</u>
Local Grants:			
Broward County			
Broward Beautiful Grant	\$ 5,233	\$ 5,233	\$ -
Community Bus	42,235	42,235	-
Marine Law Enforcement	47,638	47,638	11,248
Green Shade Grant	14,899	14,899	-
Urban Area Security Initiative	81,443	81,443	-
South Florida Water Management District	121,296	121,296	-
Total local grants	<u>\$ 312,744</u>	<u>\$ 312,744</u>	<u>\$ 11,248</u>

CITY OF LIGHTHOUSE POINT, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008

NOTE M - SUBSEQUENT EVENTS

As described in Note K, the Retirement Health Savings Plan was reinstated for active employee contributions in December, 2008. Per the new guidelines of the Internal Revenue Service, the Plan can no longer have "elective" features in which participant may selectively contribute at different rates. The City has established two sub-groups of employees based upon their request and adherence to the new guidelines. The employees will make all contributions and are defined by job classification so that any promotions or new hires would have to abide by such contribution requirements. Other than minor administrative tasks related to payroll deductions, there is no cost to the City for the program.

The global economy continued to deteriorate after September 30, 2008. The City's property tax base has not yet been affected by the decline but fiscal year 2010 would appear to be facing further reductions in real estate values. Additionally, the Florida State Legislature will be meeting in its annual session to tackle state budget issues and the Governor has announced certain proposals that could be placed on the 2010 election ballot to amend the State Constitution as it relates to local government taxes and spending.

The City has further diversified its investment portfolio with the purchase of a \$ 1,000,000 certificate of deposit from SunTrust Bank that is fully collateralized under the Florida State Public Depository Program and purchased another \$ 1,000,000 in a series of certificates of deposit that are covered by the Federal Deposit Insurance Corporation.

**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%
10/1/2007	5,081,694	5,236,449	154,755	97.0%	2,782,471	5.6%

\* 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 FIVE FISCAL YEARS

PENSION PLAN: POLICE AND FIRE DEFINED BENEFIT

Fiscal Year Ended	Member		Employer	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
09/30/2004	\$ 1,856,487	100%	\$ 304,230	100%
09/30/2005	183,096	100%	332,619	100%
09/30/2006	662,045	100%	351,519	100%
09/30/2007	223,496	100%	371,520	100%
09/30/2008	285,782	100%	291,631	100%

**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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes				
Current	\$ 6,511,887	\$ 6,511,887	\$ 6,508,450	\$ (3,437)
Delinquent	-	-	10,393	10,393
	<u>6,511,887</u>	<u>6,511,887</u>	<u>6,518,843</u>	<u>6,956</u>
<b>Franchise taxes:</b>				
Electricity	725,000	725,000	895,238	170,238
Solid waste	85,000	85,000	120,468	35,468
	<u>810,000</u>	<u>810,000</u>	<u>1,015,706</u>	<u>205,706</u>
<b>Utility service taxes:</b>				
Electricity	830,000	830,000	874,983	44,983
Water	370,500	370,500	323,138	(47,362)
Gas	-	-	1,771	1,771
Propane	24,000	24,000	42,635	18,635
Communications services	500,000	500,000	521,412	21,412
	<u>1,724,500</u>	<u>1,724,500</u>	<u>1,763,939</u>	<u>39,439</u>
<b>Licenses and permits:</b>				
Occupational licenses	67,000	67,000	67,322	322
Building permits	300,000	300,000	199,909	(100,091)
Plumbing permits	50,000	50,000	30,443	(19,557)
Electrical permits	75,000	75,000	67,340	(7,660)
Other	175,000	175,000	152,429	(22,571)
	<u>667,000</u>	<u>667,000</u>	<u>517,443</u>	<u>(149,557)</u>
<b>Intergovernmental revenues:</b>				
State revenue sharing	300,000	300,000	300,464	464
Alcoholic beverage license	10,000	10,000	9,812	(188)
Gasoline tax	200,000	200,000	194,478	(5,522)
Half cent sales tax	660,000	660,000	617,458	(42,542)
Firefighters supplemental	3,000	3,000	6,750	3,750
Motor fuel rebate	3,600	3,600	5,292	1,692
County occupational license	-	-	9,582	9,582
Federal grants	35,000	406,711	361,759	(44,952)
State grants	-	12,000	384,966	372,966
Local grants	-	-	191,448	191,448
	<u>1,211,600</u>	<u>1,595,311</u>	<u>2,082,009</u>	<u>486,698</u>

Continued on next page

CITY OF LIGHTHOUSE POINT, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Charges for services				
Lien search fees	5,000	5,000	7,590	2,590
Zoning fees	2,000	2,000	6,468	4,468
Merchandise sales	100	100	2,240	2,140
Certification, copying, research	-	-	492	492
City Commission appeals	-	-	100	100
Other fees - City Clerk	-	-	366	366
Accident reports	-	-	621	621
Fingerprinting fees	2,000	2,000	3,960	1,960
Alarm fees	9,000	9,000	6,499	(2,501)
Special detail fees	30,000	30,000	47,771	17,771
Fire inspection fees	23,000	23,000	23,055	55
Construction inspection fees	10,000	10,000	12,325	2,325
Other fees - fire	800	800	6,578	5,778
Ambulance fees	170,000	170,000	156,018	(13,982)
Special Assessments - Fire	525,000	525,000	527,540	2,540
Public works service fee	-	-	400	400
Photostat and other fees	500	500	1,564	1,064
Registration - recreation	21,000	21,000	11,785	(9,215)
Summer recreation fees	37,500	37,500	54,290	16,790
Other recreation fees	6,500	6,500	6,233	(267)
	<u>842,400</u>	<u>842,400</u>	<u>875,895</u>	<u>33,495</u>
Fines and forfeitures:				
Court fines	20,000	20,000	42,993	22,993
Library fines	2,000	2,000	1,558	(442)
Parking citations	2,000	2,000	13,960	11,960
Code enforcement fines	10,000	51,200	99,305	48,105
	<u>34,000</u>	<u>75,200</u>	<u>157,816</u>	<u>82,616</u>
Miscellaneous income:				
Interest income	73,000	73,000	42,430	(30,570)
Other	-	-	93,176	93,176
	<u>73,000</u>	<u>73,000</u>	<u>135,606</u>	<u>62,606</u>
Total revenues	<u>11,874,387</u>	<u>12,299,298</u>	<u>13,067,257</u>	<u>767,959</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
General government				
Legislative - commission				
Personal services	33,600	36,600	35,890	710
Operating expenditures	44,140	53,921	43,277	10,644
Capital outlay	-	-	-	-
	<u>77,740</u>	<u>90,521</u>	<u>79,167</u>	<u>11,354</u>
Executive - Mayor:				
Personal services	25,502	25,502	25,425	77
Operating expenditures	29,182	27,782	19,156	8,626
Capital outlay	-	-	-	-
	<u>54,684</u>	<u>53,284</u>	<u>44,581</u>	<u>8,703</u>
Administration/finance:				
Personal services	580,773	550,773	540,005	10,768
Operating expenditures	72,217	105,069	99,082	5,987
Capital outlay	-	33,916	33,431	485
	<u>652,990</u>	<u>689,758</u>	<u>672,518</u>	<u>17,240</u>
City attorney:				
Operating expenditures	129,550	142,550	135,351	7,199
Support services:				
Personal services	70,000	70,000	66,826	3,174
Operating expenditures	446,208	396,208	371,655	24,553
Capital outlay	-	-	-	-
	<u>516,208</u>	<u>466,208</u>	<u>438,481</u>	<u>27,727</u>
Total general government	1,431,172	1,442,321	1,370,098	72,223
Public safety:				
Police department:				
Personal services	3,804,757	3,740,757	3,659,615	81,142
Operating expenditures	259,350	324,350	323,959	391
Capital outlay	90,002	192,922	162,935	29,987
	<u>4,154,109</u>	<u>4,258,029</u>	<u>4,146,509</u>	<u>111,520</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	2,489,766	2,508,766	2,508,322	444
Operating expenditures	151,244	188,567	186,825	1,742
Capital outlay	17,278	635,500	632,045	3,455
	<u>2,658,288</u>	<u>3,332,833</u>	<u>3,327,192</u>	<u>5,641</u>
Building department:				
Personal services	174,214	177,671	176,879	792
Operating expenditures	358,350	354,853	335,774	19,079
Capital outlay	600	640	635	5
	<u>533,164</u>	<u>533,164</u>	<u>513,288</u>	<u>19,876</u>
Code enforcement:				
Personal services	183,168	180,468	178,038	2,430
Operating expenditures	22,975	25,175	23,315	1,860
Capital outlay	-	500	345	155
	<u>206,143</u>	<u>206,143</u>	<u>201,698</u>	<u>4,445</u>
Total public safety	7,551,704	8,330,169	8,188,687	141,482
Physical environment:				
Public works:				
Personal services	999,912	1,022,412	1,018,982	3,430
Operating expenditures	246,500	985,839	967,432	18,407
Capital outlay	339,532	5,000	4,888	112
Total physical environment	1,585,944	2,013,251	1,991,302	21,949
Transportation:				
Community bus:				
Personal services	39,288	37,788	36,985	803
Operating expenditures	12,500	17,500	16,734	766
Total transportation	51,788	55,288	53,719	1,569

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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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture/creation:				
Library				
Personal services	311,685	272,135	268,527	3,608
Operating expenditures	123,025	146,126	138,686	7,440
Capital outlay	-	7,400	5,140	2,260
	<u>434,710</u>	<u>425,661</u>	<u>412,353</u>	<u>13,308</u>
Recreation department:				
Personal services	225,969	225,969	224,350	1,619
Operating expenditures	145,075	146,479	141,549	4,930
Capital outlay	10,000	13,625	3,259	10,366
	<u>381,044</u>	<u>386,073</u>	<u>369,158</u>	<u>16,915</u>
Total culture/recreation	815,754	811,734	781,511	30,223
Debt service	<u>308,000</u>	<u>250,000</u>	<u>147,726</u>	<u>102,274</u>
Total expenditures	<u>11,744,362</u>	<u>12,902,763</u>	<u>12,533,043</u>	<u>369,720</u>
Excess (deficiency) of revenues over expenditures	130,025	(603,465)	534,214	1,137,679
Other financing sources (uses):				
Transfers in	28,944	28,944	-	(28,944)
Insurance proceeds	-	-	-	-
Transfers out	(258,969)	(258,969)	(258,969)	-
Capital lease proceeds	100,000	697,000	700,833	3,833
Total other financing sources (uses)	<u>(130,025)</u>	<u>466,975</u>	<u>441,864</u>	<u>(25,111)</u>
Net change in fund balance	-	(136,490)	976,078	1,112,568
Fund balance at beginning of year	<u>3,588,998</u>	<u>3,588,998</u>	<u>3,588,998</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,588,998</u>	<u>\$ 3,452,508</u>	<u>\$ 4,565,076</u>	<u>\$ 1,112,568</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services:				
Membership fees	\$ 58,400	\$ 58,400	\$ 51,762	\$ (6,638)
Daily use fees	11,000	11,000	9,821	(1,179)
Revenue sharing	2,000	2,000	494	(1,506)
Lighting fees	2,600	2,600	2,635	35
	<u>74,000</u>	<u>74,000</u>	<u>64,712</u>	<u>(9,288)</u>
Miscellaneous:				
Interest income	-	-	1,150	1,150
Other	550	550	500	(50)
	<u>74,550</u>	<u>74,550</u>	<u>66,362</u>	<u>(8,188)</u>
<b>Total revenues</b>	<u>74,550</u>	<u>74,550</u>	<u>66,362</u>	<u>(8,188)</u>
<b>EXPENDITURES:</b>				
Culture/recreation				
Personal services	139,904	136,704	136,484	220
Operating expenditures	16,844	19,444	18,609	835
Capital outlay	-	600	599	1
	<u>156,748</u>	<u>156,748</u>	<u>155,692</u>	<u>1,056</u>
<b>Total expenditures</b>	<u>156,748</u>	<u>156,748</u>	<u>155,692</u>	<u>1,056</u>
Excess (deficiency) of revenues over (under) expenditures	(82,198)	(82,198)	(89,330)	(7,132)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	86,969	86,969	86,969	-
	<u>86,969</u>	<u>86,969</u>	<u>86,969</u>	<u>-</u>
<b>Total other financing sources</b>	<u>86,969</u>	<u>86,969</u>	<u>86,969</u>	<u>-</u>
Net change in fund balance	4,771	4,771	(2,361)	(7,132)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>35,330</u>	<u>35,330</u>	<u>35,330</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 40,101</u>	<u>\$ 40,101</u>	<u>\$ 32,969</u>	<u>\$ (7,132)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad valorem taxes	\$ 428,379	\$ 428,379	\$ 431,996	\$ 3,617
Miscellaneous - interest income	<u>10,000</u>	<u>10,000</u>	<u>310</u>	<u>(9,690)</u>
Total revenues	<u>438,379</u>	<u>438,379</u>	<u>432,306</u>	<u>(6,073)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	255,000	255,000	255,000	-
Interest	210,000	210,000	209,865	135
Other	<u>2,500</u>	<u>2,500</u>	<u>300</u>	<u>2,200</u>
Total expenditures	<u>467,500</u>	<u>467,500</u>	<u>465,165</u>	<u>2,335</u>
Net change in fund balance	(29,121)	(29,121)	(32,859)	(3,738)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>78,022</u>	<u>78,022</u>	<u>78,022</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 48,901</u>	<u>\$ 48,901</u>	<u>\$ 45,163</u>	<u>\$ (3,738)</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, 2008

	Special Revenue				Total
	Tennis Center Fund	Special Purpose Fund	Total	Debt Service Fund	Nonmajor Governmental Funds
<b>ASSETS:</b>					
Cash	\$ 100	\$ 9,154	\$ 9,254	\$ 43,091	\$ 52,345
Investments	-	403,862	403,862	1,583	405,445
Due from other funds	28,696	64,680	93,376	-	93,376
Due from other governments	-	46,720	46,720	489	47,209
Prepaid expenditures	850	-	850	-	850
Accounts receivable	9,508	-	9,508	-	9,508
	<u>39,154</u>	<u>524,416</u>	<u>563,570</u>	<u>45,163</u>	<u>608,733</u>
Total assets	\$ <u>39,154</u>	\$ <u>524,416</u>	\$ <u>563,570</u>	\$ <u>45,163</u>	\$ <u>608,733</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts payable	\$ 2,392	\$ 53	\$ 2,445	\$ -	\$ 2,445
Accrued payroll and related taxes	3,792	-	3,792	-	3,792
Due to other funds	-	421,458	421,458	-	421,458
	<u>6,184</u>	<u>421,511</u>	<u>427,695</u>	<u>-</u>	<u>427,695</u>
Total liabilities	<u>6,184</u>	<u>421,511</u>	<u>427,695</u>	<u>-</u>	<u>427,695</u>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Debt service	-	-	-	45,163	45,163
Encumbrances	-	-	-	-	-
Prepaid expenditures	850	-	850	-	850
<b>Unreserved:</b>					
Undesignated	<u>32,120</u>	<u>102,905</u>	<u>135,025</u>	<u>-</u>	<u>135,025</u>
Total fund balances	<u>32,970</u>	<u>102,905</u>	<u>135,875</u>	<u>45,163</u>	<u>181,038</u>
Total liabilities and fund balances	\$ <u>39,154</u>	\$ <u>524,416</u>	\$ <u>563,570</u>	\$ <u>45,163</u>	\$ <u>608,733</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, 2008

	Special Revenue				Total Nonmajor Governmental Funds
	Tennis Center Fund	Special Purpose Fund	Total	Debt Service Fund	
<b>REVENUES</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 431,996	\$ 431,996
Charges for services	64,712	7,549	72,261	-	72,261
Fines and forfeitures	-	-	-	-	-
Miscellaneous	1,650	63,052	64,702	310	65,012
<b>Total revenues</b>	<b>66,362</b>	<b>70,601</b>	<b>136,963</b>	<b>432,306</b>	<b>569,269</b>
<b>EXPENDITURES:</b>					
Current:					
Culture/recreation	155,093	88,513	243,606	-	243,606
Physical environment	-	2,278	2,278	-	2,278
Capital outlay	599	800,585	801,184	-	801,184
Debt service	-	4,500	4,500	465,165	469,665
<b>Total expenditures</b>	<b>155,692</b>	<b>895,876</b>	<b>1,051,568</b>	<b>465,165</b>	<b>1,516,733</b>
Excess (deficiency) of revenues over expenditures	(89,330)	(825,275)	(914,605)	(32,859)	(947,464)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	86,969	244,494	331,463	-	331,463
Transfers out	-	(222,494)	(222,494)	-	(222,494)
<b>Total other financing sources (uses)</b>	<b>86,969</b>	<b>22,000</b>	<b>108,969</b>	<b>-</b>	<b>108,969</b>
Net change in fund balance	(2,361)	(803,275)	(805,636)	(32,859)	(838,495)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>35,330</b>	<b>906,181</b>	<b>941,511</b>	<b>78,022</b>	<b>1,019,533</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 32,969</b>	<b>\$ 102,906</b>	<b>\$ 135,875</b>	<b>\$ 45,163</b>	<b>\$ 181,038</b>

CITY OF LIGHTHOUSE POINT, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 September 30, 2008

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
<b>ASSETS:</b>					
Investments	\$ 2,369,522	\$ 2,427,328	\$ 2,744,268	\$ 3,530,611	\$ 11,071,729
Participant loans receivable	<u>92,016</u>	<u>56,614</u>	<u>124,740</u>	<u>116,102</u>	<u>389,472</u>
Total assets	2,461,538	2,483,942	2,869,008	3,646,713	11,461,201
<b>LIABILITIES</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS:</b>					
Held in trust for pension and other benefits	<u>\$ 2,461,538</u>	<u>\$ 2,483,942</u>	<u>\$ 2,869,008</u>	<u>\$ 3,646,713</u>	<u>\$ 11,461,201</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$ 5,191,970	\$ 4,434,263	\$ 141,211	\$ 20,839,173
<u>-</u>	<u>-</u>	<u>-</u>	<u>389,472</u>
5,191,970	4,434,263	141,211	21,228,645
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>5,191,970</u></u>	\$ <u><u>4,434,263</u></u>	\$ <u><u>141,211</u></u>	\$ <u><u>21,228,645</u></u>

**CITY OF LIGHTHOUSE POINT, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
September 30, 2008

	Defined Contribution Pension Plans				
	General	Fire	Police	Management	Total
<b>ADDITIONS:</b>					
Contributions					
City	\$ 184,256	\$ 35,502	\$ 36,020	\$ 111,906	\$ 367,684
Employees	44,219	20,286	15,438	48,302	128,245
Total contributions	<u>228,475</u>	<u>55,788</u>	<u>51,458</u>	<u>160,208</u>	<u>495,929</u>
Investment earnings:					
Interest, dividend and investment value changes	(205,074)	(403,845)	(144,165)	(229,563)	(982,647)
Less investment expense	23,456	24,085	27,746	35,500	110,787
Net investment earnings	<u>(228,530)</u>	<u>(427,930)</u>	<u>(171,911)</u>	<u>(265,063)</u>	<u>(1,093,434)</u>
Total additions	(55)	(372,142)	(120,453)	(104,855)	(597,505)
<b>DEDUCTIONS:</b>					
Benefits	281,315	49,306	374,235	200,394	905,250
Refund of contributions:					
City	-	-	-	-	-
Employees	-	-	145,328	-	145,328
Total deductions	<u>281,315</u>	<u>49,306</u>	<u>519,563</u>	<u>200,394</u>	<u>1,050,578</u>
Change in net assets	(281,370)	(421,448)	(640,016)	(305,249)	(1,648,083)
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:</b>					
Beginning 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>
End of year	<u>\$ 2,461,538</u>	<u>\$ 2,483,942</u>	<u>\$ 2,869,008</u>	<u>\$ 3,646,713</u>	<u>\$ 11,461,201</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Healthcare</u>	<u>Total</u>
\$ 462,164	\$ -	\$ -	\$ 829,848
<u>359,539</u>	<u>422,913</u>	<u>10,237</u>	<u>920,934</u>
<u>821,703</u>	<u>422,913</u>	<u>10,237</u>	<u>1,750,782</u>
(720,543)	(474,354)	(18,954)	(2,196,498)
<u>11,639</u>	<u>42,874</u>	<u>1,322</u>	<u>166,622</u>
<u>(732,182)</u>	<u>(517,228)</u>	<u>(20,276)</u>	<u>(2,363,120)</u>
89,521	(94,315)	(10,039)	(612,338)
58,591	338,582	24,644	1,327,067
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>145,328</u>
<u>58,591</u>	<u>338,582</u>	<u>24,644</u>	<u>1,472,395</u>
30,930	(432,897)	(34,683)	(2,084,733)
<u>5,161,040</u>	<u>4,867,160</u>	<u>175,894</u>	<u>23,313,378</u>
\$ <u><u>5,191,970</u></u>	\$ <u><u>4,434,263</u></u>	\$ <u><u>141,211</u></u>	\$ <u><u>21,228,645</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULE BY SOURCE  
 September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets:		
Land	\$ 7,040,140	\$ 7,040,140
Buildings and land improvements	9,792,487	8,240,976
Equipment and fixtures	1,997,037	1,781,318
Vehicles	2,144,470	1,569,383
Infrastructure	4,272,560	1,596,046
Construction in progress	<u>360,568</u>	<u>3,076,649</u>
 Total governmental funds capital assets	 \$ <u>25,607,262</u>	 \$ <u>23,304,512</u>
 Investment in governmental funds capital assets by source:		
General revenues	\$ 13,983,000	\$ 13,351,869
Special revenues	4,029,085	2,403,275
County grants	3,955,589	3,952,089
State grants	239,238	237,378
Federal grants	403,122	364,119
Donations	2,876,897	2,875,451
Confiscated	<u>120,331</u>	<u>120,331</u>
 Total governmental funds capital assets	 \$ <u>25,607,262</u>	 \$ <u>23,304,512</u>

CITY OF LIGHTHOUSE POINT, FLORIDA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS  
SCHEDULE OF FUNCTION AND ACTIVITY  
September 30, 2008

	<u>Land</u>	<u>Buildings and Land Improvements</u>
General government:		
Legislative	\$ -	\$ -
Executive	-	-
Finance and administration	-	-
Other general government	<u>15,087</u>	<u>2,193,791</u>
Total general government	<u>15,087</u>	<u>2,193,791</u>
Public safety:		
Law enforcement	-	3,887,651
Fire control	6,215	573,807
Building department	-	-
Code enforcement	<u>-</u>	<u>-</u>
Total public safety	<u>6,215</u>	<u>4,461,458</u>
Physical environment:		
Maintenance	2,956,880	380,130
Transportation:		
Community bus	-	-
Culture/recreation:		
Library	-	1,200,867
Recreation	<u>4,061,958</u>	<u>1,556,241</u>
Total culture/recreation	<u>4,061,958</u>	<u>2,757,108</u>
Total governmental funds capital assets	<u>\$ 7,040,140</u>	<u>\$ 9,792,487</u>

<u>Equipment and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 23,449	\$ -	\$ -	\$ -	\$ 23,449
1,528	-	-	-	1,528
160,205	19,080	-	-	179,285
55,306	-	-	-	2,264,184
<u>240,488</u>	<u>19,080</u>	<u>-</u>	<u>-</u>	<u>2,468,446</u>
627,496	517,097	-	-	5,032,244
410,956	1,226,100	-	-	2,217,078
33,870	-	-	-	33,870
20,588	26,800	-	-	47,388
<u>1,092,910</u>	<u>1,769,997</u>	<u>-</u>	<u>-</u>	<u>7,330,580</u>
192,120	314,253	4,272,560	360,568	8,476,511
453	-	-	-	453
194,172	-	-	-	1,395,039
276,894	41,140	-	-	5,936,233
<u>471,066</u>	<u>41,140</u>	<u>-</u>	<u>-</u>	<u>7,331,272</u>
<u>\$ 1,997,037</u>	<u>\$ 2,144,470</u>	<u>\$ 4,272,560</u>	<u>\$ 360,568</u>	<u>\$ 25,607,262</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, 2008

	Governmental Funds Capital Assets October 1, 2007	Additions	Deductions	Transfers	Governmental Funds Capital Assets September 30, 2008
<b>FUNCTION AND ACTIVITY:</b>					
<b>General government:</b>					
Legislative	\$ 19,579	\$ 12,307	\$ 8,437	\$ -	\$ 23,449
Executive	1,528	-	-	-	1,528
Finance and administration	171,601	33,432	25,369	(379)	179,285
Other general government	<u>2,220,508</u>	<u>44,316</u>	<u>641</u>	<u>-</u>	<u>2,264,183</u>
Total general government	<u>2,413,216</u>	<u>90,055</u>	<u>34,447</u>	<u>(379)</u>	<u>2,468,445</u>
<b>Public safety:</b>					
Law enforcement	4,905,161	193,273	66,135	(54)	5,032,245
Fire control	1,639,397	632,045	54,743	379	2,217,078
Building department	34,623	635	1,388	-	33,870
Code enforcement	<u>72,362</u>	<u>345</u>	<u>25,374</u>	<u>54</u>	<u>47,387</u>
Total public safety	<u>6,651,543</u>	<u>826,298</u>	<u>147,640</u>	<u>379</u>	<u>7,330,580</u>
<b>Physical environment:</b>					
Maintenance	<u>6,966,170</u>	<u>1,521,103</u>	<u>10,761</u>	<u>-</u>	<u>8,476,512</u>
<b>Transportation</b>					
Community bus	<u>453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453</u>
<b>Culture/recreation</b>					
Library	1,338,606	72,079	15,646	-	1,395,039
Recreation	<u>5,934,524</u>	<u>3,858</u>	<u>2,149</u>	<u>-</u>	<u>5,936,233</u>
Total cultural/recreation	<u>7,273,130</u>	<u>75,937</u>	<u>17,795</u>	<u>-</u>	<u>7,331,272</u>
Total	<u>\$ 23,304,512</u>	<u>\$ 2,513,393</u>	<u>\$ 210,643</u>	<u>\$ -</u>	<u>\$ 25,607,262</u>

CITY OF LIGHTHOUSE POINT, FLORIDA  
 COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT  
 September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Amount available in Debt Service Fund	\$ 45,163	\$ 78,022
Amount to be provided for the retirement of general long-term debt	<u>6,747,734</u>	<u>6,359,898</u>
Total	<u>\$ 6,792,897</u>	<u>\$ 6,437,920</u>
General long-term debt payable:		
General obligation bonds	\$ 4,765,000	\$ 5,020,000
Capital leases	805,281	251,627
Accrued compensated absences	<u>1,222,616</u>	<u>1,166,293</u>
Total	<u>\$ 6,792,897</u>	<u>\$ 6,437,920</u>

# STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA  
STATISTICAL SECTION  
For the Year Ended September 30, 2008

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>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	73-79
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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 FIVE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal	
	2004	2005
Governmental activities*		
Invested in capital assets, net of related debt	\$ 6,923,964	\$ 7,497,567
Restricted	2,391,806	2,773,331
Unrestricted	2,660,227	3,432,485
Total governmental activities net assets	\$ 11,975,997	\$ 13,703,383

\* 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.

Year		
<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 10,101,398	\$ 13,755,926	\$ 14,713,746
1,701,725	1,021,484	5,112,882
<u>4,405,822</u>	<u>5,635,518</u>	<u>4,958,569</u>
\$ <u>16,208,945</u>	\$ <u>20,412,928</u>	\$ <u>24,785,197</u>

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

	Fiscal	
	2004	2005
<b>Expenses</b>		
Governmental activities:		
General government	\$ 1,259,380	\$ 1,171,742
Public safety	6,307,172	6,725,610
Physical environment	2,807,414	3,186,329
Transportation	50,684	51,022
Culture/recreation	1,027,757	1,091,936
Interest expense	247,274.00	253,352
	<u>\$ 11,699,681</u>	<u>\$ 12,479,991</u>
<b>Program Revenues</b>		
Charges for services:		
General government	\$ 92,604	\$ 94,712
Public safety	1,034,492	1,456,603
Physical environment	1,282,860	1,297,520
Transportation	-	-
Culture/recreation	133,723	134,621
Operating grants and contributions	391,655	336,822
Capital grants and contributions	55,029	291,877
	<u>\$ 2,990,363</u>	<u>\$ 3,612,155</u>
<b>Net Expense over Revenue</b>	<u>\$ 8,709,318</u>	<u>\$ 8,867,836</u>
<b>General Revenues</b>		
Taxes:		
Ad valorem taxes	\$ 5,259,301	\$ 5,762,042
Franchise taxes	792,957	838,136
Utility service taxes	1,756,771	1,783,890
Intergovernmental revenues	1,132,499	1,235,660
Miscellaneous	954,180	975,494
Special item, donation of park land	3,578,070	-
	<u>\$ 13,473,778</u>	<u>\$ 10,595,222</u>
<b>Change in net assets</b>	<u>\$ 4,764,460</u>	<u>\$ 1,727,386</u>

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

Table 2

	Year		
	2006	2007	2008
\$	1,107,630	\$ 1,140,397	\$ 1,491,969
	7,028,043	7,454,524	8,078,961
	5,948,269	3,909,260	4,007,031
	45,563	46,492	53,925
	1,048,900	1,138,481	1,258,251
	238,762	216,500	212,550
	<u>15,417,167</u>	<u>13,905,654</u>	<u>15,102,687</u>
\$	148,617.00	\$ 150,626	\$ 84,577
	1,592,243	1,759,972	1,392,705
	1,502,879	2,526,006	2,055,722
	-	-	-
	139,381	151,540	146,133
	2,569,879	223,088	4,025,992
	222,861	1,327,828	349,741
	<u>6,175,860</u>	<u>6,139,060</u>	<u>8,054,870</u>
\$	<u>9,241,307</u>	<u>7,766,594</u>	<u>7,047,817</u>
\$	6,580,068	\$ 7,422,102	\$ 6,950,839
	961,067	1,058,761	1,015,706
	1,764,945	1,748,164	1,768,345
	1,256,336	1,204,632	1,143,836
	1,184,453	536,918	541,360
	-	-	-
	<u>11,746,869</u>	<u>11,970,577</u>	<u>11,420,086</u>
\$	<u>2,505,562</u>	<u>4,203,983</u>	<u>4,372,269</u>

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

	Fiscal Year			
	1999	2000	2001	2002
General Fund				
Reserved	\$ 33,567	\$ 109,589	\$ 141,088	\$ 437,413
Unreserved	<u>1,036,776</u>	<u>1,194,103</u>	<u>1,361,143</u>	<u>1,534,811</u>
Total general fund	<u>\$ 1,070,343</u>	<u>\$ 1,303,692</u>	<u>\$ 1,502,231</u>	<u>\$ 1,972,224</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 26	\$ -	\$ -	\$ 794
Debt service funds	-	-	-	30
Capital project funds	-	-	-	179,200
Unreserved, reported in:				
Special revenue funds	428,516	300,059	392,845	743,972
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,853,538</u>
Total all other governmental funds	<u>\$ 428,542</u>	<u>\$ 300,059</u>	<u>\$ 392,845</u>	<u>\$ 6,777,534</u>

Table 3

Fiscal Year					
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 43,273	\$ 210,341	\$ 465,897	\$ 777,899	\$ 202,644	\$ 462,231
<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>4,102,845</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>	<u>\$ 4,565,076</u>
\$ 31,628	\$ -	\$ -	\$ 105,305	\$ 246,387	\$ 238,320
13,836	22,253	24,731	51,716	78,022	45,163
355,248	-	1,368,311	1,043,727	244,754	-
1,077,211	1,467,186	1,256,703	1,932,816	2,771,871	6,086,808
<u>4,729,511</u>	<u>1,776,630</u>	<u>1,303,722</u>	<u>659,687</u>	<u>541,630</u>	<u>-</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>	<u>\$ 6,370,291</u>

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

	Fiscal Year			
	1999	2000	2001	2002
<b>Revenues</b>				
Ad valorem taxes	\$ 3,018,794	\$ 3,308,388	\$ 3,659,957	\$ 4,034,953
Franchise fees	790,634	730,258	907,325	765,128
Utility service taxes	1,564,191	1,451,111	1,472,817	1,744,035
Licenses and permits	384,125	540,278	463,734	513,472
Intergovernmental revenues	1,206,717	1,201,645	1,406,988	1,220,693
Charges for services	1,240,448	1,433,910	1,517,185	1,519,491
Fines and forfeitures	110,242	81,132	196,473	152,066
Miscellaneous	630,898	683,115	638,474	676,007
<b>Total revenues</b>	<b>8,946,049</b>	<b>9,429,837</b>	<b>10,262,953</b>	<b>10,625,845</b>
<b>Expenditures</b>				
General government	864,783	964,436	949,317	978,389
Public safety	4,428,816	4,578,005	4,948,812	5,338,832
Physical environment	1,857,871	1,952,934	2,126,960	2,039,742
Transportation	-	-	23,035	48,175
Culture/recreation	617,414	692,410	713,684	739,810
Capital outlay	1,104,262	1,132,236	1,187,408	620,899
Debt service:				
Interest	4,601	16,844	16,161	16,035
Principal	65,025	76,106	101,074	126,627
Other	-	-	2,437	142,289
<b>Total expenditures</b>	<b>8,942,772</b>	<b>9,412,971</b>	<b>10,068,888</b>	<b>10,050,798</b>
Excess of revenues over (under) expenditures	3,277	16,866	194,065	575,047
<b>Other Financing Sources (Uses)</b>				
Insurance proceeds	-	-	-	-
Capital leases	300,000	88,000	97,260	110,000
Net proceeds of general obligation bonds	-	-	-	6,169,635
Transfers in	106,110	124,023	110,684	256,351
Transfers out	(106,110)	(124,023)	(110,684)	(256,351)
<b>Total other financing sources (uses)</b>	<b>300,000</b>	<b>88,000</b>	<b>97,260</b>	<b>6,279,635</b>
<b>Net change in fund balances</b>	<b>\$ 303,277</b>	<b>\$ 104,866</b>	<b>\$ 291,325</b>	<b>\$ 6,854,682</b>
Debt service as a % of noncapital expenditures	0.9%	1.1%	1.3%	1.5%

Table 4

		Fiscal year									
		2003	2004	2005	2006	2007	2008				
\$	4,812,054	\$	5,259,301	\$	5,762,042	\$	6,580,068	\$	7,422,102	\$	6,950,839
	718,263		787,205		788,445		940,568		1,039,813		1,015,706
	1,748,939		1,757,313		1,785,206		1,761,194		1,747,964		1,763,939
	577,195		652,083		814,855		896,506		774,232		517,443
	1,569,825		1,584,915		1,857,598		4,051,484		2,762,796		2,249,872
	1,555,750		1,689,303		1,731,541		2,349,084		3,399,212		3,003,878
	197,636		202,293		437,059		137,530		414,700		3,427,513
	778,084		964,831		997,081		1,230,958		1,015,248		583,096
	<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>		<u>19,512,286</u>
	1,166,165		1,190,309		1,112,111		1,189,441		1,375,913		1,186,532
	5,587,354		6,044,963		6,380,681		6,757,601		7,059,064		7,428,115
	2,084,729		2,426,329		2,477,986		5,116,482		3,831,248		4,233,546
	50,015		50,595		52,573		45,172		46,345		53,719
	783,114		796,813		875,005		973,317		1,027,277		1,016,718
	2,095,126		4,242,804		1,724,411		4,401,549		4,320,003		2,513,393
	242,102		248,797		239,503		231,707		217,256		222,993
	375,615		424,957		386,950		387,533		392,747		389,098
	2,962		2,850		2,550		813		300		5,300
	<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>		<u>17,049,414</u>
	(429,436)		(2,531,173)		922,057		(1,156,223)		305,914		2,462,872
	-		-		-		626,021		300,000		300,000
	215,000		161,000		101,664		104,240		102,840		700,833
	-		-		-		-		-		-
	375,565		335,331		2,327,284		1,242,569		1,015,020		481,463
	<u>(375,565)</u>		<u>(335,331)</u>		<u>(2,327,284)</u>		<u>(1,242,569)</u>		<u>(1,015,020)</u>		<u>(481,463)</u>
	<u>215,000</u>		<u>161,000</u>		<u>101,664</u>		<u>730,261</u>		<u>402,840</u>		<u>1,000,833</u>
\$	<u>(214,436)</u>	\$	<u>(2,370,173)</u>	\$	<u>1,023,721</u>	\$	<u>(425,962)</u>	\$	<u>708,754</u>	\$	<u>3,463,705</u>
	60.4%		6.0%		5.4%		4.2%		4.4%		4.2%

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

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property</u>
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
2007/08	3,142,495,340	152,285,530	**	18,306,970

SOURCE: Broward County, Florida Property Appraiser

NOTE: (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>
\$	**	\$ **	\$ 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%
	3,313,087,840	1,125,979,062	2,187,108,778	3.2934	66.01%

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

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Fiscal Year	Tax Roll Year	City			County	School Board
		Operating	Debt	Total		
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
2007/08	2007	3.0887	0.2047	3.2934	5.2868	7.6484

SOURCE: Broward County Property Appraiser's Office

Table 6

Overlapping Rates					
Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet	Total City and Overlapping Rate
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
0.3572	0.6240	0.0345	1.6255	0.0860	18.9558

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

Taxpayer	Fiscal Year 2008			Fiscal Year 1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Centro Heritage	\$ 19,598,410	1	0.89%	\$ -	-	-
James C. and Suzanne Acheson	11,183,240	2	0.51%	1,831,200	9	0.22%
J.H. and T.M. Verillo	9,345,810	3	0.43%	-	-	-
Silver Seas Hotel Inc	6,880,110	4	0.31%	3,187,790	5	0.38%
Shawn and Susan Ryan	5,629,590	5	0.26%	-	-	-
First States Investors 5000A	5,465,300	6	0.25%	-	-	-
Lighthouse Point Assoc. LLC	5,368,490	7	0.24%	-	-	-
Robert and Beverly Plath	5,164,470	8	0.24%	-	-	0.00%
Manuel and Jenny P. Marin	5,049,840	9	0.23%	-	-	0.00%
Lighthouse Point Auto Investors LLC	5,031,310	10	0.23%	-	-	-
Net Realty Holdings				9,914,860	1	1.19%
Sherwood Sheehan TR				4,814,980	2	0.58%
First Union National Bank				3,096,510	6	0.37%
B.D. and G.M. Barrington				3,019,320	7	0.36%
Infiniti Motors				3,316,810	3	0.40%
King Motor Company				3,210,160	4	0.38%
Beacon Light Partners, LTD				2,364,980	8	0.28%
Tomatos, LTD				1,747,620	10	0.21%
<b>Total</b>	<b>\$ 78,716,570</b>		<b>3.59%</b>	<b>\$ 36,504,230</b>		<b>4.37%</b>

**Source:** Broward County Revenue Collector's Office

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year		
	Gross Levy	Discount *	Net Levy
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
2007/08	7,251,082	310,816	6,940,266

- \* 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 Year **</u>	<u>Total Collections to Date</u>	
<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
\$ 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%
6,939,363	99.99%	-	6,939,363	99.99%

**CITY OF LIGHTHOUSE POINT, FLORIDA  
RATIO 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>	
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
2007/08	4,765,000	805,281	5,570,281

\* 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>
\$	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
	***	1.24%	10,964	508

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

Fiscal Year	General Obligation Bond	Taxable Value	Percentage of Actual Taxable Value of Property
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	0.01%
2002/03	5,970,000	1,213,593,931	0.00%
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%
2007/08	4,765,000	2,192,739,914	0.22%

\* 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, 2008

<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	\$ 5,570,281	100.00%	\$ 5,570,281
Broward County	489,659,000	1.25%	6,104,304
Broward District Schools	-	1.25%	-
		<b>Total</b>	<b>\$ <u>11,674,585</u></b>

\* 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, 2008

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA  
PLEDGED REVENUE COVERAGE  
September 30, 2008

The City does not have any pledged revenue.

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

Calendar Year	Population	* School Enrollment	Unemployment Rate	Personal Income ***	
				Total	Per Capita
1999	10,458	239,960	4.2%	\$ 306,837,720	\$ 29,340
2000	10,645	249,923	3.8%	343,088,350	32,230
2001	10,829	260,892	4.2%	347,177,740	32,060
2002	10,829	266,272	5.5%	353,945,865	32,685
2003	10,857	271,339	5.3%	359,659,839	33,127
2004	10,836	272,691	4.5%	386,498,448	35,668
2005	10,836	270,935	3.5%	415,473,912	38,342
2006	10,857	262,616	3.1%	442,281,609	40,737
2007	10,899	258,905	3.8%	****	****
2008	10,964	255,738	6.1%	****	****

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

\* Source: School Board of Broward County

\*\* Source: Broward County Planning Services Division

\*\*\* Source: U.S. Department of Commerce, Bureau of Economic Analysis

\*\*\*\* FY 2007 and 2008 are not available. Amounts represent Miami-Fort Lauderdale SMSA

CITY OF LIGHTHOUSE POINT, FLORIDA  
PRINCIPAL EMPLOYERS  
September 30, 2008

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	1999*	2000 *	2001 *	2002		2003	
				Full-Time	Part-Time	Full-Time	Part-Time
<b>General government</b>							
Finance and Administration	8	8	7	7	-	7	-
Subtotal	8	8	7	7	-	7	-
<b>Public Safety</b>							
Police	42	41	41	41	4	41	5
Fire	24	25	28	27	-	27	-
Building	4	4	3	4	-	4	-
Code Enforcement	2	2	2	2	1	2	-
Subtotal	72	72	74	74	5	74	5
Public Works	17	17	17	16	-	16	-
Transportation	-	-	-	-	2	-	2
<b>Culture/Recreation</b>							
Library	4	4	4	4	4	4	3
Recreation	5	5	4	5	22	4	22
Subtotal	9	9	8	9	26	8	25
Total authorized employees	106	106	106	106	33	105	32

\* Full and part time data not available for year.

Source: City of Lighthouse Point Adopted Budget Documents

Table 16

2004		2005		2006		2007		2008	
Full-Time	Part-Time								
<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
41	5	42	4	42	4	43	4	43	4
27	-	27	-	27	-	27	-	27	-
4	-	3	-	3	-	3	-	3	-
<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>2</u>	<u>2</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>	<u>75</u>	<u>6</u>
16	-	16	-	16	-	17	-	17	-
-	2	-	2	-	2	-	3	-	3
4	3	4	4	4	4	4	4	3	5
<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>4</u>	<u>23</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>7</u>	<u>28</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>	<u>105</u>	<u>37</u>

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

Function/Program	1999	2000	2001	2002
General government				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,609	7,510	7,807	8,007
Votes cast in last election	2,449	2,385	3,016	1,936
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	23	24	27	27
Incidents responded to	1,634	1,681	2,006	1,769
Building				
Permits issued	1,735	1,815	1,586	1,548
Value of construction	\$ 22,829,662	\$ 39,063,897	\$ 30,612,349	\$ 32,054,548
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	44,525
Circulation	****	****	53,098	53,903
Volunteer hours	****	****	8,500	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 City Clerk's Office

\*\* Data for prior years not available from Police Department

\*\*\* Data not available from Fire Department

\*\*\*\* Library was closed for expansion

Source: City of Lighthouse Point Departments

Table 17

	2003	2004	2005	2006	2007	2008
	2.49	2.49	2.49	2.49	2.49	2.49
	8,222	8,222	8,353	8,353	7,317	7,540
	3,274	3,274	2,690	2,690	2,690	2,690
	*	*	*	278	263	207
	*	*	*	546	522	502
	*	*	*	8	10	6
	*	*	*	73	61	59
	*	*	29	27	27	31
	1	1	1	1	1	1
	32	33	34	34	33	35
	**	**	**	8251	8806	9122
	**	**	**	414	422	384
	**	**	**	3768	4248	4485
	1	1	1	1	1	1
	26	26	26	26	26	26
	1,587	1,196	1,454	1,226	1,241	****
	1,580	1,497	1,535	1,945	1,667	1,444
\$	35,965,191 \$	32,054,548 \$	37,657,625 \$	43,886,924 \$	36,002,643 \$	22,612,828
	41.12	41.12	41.12	41.12	41.12	41.12
	18.00	18.00	18.00	18.00	18.00	18.00
	47,125	42,485	44,056	46,223	****	42,220
	53,442	58,171	57,875	50,691	****	14,045
	8,200	8,500	8,500	8,672	****	1,100
	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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Governmental activities:</b>				
<b>General government</b>				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	*	*	*	*
<b>Public safety</b>				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
<b>Culture/Recreation</b>				
Libraries	1	1	1	1
Acres of parks	31	31	31	31
Number of parks	5	5	5	5

\* Data not available from City departments

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

Table 18

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
41.12 *	41.12 *	41.12 *	41.12 55,208	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**  
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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, 2008, and have issued our report thereon dated March 30, 2009. 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.

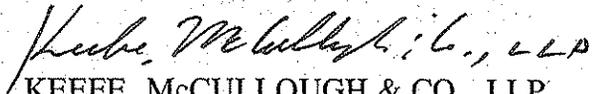
City of Lighthouse Point, Florida

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 30, 2009



**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, 2008, and have issued our report thereon dated March 30, 2009.

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 that report, which is dated March 30, 2009, 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 no recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit include a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that City 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, our recommendations to improve financial management are included in the report on internal control comments and recommendations on pages 100-101.

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 (2) 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.

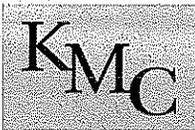
Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for City of Lighthouse Point, Florida for the fiscal year ended September 30, 2008, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. 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 30, 2009



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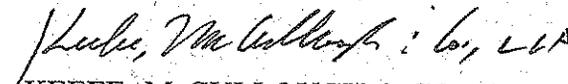
**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
COMMENTS AND RECOMMENDATIONS**

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

In planning and performing our audit of the financial statements of the City of Lighthouse Point, Florida (the "City") as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the City'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's internal control. Accordingly we did not express an opinion on the effectiveness of the City's internal control.

However, during our audit, we became aware of several matters that represent opportunities for strengthening internal controls and operating efficiency. The listing that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated March 30, 2009 on the financial statements of the City of Lighthouse Point, Florida.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
March 30, 2009

CITY OF LIGHTHOUSE POINT, FLORIDA  
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS  
September 30, 2008

**PRIOR YEAR INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS**

NONE

**CURRENT YEAR INTERNAL CONTROL COMMENT AND RECOMMENDATIONS**

**Reconcile Account Detail to the General Ledger:**

During our audit we noted that various general ledger accounts were not reconciled to the detail contained in those accounts. To ensure the accuracy of monthly financial statements, monthly reconciliations of all balance sheet accounts to subsidiary ledgers should be performed. Monthly balance sheet account reconciliations quickly identify errors and adjustments needed in the month they occur, and thus can be more easily isolated. Reconciling differences should be corrected prior to closing of the books at month-end.

**Management's Response:**

Finance staff will conduct more frequent reconciliation of balance sheet accounts to detailed accounts.

**Maintain Current and Updated Personnel Files:**

During our examination of the payroll processing area, we noted information on various employee W-4 forms that was not updated on the payroll computer system. Updated information is essential to deduct the proper amount of employee withholdings.

**Management's Response:**

Employee pay stubs reflect the most current withholding parameters used for the respective pay period. Finance staff will more frequently confirm with City employees to ensure that the intended withholding parameters are being used.