

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LIGHTHOUSE POINT, FLORIDA
FOR THE FISCAL YEAR ENDED
September 30, 2009



Prepared By:
Finance Department

Terry Sharp
Finance Director

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2009

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INTRODUCTORY SECTION



March 30, 2010

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2009**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2009. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clearer perspective 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, 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 including both Government-wide and Fund Financial Statements along with explanatory notes and the Combining Statements. There is also supplementary information provided including budgetary, capital assets, and debt schedules.

3. **Statistical Section** - This section contains statistical data such as 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 the primary government are such that exclusion would cause the report to be misleading or incomplete. For the City of Lighthouse Point, the Entity is only the primary government. While there are other taxing jurisdictions which levy property taxes upon property within the corporate limits of Lighthouse Point (Broward County, the School Board, the North Broward Hospital District, and other special districts), they do not represent component units of the City of Lighthouse Point. Therefore, no financial information about those entities is included in the City's financial statements. This report does provide a schedule of overlapping debt including Broward County and the School Board representing debt affecting property within the corporate limits of Lighthouse Point.

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, refuse collection, and a community bus service. Water and sanitary sewer services are provided by other jurisdictions and so those revenues and costs are not included in this report. 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. The City has been affected by the downturn in the economy, especially the value of real estate. The City's tax base is primarily residential. For the fiscal year ended September 30, 2009, which is the focus of this financial report, the assessed value of property for tax purposes dropped by six percent. Subsequent years (FY 2010 and FY 2011) have seen or are anticipated to see additional drops in property value of a greater magnitude. After peaking with a tax base of \$ 2.2 billion in FY 2007/08, the City's tax base has dropped almost one-third using the recent estimates for FY 2010/11. As dramatic as this drop has been, it is less than the average of Broward County overall and much less than some other neighboring cities. The City attributes its more favorable decline to waterfront property and a stronger residential market with fewer foreclosures. The City has seen a corresponding decline in building permit revenue. The City has addressed the economic conditions by tightening its belt, reducing costs where possible without reducing essential services. There have been no staff layoffs. The City is well positioned with a sound General Fund unreserved balance as shown in the financial statements in this report.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2009 included the following:

- Improved security funded by grants and federal forfeiture monies used to update the City's Emergency Operations Center, limit access to neighborhoods from outside traffic with the closure of certain City entranceway streets, further enhance traffic safety with the use of portable digital speed radar signs, to quickly access crime data as well as capture evidence at crime scenes through the use of improved technology, and protect police officers with new equipment.
- Improved stormwater drainage with completion of projects along N.E. 24th Street and adjacent to Dixon Ahl Hall Recreation Center.
- Improved fire and emergency medical services through the acquisition of a new Life Pak 15 cardiac monitor, a new thermal imaging device, an automatic cardio pulmonary resuscitator compressor, and replacement of 2,400 feet of fire hose and pump appliances.
- Significant amount of street paving and canal dredging.

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 the City's finances and assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires the City administration to make estimates and judgments. All internal control evaluations occur within this framework. We believe that the City has established appropriate internal controls to reasonably assure proper recording of financial transactions and protection of assets.

Budgetary control:

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Although the legal level of control (the point at which expenditures and encumbrances cannot legally exceed appropriations) is by character (Personal Services, Operating Expenses, Capital Outlay), budgetary control is maintained at the object level through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of balances, are not released until additional appropriations are made available or sufficient resources are assured to cover the liability. Open encumbrances are reported as reservations of fund balances on September 30, 2009.

Employee Retirement System:

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

Summary of Retirement Plans

| | 2009 | 2008 |
|----------------------------|------------|------------|
| City Contributions: | | |
| Defined Contributions: | | |
| General Employees | \$ 192,088 | \$ 184,256 |
| Firefighters | 37,399 | 35,502 |
| Police Officers | 28,896 | 36,020 |
| Management Employees | 115,599 | 111,906 |
| Defined Benefit: | | |
| Police and Fire | 506,051 | 462,164 |
| Total | \$ 880,033 | \$ 829,848 |

| | 2009 | 2008 |
|------------------------|------------|----------------|
| Net Changes: | | |
| Defined Contributions: | | |
| General Employees | \$ 136,615 | \$ (281,370) |
| Firefighters | (45,675) | (421,448) |
| Police Officers | (80,483) | (640,016) |
| Management Employees | (245,579) | (305,249) |
| Defined Benefit | | |
| Police and Fire | 1,003,894 | 30,930 |
| Total | \$ 768,772 | \$ (1,617,153) |

| | 2009 | 2008 |
|------------------------|---------------|---------------|
| Net Assets: | | |
| Defined Contributions: | | |
| General Employees | \$ 2,598,153 | \$ 2,461,538 |
| Firefighters | 2,438,267 | 2,483,942 |
| Police Officers | 2,788,525 | 2,869,008 |
| Management Employees | 3,401,134 | 3,646,713 |
| Defined Benefit | | |
| Police and Fire | 6,195,864 | 5,191,970 |
| Total | \$ 17,421,943 | \$ 16,653,171 |

Cash management and investments:

The majority of the cash not immediately needed for operations is deposited into pooled investment accounts. 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, 2009, the City had investments in seven different financial institutions with accounts collateralized with U.S. Government securities, insured by the State of Florida Public Depository Program, or insured by the Federal Deposit Insurance Corporation.

Third party administrators manage the assets of the City's pension plans. The defined contribution plans as well as the voluntary employee contributed deferred compensation and healthcare 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 which are also overseen by the City's Police and Fire Pension Board as fiduciary.

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, 2009, the City had \$ 4,505,000 bonded debt and \$ 661,440 lease purchase debt. The City's total net outstanding debt is \$ 5,166,440. This represents a ratio of net bonded to assessed value of 0.22 and net debt per capita of \$ 469.

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.

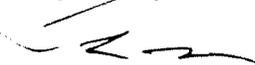
Awards:

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, 2008. This was the fifteenth 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.

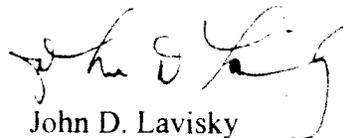
Acknowledgments:

The preparation of this report is the result of the combined efforts of all who contribute to the success of the City of Lighthouse Point - elected officials, staff, and the residents.

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, 2008

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.

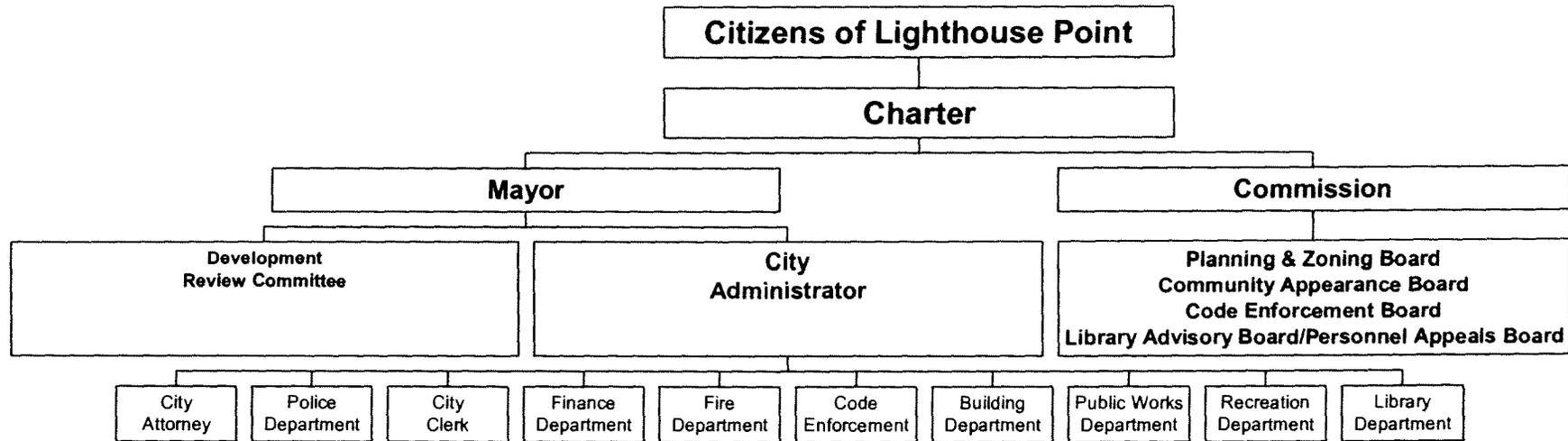


A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enser".

Executive Director



CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2009

| | |
|---------------------------|-----------------|
| Mayor | Fred Schorr |
| Commission President | Michael S. Long |
| Commission Vice President | Susie E. Gordon |
| Commissioner | Thomas A. Hasis |
| Commissioner | Sandy Johnson |
| 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.
JAMES R. LARAWAY, 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)

ROSS S. GOTTHOFFER, C.P.A.

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SUITE 410
FORT LAUDERDALE, FLORIDA 33308
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FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

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 (the "City") as of and for the year ended September 30, 2009, 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'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 Police and Fire Defined Benefit Pension Trust Fund which represents approximately 28% 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 Police and Fire Defined Benefit Pension Trust Fund are based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 at September 30, 2009, 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, 2010, on our consideration of the City'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'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 budgetary schedules, combining nonmajor fund financial statements, fiduciary net assets, and other schedules on pages 53 through 70 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Fort Lauderdale, Florida
March 30, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)



March 30, 2010

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2009**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2009. This report has been prepared by the Finance Department with input from all City departments. Although the financial statements have been audited by independent certified public accountants, the responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City staff. We believe the information, as presented here, fairly presents the City's financial position in all material respects. We have included the elements required by the Governmental Accounting Standards Board (GASB), the State of Florida, and the Government Finance Officers Association of the United States and Canada (GFOA). This report should provide readers with a clearer perspective of the City's operations and financial activity.

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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, 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 including both Government-wide and Fund Financial Statements along with explanatory notes and the Combining Statements. There is also supplementary information provided including budgetary, capital assets, and debt schedules.

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 statements consist of government-wide statements of summary data as well as specific fund statements that present more detailed information.

The government-wide statements on pages 16 and 17 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 an entity, similar to a private corporation. 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 (Table 1 in the Statistical Section provides such a comparison of the growth in the City's net assets). 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 (governing body, administration, records management, and finance), public safety (police, fire-rescue, land and building regulation, and code enforcement), physical environment (public works), transportation, and culture and recreation (library and park activities). The City of Lighthouse Point is the primary government and has no component units to report. These statements do not include the fiduciary funds (see pages 26 and 27 for pension plan schedules) because those resources are being held in trust for beneficiaries and cannot be used for the City's program activities.

The fund financial statements provide a more detailed picture of the City's 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 designated 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 18 and 19 as well as the governmental fund statement of revenues, expenditures, and changes in fund balance on pages 21 and 22 provides an indication of the long-term impact of near-term financing decisions.

The City maintains seven funds of the governmental type divided into major and non-major categories based upon their significance in amount. All are combined into a single presentation on pages 18 through 23. Individual fund data is presented in the combining statements on pages 60-61. The City adopts an annual appropriation for its operating funds including the General Fund, the Tennis Center Fund, the Garbage and Trash Fund, and the 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 28. Other supplemental information is included in this report including a statistical section with historic comparative data.

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 \$ 24,859,590 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2009 compared to September 30, 2008.

The largest portion of the City's net assets (60%) 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 \$ 5.2 million). The City of Lighthouse Point uses the capital assets to provide services to its residents. Therefore, these assets are not available for future spending or liquidation. Other sources must be used to liquidate liabilities and repay debt.

City of Lighthouse Point, Florida
 Net Assets
 September 30

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|
| Current and other assets | \$ 12,149,683 | \$ 12,891,860 |
| Capital assets, net | <u>20,088,342</u> | <u>20,284,027</u> |
| Total assets | <u>32,238,025</u> | <u>33,175,887</u> |
| Current liabilities | 808,597 | 1,597,793 |
| Long-term liabilities outstanding | <u>6,569,838</u> | <u>6,792,897</u> |
| Total liabilities | <u>7,378,435</u> | <u>8,390,690</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 14,921,902 | 14,713,746 |
| Restricted | 4,529,850 | 5,112,882 |
| Unrestricted | <u>5,407,838</u> | <u>4,958,569</u> |
| Total net assets | <u>\$ 24,859,590</u> | <u>\$ 24,785,197</u> |

A portion of net assets, approximately 18% represents resources that are subject to external restrictions or City policy on how they may be used. The remaining balances of unrestricted net assets (\$ 5,407,838) may be used to meet the City's ongoing obligations to citizens and creditors. The latter balances increased by \$ 449,269 from FY 2008.

Governmental activities:

Governmental activities increased the City of Lighthouse Point's net assets by \$ 74,393. The activity accounted for all the growth in the net assets of the City. Key elements of the change are described below:

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

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

| | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|
| REVENUES: | | |
| Program revenues: | | |
| Charges for services | \$ 3,311,451 | \$ 3,679,137 |
| Operating grants and contributions | 214,979 | 4,025,992 |
| Capital grants and contributions | 369,768 | 349,741 |
| General revenues: | | |
| Ad valorem taxes | 7,080,510 | 6,950,839 |
| Other taxes | 2,941,738 | 2,784,051 |
| Intergovernmental revenues | 1,276,444 | 1,143,836 |
| Miscellaneous | <u>669,478</u> | <u>541,360</u> |
| Total revenues | <u>15,864,368</u> | <u>19,474,956</u> |
| EXPENSES: | | |
| General government | 1,440,339 | 1,491,969 |
| Public safety | 8,161,594 | 8,078,961 |
| Physical environment | 4,776,528 | 4,007,031 |
| Transportation | 40,852 | 53,925 |
| Culture and recreation | 1,141,223 | 1,258,251 |
| Debt service | <u>229,439</u> | <u>212,550</u> |
| Total expenses | <u>15,789,975</u> | <u>15,102,687</u> |
| Change in net assets | 74,393 | 4,372,269 |
| NET ASSETS AT BEGINNING OF YEAR | <u>24,785,197</u> | <u>20,412,928</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 24,859,590</u> | <u>\$ 24,785,197</u> |

The most significant changes in revenue were \$ 367,686 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 communicate near-term inflows, outflows, and balances of spendable resources. The information presented, particularly the unreserved fund balance, may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

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

At the end of fiscal year 2009, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 11,063,709. Approximately 95% of the fund balance constitutes unreserved fund balance, or \$ 10,495,676 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. In adopting the FY 2010 General Fund budget, the City Commission approved the use of \$ 429,303 of the unreserved fund balance to fund the operating budget.

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 \$ 5,141,523. 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 44% of the total General Fund expenditures, while total fund balance represents 47% of the same amount. The key factors responsible for the increase in the fund balance of the City of Lighthouse Point are:

- Conservative budgeting of utility and communications services taxes
- Settlement with Broward County for cost overruns in a bridge replacement project
- Continued attention to expenses to stay within budget appropriations

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

| | Fiscal Year 2009 | Fiscal Year 2008 | Dollar Change | Percent Change |
|----------------------------|------------------------|------------------------|---------------------|-------------------|
| REVENUES: | | | | |
| Ad Valorem | \$ 6,613,170 | \$ 6,518,843 | \$ 94,327 | 1.45 |
| Franchise taxes | 1,011,721 | 1,015,706 | (3,985) | (0.39) |
| Utility service taxes | 1,932,024 | 1,763,939 | 168,085 | 9.53 |
| Licenses and permits | 417,812 | 517,443 | (99,631) | (19.25) |
| Intergovernmental revenues | 1,347,622 | 2,082,009 | (734,387) | (35.27) |
| Charges for services | 919,361 | 875,895 | 43,466 | 4.96 |
| Fines and forfeitures | 219,829 | 157,816 | 62,013 | 39.29 |
| Miscellaneous | 504,549 | 135,606 | 368,943 | 272.07 |
| Other sources | 47,562 | 700,833 | (653,271) | (93.21) |
| | <u>\$ 13,013,650</u> | <u>\$ 13,768,090</u> | <u>\$ (754,440)</u> | <u>(5.48)</u> |

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 Residents of the City of Lighthouse Point, Florida

The City's property tax base dropped by 6% in FY 2009 and although, the City Commission adopted a millage rate that would have raised slightly less than the FY 2008 levy, the City realized an increase in revenue from a significant receipt of delinquent taxes from prior fiscal years. Utility service taxes were up primarily for water and communications services. Building permit revenue reflected the downturn in the economy and intergovernmental revenue was down compared to FY 2008 with fewer grants available and 2008 reflecting the closeout of Federal Emergency Management Agency funds for Hurricane Wilma in 2005. Fine revenue was up due to code enforcement activities. Miscellaneous revenue included a settlement with Broward County for costs related to a bridge replacement in a prior fiscal period. Other sources revenue was lower in FY 2009 because of less vehicle borrowing. FY 2008 included the purchase of a replacement fire ladder truck.

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

| | Fiscal Year 2009 | Fiscal Year 2008 | Dollar Change | Percent Change |
|----------------------|------------------------|------------------------|---------------------|-------------------|
| EXPENDITURES: | | | | |
| General government | \$ 1,289,111 | \$ 1,370,098 | \$ (80,987) | (5.91) |
| Public safety | 7,697,489 | 8,188,687 | (491,198) | (6.00) |
| Physical environment | 1,721,901 | 1,991,302 | (269,401) | (13.53) |
| Transportation | 43,198 | 53,719 | (10,521) | (19.59) |
| Culture/Recreation | 758,838 | 781,511 | (22,673) | (2.90) |
| Debt service | 219,016 | 147,726 | 71,290 | 48.26 |
| Other uses | 299,156 | 258,969 | 40,187 | 15.52 |
| | <u>\$ 12,028,709</u> | <u>\$ 12,792,012</u> | <u>\$ (763,303)</u> | <u>(5.97)</u> |

General Fund expenditures were down \$763,303 from FY 2008. General Government spending was down \$ 80,987 due to one-time purchase of filing furniture for the City's public records room and a drop in the premium for the City's general insurance for property, vehicles, and liability. The General Government share of workers' compensation coverage also dropped in FY 2009. Public Safety expenditures were lower with the purchase of a new fire ladder truck in FY 2008 and no such purchase in FY 2009. Public Works expenditures were lower in FY 2009 due to fewer bridge, landscaping, and storm drainage projects within the General Fund. Transportation costs were lower with reduced operating hours for the community bus program with funding cutbacks from Broward County. Culture/Recreation expenditures were lower due to fewer book and library material purchases and reduced library hours as part of reduced budget appropriations. Transfers were up with increased transfer to the Infrastructure Fund based upon the City's policy of any budgeted infrastructure appropriations unspent are shifted to the Infrastructure Fund for future projects.

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Changes to the City’s General Fund original budget are summarized as follows:

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|-------------------------------|----------------------------|-------------------------|--------------------------|---------------------------|
| REVENUES: | | | | |
| Ad Valorem | \$ 6,590,187 | \$ 6,620,187 | \$ 30,000 | 0.46 |
| Franchise taxes | 872,815 | 872,815 | - | - |
| Utility service taxes | 1,682,000 | 1,682,000 | - | - |
| Licenses and permits | 387,000 | 424,000 | 37,000 | 9.56 |
| Intergovernmental revenues | 1,228,000 | 1,228,000 | - | - |
| Charges for services | 836,700 | 836,700 | - | - |
| Fines and forfeitures | 61,000 | 161,000 | 100,000 | 163.93 |
| Miscellaneous | 73,000 | 191,150 | 118,150 | 161.85 |
| Transfer in and other sources | 92,000 | 97,300 | 5,300 | 5.76 |
| Allocation of Fund Balance | - | 69,115 | 69,115 | 100.00 |
| | <u>\$ 11,822,702</u> | <u>\$ 12,182,267</u> | <u>\$ 359,565</u> | <u>3.04</u> |

Revenue changes for budget purposes included partial recognition of delinquent tax payments, more building activity than originally assumed in the adopted budget, code enforcement fines above conservative budget projections, recognition of contributions for fire equipment and other miscellaneous purposes, and prior year encumbrances brought forward in the beginning fund balance.

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------|----------------------------|-------------------------|--------------------------|---------------------------|
| EXPENDITURES: | | | | |
| General government | \$ 1,373,540 | \$ 1,337,164 | \$ (36,376) | (2.65) |
| Public safety | 7,657,078 | 7,743,081 | 86,003 | 1.12 |
| Physical environment | 1,460,491 | 1,742,422 | 281,931 | 19.30 |
| Transportation | 51,722 | 45,222 | (6,500) | (12.57) |
| Culture/Recreation | 746,715 | 770,796 | 24,081 | 3.22 |
| Debt service | 234,000 | 230,000 | (4,000) | (1.71) |
| Transfers out | 299,156 | 299,156 | - | - |
| | <u>\$ 11,822,702</u> | <u>\$ 12,167,841</u> | <u>\$ 345,139</u> | <u>2.92</u> |

General Government expenditure appropriations were lowered due to insurance premiums reduced below the original projections. Public Safety appropriations were increased to cover video equipment for the City’s emergency operations center funded by grants, fire equipment funded by contributions, and fire overtime due to employee absences. Physical Environment expenditures increased due to road closures, engineering costs related to drainage projects and a new fuel tank, and the purchase of a steer loader partially funded by a State grant.

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Tennis Center:

The Tennis Center Fund accounts for the activities of the City's tennis facility. While it is considered a non-major fund, the Tennis Center Fund is an annually appropriated operating fund. The primary reason for costs increasing in FY 2009 was employee wages and fringe benefits.

| | Fiscal Year 2009 | Fiscal Year 2008 | Dollar Change | Percent Change |
|----------------------|------------------------|------------------------|-------------------|-------------------|
| REVENUES: | | | | |
| Charges for services | \$ 63,938 | \$ 64,712 | \$ (774) | (1.20) |
| Miscellaneous | 256 | 1,650 | (1,394) | (84.48) |
| Transfers in | <u>86,969</u> | <u>86,969</u> | <u>-</u> | <u>-</u> |
| | \$ <u>151,163</u> | \$ <u>153,331</u> | \$ <u>(2,168)</u> | <u>(1.41)</u> |
| EXPENDITURES: | | | | |
| Culture/Recreation | \$ <u>168,705</u> | \$ <u>155,692</u> | \$ <u>13,013</u> | <u>8.36</u> |
| | \$ <u>168,705</u> | \$ <u>155,692</u> | \$ <u>13,013</u> | <u>8.36</u> |

Budget appropriations for the Tennis Center were adjusted as part-time salary costs, water, and maintenance expenses increased above original projections. Funding for the increased costs was drawn from prior year fund balance.

| | Original Budget | Final Budget | Dollar Change | Percent Change |
|-------------------------------|--------------------|-------------------|------------------|-------------------|
| REVENUES: | | | | |
| Charges for services | \$ 70,101 | \$ 81,601 | \$ 11,500 | 16.40 |
| Miscellaneous | 500 | 500 | - | - |
| Transfer in | 86,969 | 86,969 | - | - |
| Appropriation of fund balance | <u>-</u> | <u>6,101</u> | <u>6,101</u> | <u>N/A</u> |
| | \$ <u>157,570</u> | \$ <u>175,171</u> | \$ <u>17,601</u> | <u>11.17</u> |
| EXPENDITURES: | | | | |
| Culture/recreation | \$ <u>157,570</u> | \$ <u>169,070</u> | \$ <u>11,500</u> | <u>7.30</u> |
| | \$ <u>157,570</u> | \$ <u>169,070</u> | \$ <u>11,500</u> | <u>7.30</u> |

Honorable Mayor
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 Residents of the City of Lighthouse Point, Florida

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.

| | Fiscal Year <u>2009</u> | Fiscal Year <u>2008</u> | Dollar Change | Percent Change |
|----------------------|-------------------------------|-------------------------------|---------------------|-------------------|
| REVENUES: | | | | |
| Charges for services | \$ 1,901,360 | \$ 2,055,722 | \$ (154,362) | (7.51) |
| Miscellaneous | <u>90,200</u> | <u>263,040</u> | <u>(172,840)</u> | <u>(65.71)</u> |
| | <u>\$ 1,991,560</u> | <u>\$ 2,318,762</u> | <u>\$ (327,202)</u> | <u>(14.11)</u> |

Charges for services were down due to increased participation in the City's vacation rebate program that offers part-time residents with the opportunity to receive a refund for garbage fees paid during their absence and the availability of reliable data to book receivables as reported by Broward County, the City's billing agent.

| | Fiscal Year <u>2009</u> | Fiscal Year <u>2008</u> | Dollar Change | Percent Change |
|----------------------|-------------------------------|-------------------------------|------------------|-------------------|
| EXPENDITURES: | | | | |
| Physical environment | \$ <u>2,251,702</u> | \$ <u>2,244,854</u> | \$ <u>6,848</u> | <u>0.31</u> |
| | <u>\$ 2,251,702</u> | <u>\$ 2,244,854</u> | <u>\$ 6,848</u> | <u>0.31</u> |

While garbage rates overall were increased by 5%, the City's share for residential customers reflected in the above table actually went up very little due to the shift of some condominiums from the City's residential bill to direct billing by Waste Management, Inc. During the year, the City eliminated the underground container systems and some condominiums chose to use larger containers used for commercial pickups instead of smaller residential containers. Such commercial-type service is not reflected in the City's financial statements. There were no changes in the budget appropriations for the Garbage and Trash Fund during the fiscal year. The fund balance has dropped by \$ 260,142 due primarily to the drop in recycling proceeds (from \$ 90,694 in FY 2008 to \$ 61,331), the conclusion of refunded interest proceeds (from \$ 138,215 in FY 2008 to \$ 17,531), and interest income (from \$ 34,133 to \$ 11,337).

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Residents of the City of Lighthouse Point, Florida

Debt Service Fund:

The Debt Service Fund accounts for the repayment of general obligation debt issued in 2002. The expenditures are based upon the amortization schedule as originally issued. The ad valorem revenue increased in FY 2009 because the millage was intentionally kept low in FY 2008 to use up some accumulated balances from prior years due to delinquent tax payments. There were no changes in the budget for this fund.

| | Fiscal Year 2009 | Fiscal Year 2008 | Dollar Change | Percent Change |
|----------------------|------------------------|------------------------|------------------|-------------------|
| REVENUES: | | | | |
| Ad valorem taxes | \$ 467,340 | \$ 431,996 | \$ 35,344 | 8.18 |
| Miscellaneous | <u>187</u> | <u>310</u> | <u>(123)</u> | <u>(39.68)</u> |
| | <u>\$ 467,527</u> | <u>\$ 432,306</u> | <u>\$ 35,221</u> | <u>8.15</u> |
| EXPENDITURES: | | | | |
| Debt service | \$ 462,510 | \$ 465,165 | \$ (2,655) | (0.57) |
| Transfers out | <u>6,861</u> | <u>-</u> | <u>6,861</u> | <u>100.00</u> |
| | <u>\$ 469,371</u> | <u>\$ 465,165</u> | <u>\$ 4,206</u> | <u>0.90</u> |

Public Safety Fund:

The Public Safety Fund records the transactions of Federal and State forfeitures. Expenditures are appropriated on an as needed basis rather than one annual appropriation like normal operating funds. There are Federal and State restrictions on the use of these monies and balances are shown in the financial statements as restricted. FY 2008 saw the receipt of a significant amount of Federal forfeitures. The City has been preparing plans for uses of this influx and FY 2009 reflects a more customary amount of forfeiture revenue and the expenditure of a small portion of the FY 2008 revenue.

| | Fiscal Year 2009 | Fiscal Year 2008 | Dollar Change | Percent Change |
|-----------------------|------------------------|------------------------|-----------------------|-------------------|
| REVENUES: | | | | |
| Fines and forfeitures | \$ 53,592 | \$ 3,269,697 | \$ (3,216,105) | (98.36) |
| Miscellaneous | <u>50,123</u> | <u>40,729</u> | <u>9,394</u> | <u>23.06</u> |
| | <u>\$ 103,715</u> | <u>\$ 3,310,426</u> | <u>\$ (3,206,711)</u> | <u>(96.87)</u> |
| EXPENDITURES: | | | | |
| Public safety | \$ 63,847 | \$ 35,388 | \$ 28,459 | 80.42 |
| Capital outlay | <u>150,931</u> | <u>30,338</u> | <u>120,593</u> | <u>397.50</u> |
| | <u>\$ 214,778</u> | <u>\$ 65,726</u> | <u>\$ 149,052</u> | <u>226.78</u> |

All expenditures in the Public Safety Fund were approved by the City Commission. Because the appropriations are considered on an as needed basis, no original vs. final comparison is provided.

Honorable Mayor
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 Residents of the City of Lighthouse Point, Florida

Infrastructure Fund:

The Infrastructure Fund was established by the City Commission to carryout general capital improvement projects and is primarily funded with transfers from the General Fund either from original budget appropriations or automatic transfers of remaining balances in infrastructure capital outlay accounts within the General Fund at year end. Occasionally, there are infrastructure grants that fund a portion of the projects in this Fund. Projects are approved at the outset of the projects and modified as necessary rather than an annual appropriation for normal operating funds.

Infrastructure

| | Fiscal Year <u>2009</u> | Fiscal Year <u>2008</u> | Dollar Change | Percent Change |
|--------------------|-------------------------------|-------------------------------|---------------------|-------------------|
| REVENUES: | | | | |
| Intergovernmental | \$ 240,148 | \$ 167,863 | \$ 72,285 | 43.06 |
| Insurance proceeds | - | 300,000 | (300,000) | (100.00) |
| Transfers in | 190,187 | 150,000 | 40,187 | 26.79 |
| Miscellaneous | <u>16,436</u> | <u>78,709</u> | <u>(62,273)</u> | <u>(79.12)</u> |
| | <u>\$ 446,771</u> | <u>\$ 696,572</u> | <u>\$ (249,801)</u> | <u>(35.86)</u> |

The Infrastructure Fund received grant funds for storm drainage projects in FY 2009 from the Florida Department of Environmental Protection and from the Community Development Block Grant through Broward County. The budgeted transfer from the General Fund was \$ 190,187. Insurance proceeds received in FY 2008 were one-time payments for restoration of City Hall after storm damage in 2006.

| | Fiscal Year <u>2009</u> | Fiscal Year <u>2008</u> | Dollar Change | Percent Change |
|----------------------|-------------------------------|-------------------------------|-------------------|-------------------|
| EXPENDITURES: | | | | |
| Physical environment | \$ 684,305 | \$ - | \$ 684,305 | 100.00 |
| Capital outlay | <u>240,473</u> | <u>689,058</u> | <u>(448,585)</u> | <u>(65.10)</u> |
| | <u>\$ 924,778</u> | <u>\$ 689,058</u> | <u>\$ 235,720</u> | <u>34.21</u> |

All expenditures in the Infrastructure Fund are capital outlay for storm drainage, road paving, and canal dredging projects.

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, 2009 amounts to \$ 20,088,342 (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 disposal of the old fire ladder truck (\$ 332,000 asset value on the books), completion of the 24th Drainage Project (\$ 360,568 from construction in progress to infrastructure), completion of Dixon Ahl Hall Parking Lot and Drainage Project (\$ 220,773), and installation of a new underground fuel storage tank at Public Works (\$ 115,587). Capital assets for the year ended September 30, 2009 are summarized in the following table:

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

| | <u>2009</u> | <u>2008</u> |
|---------------------------------|-----------------------------|-----------------------------|
| Capital assets: | | |
| Land | \$ 7,040,140 | \$ 7,040,140 |
| Buildings and land improvements | 9,901,315 | 9,792,487 |
| Equipment and fixtures | 2,010,611 | 1,997,037 |
| Vehicles | 1,826,215 | 2,144,470 |
| Infrastructure | 4,853,901 | 4,272,560 |
| Construction in progress | <u>-</u> | <u>360,568</u> |
| Total capital assets | \$ <u>25,632,182</u> | \$ <u>25,607,262</u> |

Further data about the City's capital assets can be found in Note H on pages 39-40.

Long-term debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 6,569,838. Ad valorem taxes provide the revenue stream for the repayment of bonds, while a General Fund pledge to budget supports the capital leases. Compensated absences are paid out upon termination based upon City policy and labor agreements.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|---------------------------------|------------------------------|--------------------------|--------------------------|----------------------------|
| Governmental activities: | | | | |
| General obligation bonds | \$ 4,765,000 | \$ - | \$ 260,000 | \$ 4,505,000 |
| Capital leases | 805,281 | 47,562 | 191,403 | 661,440 |
| Compensated absences | <u>1,222,616</u> | <u>186,795</u> | <u>6,013</u> | <u>1,403,398</u> |
| | \$ <u>6,792,897</u> | \$ <u>234,357</u> | \$ <u>457,416</u> | \$ <u>6,569,838</u> |

Additional information about the City's long-term debt can be found in Note I on pages 41 and 42.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a personal income tax and operates primarily through funds generated from sales, gasoline, and corporate income taxes. Local governments are not permitted to levy income taxes either and rely on property tax and a limited number of other taxes on utilities and gasoline as well as local business taxes and franchise fees to support delivery of municipal services. During the fiscal year, the City of Lighthouse Point weathered the downturn in economic activity by carefully using limited resources and reducing non-essential services where possible including building inspection, library hours, and bus service.

The General Fund budget for fiscal year 2010 was approved at the level of \$ 12,011,376, which represents a decrease of \$ 149,709 or 1.2% under the final budget of \$ 12,161,085 for fiscal year 2009. The operating millage rate has been set at 3.6188 mills which represents a 3% below the "rolled back" rate. The "rolled back" rate means the property tax rate necessary to raise the same levy as the prior year with adjustments for new construction.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2009

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 2,500,414 |
| Investments | 8,478,251 |
| Accounts receivable | 446,105 |
| Due from other governments | 360,631 |
| Prepays and other assets | 364,282 |
| Capital assets: | |
| Nondepreciable | 7,040,140 |
| Depreciable, net | <u>13,048,202</u> |
| Total assets | <u>32,238,025</u> |
| LIABILITIES: | |
| Current liabilities: | |
| Accounts payable | 319,225 |
| Accrued payroll and related taxes | 298,377 |
| Accrued interest | 33,560 |
| Deposits | 18,879 |
| Licenses collected in advance | 41,528 |
| Unearned revenues | 14,605 |
| Other liabilities | 2,423 |
| OPEB liability | 80,000 |
| Noncurrent liabilities: | |
| Due within one year | 515,501 |
| Due in more than one year | <u>6,054,337</u> |
| Total liabilities | <u>7,378,435</u> |
| NET ASSETS: | |
| Invested in capital assets, net of related debt | 14,921,902 |
| Restricted for: | |
| Infrastructure | 1,193,591 |
| Debt service | 43,319 |
| Law enforcement trust | 3,292,940 |
| Unrestricted | <u>5,407,838</u> |
| Total net assets | <u>\$ 24,859,590</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, 2009

| | | Program Revenues | | | |
|---|--------------------------|----------------------------|--|--|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net Revenues (Expenses) and Change in Net Assets |
| FUNCTIONS/PROGRAMS: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 1,440,339 | \$ 11,479 | \$ - | \$ - | \$ (1,428,860) |
| Public safety | 8,161,594 | 1,256,534 | 158,217 | 54,125 | (6,692,718) |
| Physical environment | 4,776,528 | 1,901,360 | 38,447 | 315,643 | (2,521,078) |
| Transportation | 40,852 | - | 3,298 | - | (37,554) |
| Culture/recreation | 1,141,223 | 142,078 | 15,017 | - | (984,128) |
| Interest expense | <u>229,439</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(229,439)</u> |
| Total governmental activities | \$ <u>15,789,975</u> | \$ <u>3,311,451</u> | \$ <u>214,979</u> | \$ <u>369,768</u> | <u>(11,893,777)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Ad-valorem taxes | | | | | 7,080,510 |
| Franchise taxes | | | | | 1,011,721 |
| Utility service taxes | | | | | 1,930,017 |
| Intergovernmental revenues (unrestricted) | | | | | 1,276,444 |
| Miscellaneous | | | | | <u>669,478</u> |
| Total general revenues | | | | | <u>11,968,170</u> |
| Change in net assets | | | | | 74,393 |
| NET ASSETS AT BEGINNING OF YEAR | | | | | <u>24,785,197</u> |
| NET ASSETS AT END OF YEAR | | | | | \$ <u>24,859,590</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, 2009

| | Major Governmental | |
|---------------------------------------|--------------------|---------------------------------|
| | General Fund | Garbage and Trash Fund |
| ASSETS: | | |
| Cash and cash equivalents | \$ 140,587 | \$ - |
| Investments | 8,096,377 | - |
| Due from other funds | - | 941,623 |
| Accounts receivable | 378,870 | 59,800 |
| Due from other governments | 285,406 | 45,225 |
| Prepaid expenditures | 363,675 | - |
| Total assets | \$ 9,264,915 | \$ 1,046,648 |
| LIABILITIES AND FUND BALANCES: | | |
| Liabilities: | | |
| Accounts payable | \$ 123,441 | \$ 185,256 |
| Accrued payroll and related taxes | 293,768 | - |
| Due to other funds | 2,829,317 | - |
| Deposits | 18,879 | - |
| Licenses collected in advance | 41,528 | - |
| Deferred revenue | 405,542 | - |
| Other liabilities | 2,423 | - |
| Total liabilities | 3,714,898 | 185,256 |
| Fund balances: | | |
| Reserved for: | | |
| Encumbrances | 44,819 | - |
| Prepaid expenditures | 363,675 | - |
| Debt service | - | - |
| Unreserved / reported in: | | |
| Undesignated: | | |
| General Fund | 5,141,523 | - |
| Special Revenue Funds | - | 861,392 |
| Total fund balances | 5,550,017 | 861,392 |
| Total liabilities and fund balances | \$ 9,264,915 | \$ 1,046,648 |

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

| <u>Funds</u> | | |
|-----------------------------------|--|---|
| <u>Public Safety Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
| \$ 2,308,060 | \$ 51,767 | \$ 2,500,414 |
| - | 381,874 | 8,478,251 |
| 984,880 | 1,177,853 | 3,104,356 |
| - | 7,435 | 446,105 |
| - | 30,000 | 360,631 |
| - | 607 | 364,282 |
| <u>\$ 3,292,940</u> | <u>\$ 1,649,536</u> | <u>\$ 15,254,039</u> |
| | | |
| \$ 2,225 | \$ 8,303 | \$ 319,225 |
| - | 4,609 | 298,377 |
| - | 275,039 | 3,104,356 |
| - | - | 18,879 |
| - | - | 41,528 |
| - | - | 405,542 |
| - | - | 2,423 |
| <u>2,225</u> | <u>287,951</u> | <u>4,190,330</u> |
| | | |
| - | 115,613 | 160,432 |
| - | 607 | 364,282 |
| - | 43,319 | 43,319 |
| - | - | 5,141,523 |
| <u>3,290,715</u> | <u>1,202,046</u> | <u>5,354,153</u> |
| | | |
| <u>3,290,715</u> | <u>1,361,585</u> | <u>11,063,709</u> |
| | | |
| <u>\$ 3,292,940</u> | <u>\$ 1,649,536</u> | <u>\$ 15,254,039</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
September 30, 2009

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 19 \$ 11,063,709

Amounts reported for governmental activities in the Statement of Net Assets are difference because:

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

| | | |
|-------------------------------|--------------------|------------|
| The cost of capital assets is | \$ 25,632,182 | |
| Accumulated depreciation is | <u>(5,543,840)</u> | 20,088,342 |

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in fund balance:

| | |
|--------------------------------|---------|
| Adjustment of deferred revenue | 390,937 |
|--------------------------------|---------|

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

| | | |
|---|-----------------|-------------|
| Debt | (5,166,440) | |
| Compensated absences payable | (1,403,398) | |
| Accrued interest payable | (33,560) | |
| Other postemployment benefit obligation | <u>(80,000)</u> | (6,683,398) |

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 16 \$ 24,859,590

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, 2009

| | Major Governmental | |
|---|--------------------|---------------------------------|
| | General Fund | Garbage and Trash Fund |
| REVENUES: | | |
| Ad valorem taxes | \$ 6,613,170 | \$ - |
| Franchise taxes | 1,011,721 | - |
| Utility service taxes | 1,932,024 | - |
| Licenses and permits | 417,812 | - |
| Intergovernmental revenues | 1,347,622 | - |
| Charges for services | 919,361 | 1,901,360 |
| Fines and forfeitures | 219,829 | - |
| Miscellaneous | 504,549 | 90,200 |
| Total revenues | 12,966,088 | 1,991,560 |
| EXPENDITURES: | | |
| Current: | | |
| General government | 1,285,048 | - |
| Public safety | 7,592,886 | - |
| Physical environment | 1,640,696 | 2,251,702 |
| Transportation | 43,198 | - |
| Culture/recreation | 757,727 | - |
| Capital outlay | 190,982 | - |
| Debt service: | | |
| Principal | 191,403 | - |
| Interest | 27,613 | - |
| Total expenditures | 11,729,553 | 2,251,702 |
| Excess (deficiency) of revenues over expenditures | 1,236,535 | (260,142) |
| OTHER FINANCING SOURCES (USES): | | |
| Transfers in | - | - |
| Transfers out | (299,156) | - |
| Capital lease proceeds | 47,562 | - |
| Total other financing sources (uses) | (251,594) | - |
| Net change in fund balance | 984,941 | (260,142) |
| FUND BALANCES AT BEGINNING OF YEAR | 4,565,076 | 1,121,534 |
| FUND BALANCES AT ENDING OF YEAR | \$ 5,550,017 | \$ 861,392 |

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

| <u>Funds</u> | | |
|----------------------------|--|--------------------------------|
| Public Safety Fund | Other Nonmajor Governmental Funds | Total Governmental Funds |
| \$ - | \$ 467,340 | \$ 7,080,510 |
| - | - | 1,011,721 |
| - | - | 1,932,024 |
| - | - | 417,812 |
| - | 240,148 | 1,587,770 |
| - | 72,918 | 2,893,639 |
| 53,592 | - | 273,421 |
| 50,123 | 85,313 | 730,185 |
| <u>103,715</u> | <u>865,719</u> | <u>15,927,082</u> |
| - | - | 1,285,048 |
| 63,847 | - | 7,656,733 |
| - | 687,324 | 4,579,722 |
| - | - | 43,198 |
| - | 252,115 | 1,009,842 |
| 150,931 | 248,320 | 590,233 |
| - | 260,000 | 451,403 |
| - | 202,510 | 230,123 |
| <u>214,778</u> | <u>1,650,269</u> | <u>15,846,302</u> |
| <u>(111,063)</u> | <u>(784,550)</u> | <u>80,780</u> |
| - | 306,017 | 306,017 |
| - | (6,861) | (306,017) |
| - | - | 47,562 |
| <u>-</u> | <u>299,156</u> | <u>47,562</u> |
| (111,063) | (485,394) | 128,342 |
| <u>3,401,778</u> | <u>1,846,979</u> | <u>10,935,367</u> |
| \$ <u><u>3,290,715</u></u> | \$ <u><u>1,361,585</u></u> | \$ <u><u>11,063,709</u></u> |

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

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

NET CHANGES IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS, PAGE 22

\$ 128,342

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 | \$ 590,233 | |
| Less current year provision for depreciation | <u>(725,211)</u> | (134,978) |

| | | |
|---|--|----------|
| The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net assets. | | (60,707) |
|---|--|----------|

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

| | | |
|------------------------|--|---------|
| Miscellaneous revenues | | (2,007) |
|------------------------|--|---------|

Capital lease 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:

| | | |
|------------------------|----------------|---------|
| Capital lease proceeds | (47,562) | |
| Principal payments | <u>451,403</u> | 403,841 |

Some expenses reported in the statement of activities
do not require the use of current financial resources
and therefore are not reported as expenditures in
governmental funds:

| | | |
|--|-----------------|------------------|
| Change in accrued interest payable | 684 | |
| Change in compensated absences payable | (180,782) | |
| Change in OPEB liability | <u>(80,000)</u> | <u>(260,098)</u> |

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES, PAGE 17

\$ 74,393

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, 2009

| | Budgeted amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Ad valorem taxes | \$ 6,590,187 | \$ 6,620,187 | \$ 6,613,170 | \$ (7,017) |
| Franchise fees | 872,815 | 872,815 | 1,011,721 | 138,906 |
| Utility service taxes | 1,682,000 | 1,682,000 | 1,932,024 | 250,024 |
| Licenses and permits | 387,000 | 424,000 | 417,812 | (6,188) |
| Intergovernmental revenues | 1,228,000 | 1,228,000 | 1,347,622 | 119,622 |
| Charges for services | 836,700 | 836,700 | 919,361 | 82,661 |
| Fines and forfeitures | 61,000 | 161,000 | 219,829 | 58,829 |
| Miscellaneous | 73,000 | 191,150 | 504,549 | 313,399 |
| Allocation of Fund Balance | - | 69,115 | - | (69,115) |
| Total revenues | 11,730,702 | 12,084,967 | 12,966,088 | 881,121 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,373,540 | 1,333,101 | 1,285,048 | 48,053 |
| Public safety | 7,586,552 | 7,634,743 | 7,592,886 | 41,857 |
| Physical environment | 1,367,697 | 1,645,689 | 1,640,696 | 4,993 |
| Transportation | 51,722 | 45,222 | 43,198 | 2,024 |
| Culture/recreation | 724,715 | 760,490 | 757,727 | 2,763 |
| Capital outlay | 185,320 | 219,440 | 190,982 | 28,458 |
| Debt service: | | | | |
| Principal | 224,000 | 200,000 | 191,403 | 8,597 |
| Interest | 10,000 | 30,000 | 27,613 | 2,387 |
| Total expenditures | 11,523,546 | 11,868,685 | 11,729,553 | 128,148 |
| Excess of revenues over expenditures | 207,156 | 216,282 | 1,236,535 | 1,020,253 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 5,300 | - | (5,300) |
| Transfers out | (299,156) | (299,156) | (299,156) | - |
| Capital lease proceeds | 92,000 | 92,000 | 47,562 | (44,438) |
| Total other financing sources (uses) | (207,156) | (201,856) | (251,594) | (49,738) |
| Net change in fund balance | - | 14,426 | 984,941 | 970,515 |
| FUND BALANCE AT BEGINNING OF YEAR | 4,565,076 | 4,565,076 | 4,565,076 | - |
| FUND BALANCE AT END OF YEAR | \$ 4,565,076 | \$ 4,579,502 | \$ 5,550,017 | \$ 970,515 |

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, 2009

| | <u>Budgeted amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--------------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Charges for services: | | | | |
| Garbage/solid waste fees | \$ 2,315,000 | \$ 2,315,000 | \$ 1,901,360 | \$ (413,640) |
| Miscellaneous: | | | | |
| Recycling proceeds | 60,000 | 60,000 | 61,332 | 1,332 |
| Refunded interest proceeds | - | - | 17,531 | 17,531 |
| Interest income | <u>20,000</u> | <u>20,000</u> | <u>11,337</u> | <u>(8,663)</u> |
| Total miscellaneous | <u>80,000</u> | <u>80,000</u> | <u>90,200</u> | <u>10,200</u> |
| Total revenues | <u>2,395,000</u> | <u>2,395,000</u> | <u>1,991,560</u> | <u>(403,440)</u> |
| EXPENDITURES: | | | | |
| Physical environment: | | | | |
| Trash collection: | | | | |
| Operating expenditures | <u>2,325,000</u> | <u>2,325,000</u> | <u>2,251,702</u> | <u>73,298</u> |
| Total expenditures | <u>2,325,000</u> | <u>2,325,000</u> | <u>2,251,702</u> | <u>73,298</u> |
| Net change in fund balance | 70,000 | 70,000 | (260,142) | (330,142) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>1,121,534</u> | <u>1,121,534</u> | <u>1,121,534</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 1,191,534</u> | <u>\$ 1,191,534</u> | <u>\$ 861,392</u> | <u>\$ (330,142)</u> |

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
September 30, 2009

ASSETS:

Investments:

| | |
|---------------------------|----------------|
| U.S. Stock Funds | \$ 6,872,726 |
| Money Market Funds | 7,939,134 |
| Balanced Funds | 2,892,353 |
| Bond Funds | 2,916,827 |
| International Stock Funds | <u>869,720</u> |

| | |
|-------|------------|
| Total | 21,490,760 |
|-------|------------|

| | |
|-------------------------------|----------------|
| Participant loans receivables | <u>483,246</u> |
|-------------------------------|----------------|

| | |
|--------------|------------|
| Total assets | 21,974,006 |
|--------------|------------|

LIABILITIES

-

NET ASSETS:

| | |
|--|-----------------------------|
| Held in trust for pension and other benefits | \$ <u><u>21,974,006</u></u> |
|--|-----------------------------|

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

CITY OF LIGHTHOUSE POINT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
For the Year Ended September 30, 2009

ADDITIONS:

Contributions:

| | | |
|-----------|----|----------------|
| City | \$ | 880,033 |
| Employees | | <u>888,481</u> |

| | | |
|---------------------|--|------------------|
| Total contributions | | <u>1,768,514</u> |
|---------------------|--|------------------|

Investment earnings and expenses:

| | | |
|--|--|------------------|
| Interest, dividends and investment value changes | | 606,917 |
| Investment expense | | <u>(163,733)</u> |

| | | |
|-------------------------|--|----------------|
| Net investment earnings | | <u>443,184</u> |
|-------------------------|--|----------------|

| | | |
|-----------------|--|------------------|
| Total additions | | <u>2,211,698</u> |
|-----------------|--|------------------|

DEDUCTIONS:

| | | |
|----------|--|-----------|
| Benefits | | 1,447,085 |
|----------|--|-----------|

Refund of contributions:

| | | |
|-----------|--|---------------|
| Employees | | <u>19,252</u> |
|-----------|--|---------------|

| | | |
|------------------|--|------------------|
| Total deductions | | <u>1,466,337</u> |
|------------------|--|------------------|

| | | |
|----------------------|--|---------|
| Change in net assets | | 745,361 |
|----------------------|--|---------|

NET ASSETS HELD IN TRUST FOR PENSION
AND OTHER BENEFITS:

| | | |
|--------------------------|--|-------------------|
| At Beginning of the Year | | <u>21,228,645</u> |
|--------------------------|--|-------------------|

| | | |
|--------------------|----|--------------------------|
| At End of the Year | \$ | <u><u>21,974,006</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, 2009

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 (pension trust funds). The statements distinguish between governmental and business-type activities. The City has only governmental activities for the fiscal year ended September 30, 2009. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. If the City had business-type activities to report, such programs would be financed wholly or substantially by fees charged to external parties for goods or services.

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, 2009, the City had no proprietary funds. The financial statements offer an emphasis upon the more significant sub funds within the governmental category and these are referred to as major funds.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

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.

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

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

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 used are not eliminated in the process of consolidation. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by GASB. 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, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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.

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.

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. Management believes all accounts to be fully collectible; therefore, 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, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets:

Capital assets, which include land, buildings and land improvements, equipment, and fixtures, vehicles, and infrastructure, are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$ 500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized such as landscaping or road paving. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the City are depreciated using the straight-line method over their estimated useful lives as follows:

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

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. However, encumbrances are also utilized in other funds, where appropriations are approved by the City Commission on an as needed basis, to formally recognize commitments of City resources. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. At September 30, 2009, encumbrances outstanding are as follows:

| | | |
|----------------------|----|-----------------------|
| General Fund | \$ | 44,819 |
| Special Purpose Fund | | 2,064 |
| Infrastructure Fund | | <u>113,549</u> |
| Total | \$ | <u><u>160,432</u></u> |

Compensated absences:

City employees earn vacation, sick and compensatory leave in varying amounts based upon their length of service and hours worked. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours. Payments for sick leave vary by bargaining unit, years of service, and age. The liability due beyond one year for these compensated absences is recorded as long-term debt in the government-wide statement of net 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, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned/deferred revenue:

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

Long-term obligations:

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

Equity classifications:

Government-wide statements

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

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

Fund statements

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

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

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, 2009

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. At the end of May, the Mayor as the City's Chief Executive Officer submits his proposed budget to the City Commission for consideration. The budget includes proposed expenditures and the estimated sources of financing.
3. Traditionally, the Commission conducts a budget workshop in June and in accordance with State Statute approves a preliminary property tax millage in July for notification to all taxpayers in August. Two public hearings are required in September before adoption of the tax rate and budget appropriations for the fiscal year beginning October 1. The budget is adopted by ordinance. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered nor specifically designated to be carried over lapse at the end of the fiscal year. Remaining appropriated balances in infrastructure accounts in the General Fund are transferred to the Infrastructure Fund for future investment in infrastructure per City policy.
5. The City prepares and adopts annual operating budgets for the General Fund, Tennis Center Fund, Garbage and Trash Fund, 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 by the City Commission during the year to provide for \$ 345,139 of supplemental appropriations. The budget was increased to provide for public safety equipment, fire overtime, road closures, engineering costs, and public works equipment not anticipated in the original budget appropriations. Funding for the increased expenditures came from grants, contributions, and code fines.

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, 2008, upon which the 2008-2009 levy was based, was approximately \$ 2,096,800,000. The Broward County Revenue Collector bills and collects all property taxes for the City.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation bonds if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2009 was \$ 3.2822 per \$ 1,000 and \$ 0.2320 per \$ 1,000 for bond debt service.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

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 \$ 250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. At year end, the carrying amount of the City's deposits was \$ 2,500,414 and the bank balance was \$ 2,563,567. 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 the 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. At fiscal year end, the amount invested in these longer maturity securities was less than 1% of total investments. Total governmental fund investments at September 30, 2009 were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in years)</u> | | |
|----------------------------------|---------------------|---|-------------------|------------------|
| | | <u>Less than 1</u> | <u>1 to 5</u> | <u>6 to 10</u> |
| Local Government Investment Pool | \$ 65,298 | \$ - | \$ - | \$ 65,298 |
| Mutual Funds | 5,921,105 | 5,578,914 | 342,191 | - |
| Certificates of Deposit | 2,031,286 | 2,031,286 | - | - |
| Money Market Funds | <u>460,562</u> | <u>460,562</u> | <u>-</u> | <u>-</u> |
| Total | \$ <u>8,478,251</u> | \$ <u>8,070,762</u> | \$ <u>342,191</u> | \$ <u>65,298</u> |

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. Protection of principal is paramount in the City's investment policy.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

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 and broker/dealers with which the City will do business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Disclosure by Investment Type:

The Local Government Investment Pool is managed by the Florida State Board of Administration (SBA). Oversight of the pool is the responsibility of the Board of Trustees consisting of the Governor, the State's Chief Financial Officer, and the Attorney General. The City's balance is part of "Fund B" and therefore, the City owns a share of the pool not the underlying securities. The SBA's interpretation is that Fund B does not meet the requirements of a SEC 2a7-like fund. Therefore, the amount shown as the fair value of the City's share of the pool has been discounted by unrealized losses in the securities held in the portfolio. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (based on expected future cash flows) of Fund B at September 30, 2009 is estimated at 6.69 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life. This investment type as percentage of the total portfolio is less than 1%.

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

- The Florida Municipal Investment Trust holds three different City investments: the 0-2 Year High Quality Bond Fund, the 1-3 Year High Quality Bond Fund, and the Intermediate High Quality Bond Fund. The City owns shares in this investment pool and the specific portfolios, not the individual securities held within each portfolio. The 0-2 Year High Quality Bond Fund is rated AAAs/S1 by Standard & Poor's with effective duration of 0.57 and weighted average maturity of 0.85 years. The 1-3 Year High Quality Bond Fund carries a Fitch Rating of AAA/V2 with effective duration of 1.27 and weighted average maturity of 1.58 years. The Intermediate High Quality Bond Fund is rated AAA/V3 by Fitch with effective duration of 2.81 and weighted average maturity of 3.83. The total investment was approximately \$1.4 million.
- At September 30, 2009, the City had invested in two mutual funds managed by Dreyfus: the Government Prime Cash Management Fund and the Treasury Prime Cash Management Fund. These funds invest in United States Government securities. The yield from these funds may vary, although they haven't in the past year, and is not fixed for a specific period. A sharp and unexpected rise in interest rates could cause the share price to drop below a dollar. However, the extremely short maturities of the securities held in the portfolio reduce the potential for price fluctuation. All the collateral is backed by the U.S. Treasury or the full faith and credit of the U.S. Government. The guarantee is for the timely payment of interest and principal when held to maturity. Many types of U.S. Government securities trade actively outside the United States, so their price may rise and fall as changes in global economic conditions affect the demand for these securities. The City may redeem its shares in either fund within 24 hours based upon the current share price. The investment at fiscal year end was approximately \$ 2 million.
- The City held investment in the Federated Government Ultra Short Fund at fiscal year end. Similar to the Dreyfus portfolios described above, the Federated portfolio is comprised of U.S. Government and its agencies securities with same interest and credit risks. The City may redeem its shares within 24 hours based upon the current share price so the investment is very liquid. Interest is paid to the City monthly. The investment in Federated was approximately \$ 2.5 million at fiscal year end.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE D - DEPOSITS AND INVESTMENTS (continued)

At September 30, 2009, the City had invested in certificates of deposits with two financial institutions:

- The City held a \$ 1 million public funds certificate of deposit at SunTrust Bank maturing on October 7, 2009 with a fixed interest rate of 3.14%. As a public funds CD, the full amount of the deposit is insured.
- The City held \$ 750,000 in certificates of deposit through the Certificate of Deposit Account Registry Service (CDARS) in conjunction with Florida Shores Bank. This program provides an opportunity to invest in CD's that are insured by FDIC by coordinating placement at various banks so as not to exceed the FDIC limit for coverage for any individual CD. The CDARS investment earned a fixed 3% interest and will mature on February 18, 2010. Interest on these CD's was paid to the City monthly so as not to exceed the FDIC limit. Additionally, the City held a \$ 250,000 certificate of deposit directly with Florida Shores Bank with a fixed interest rate of 3.1% annually with a maturity date of August 12, 2010.

Fiduciary Funds

The City has seven different pension plans included in fiduciary funds. Four plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City's IRS 457 deferred compensation plan, and one is a retirement health savings plan. 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 who were hired after October 1, 2003 or employees who were chose to convert from the 401a plan at that time. The defined-benefit plan is managed by the Florida League of Cities and overseen by the Police and Fire Pension Board. Total fiduciary fund investments as of September 30, 2009 were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in years) 1 to 5</u> |
|---------------------------|----------------------|--|
| U.S. Stock Funds | \$ 6,872,726 | \$ N/A |
| Money Market Funds | 7,939,134 | 7,939,134 |
| Balanced Funds | 2,892,353 | 2,892,353 |
| Bonds Funds | 2,916,827 | 2,916,827 |
| International Stock Funds | <u>869,720</u> | <u>869,720</u> |
| Total | \$ <u>21,490,760</u> | \$ <u>14,618,034</u> |

Interest rate risk:

To mitigate its exposure to losses in fair value due to changes in interest rates, the City's fiduciary funds are invested in a well-diversified and balanced portfolio. The overall focus is on long-term growth given that the funds are for employee retirement purposes. For the defined-benefit plan, the 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 5.61 years.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Credit risk:

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

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, 2009 were as follows:

| <u>Fund</u> | <u>Receivable</u> | <u>Payable</u> |
|------------------------|-------------------|----------------|
| General Fund | \$ - | \$ 2,829,317 |
| Garbage and Trash Fund | 941,623 | - |
| Infrastructure Fund | 1,163,591 | - |
| Public Safety Fund | 984,880 | - |
| Tennis Center Fund | 14,262 | - |
| Special Purpose Fund | - | 275,039 |
| | <hr/> | <hr/> |
| Total | \$ 3,104,356 | \$ 3,104,356 |
| | <hr/> <hr/> | <hr/> <hr/> |

Interfund transfers during the year were as follows:

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|----------------------|------------------------|-------------------------|
| General Fund | \$ - | \$ 299,156 |
| Special Purpose Fund | 28,861 | - |
| Debt Service Fund | - | 6,861 |
| Tennis Center Fund | 86,969 | - |
| | <hr/> | <hr/> |
| Total budgeted funds | 115,830 | 306,017 |
| | <hr/> | <hr/> |
| Infrastructure Fund | 190,187 | - |
| | <hr/> | <hr/> |
| | 190,187 | - |
| | <hr/> | <hr/> |
| Total | \$ 306,017 | \$ 306,017 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2009

NOTE E - INTERFUND TRANSACTIONS (continued)

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds. Interfund 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 2009, the General Fund transferred \$ 299,156 to other funds including \$ 190,187 to the Infrastructure Fund for street paving, \$ 86,969 for the Tennis Center budgeted subsidy for facility operations, and \$ 28,861 for the City's Keeper Day and Lighthouse A'Glow celebrations (shown as Special Revenue Funds). A total of \$ 6,861 was transferred from the Debt Service Fund (related specifically to the Series 2002 General Obligation Bonds) to the Special Purpose Fund. The bond projects are completed but the fund shows a negative cash balance offset by investments. The investments are held by the State Board of Administration Local Government Investment Pool Fund B. When the fair market value of the assets was discounted, the result was a negative balance in the Bond Construction Fund. The transfer from the Debt Service offsets this loss of value.

NOTE F - SPECIAL REVENUE FUNDS

The City has five special revenue funds. The Garbage and Trash Fund is budgeted and designed to account for revenues and expenditures associated with the collection and disposal of residential refuse. The Tennis Center Fund is budgeted and accounts for the operation of the City's recreational facility at Frank McDonough Park. The Public Safety Fund is not annually appropriated and accounts for Federal forfeitures, State forfeitures and other restricted public resources. The Infrastructure Fund is not annually appropriated and accounts for capital improvement projects that are funded with transfers from the General Fund as budgeted or remaining unexpended balances at the end of the fiscal year. The Special Purpose Fund actually represents a number of special purposes accounted for in individual sub funds. These special purposes account for transactions from specific revenue sources as required by law or administrative regulations. This fund is not budgeted on annual basis like operating funds but rather appropriated on an as needed basis by the City Commission.

The Special Purpose Fund maintains an internal allocation of the intended purposes of its fund balance. As of September 30, 2009, the following allocation of fund balance for all of the Special Purpose sub funds is as follows:

| | |
|---|----------|
| Recreation Support: | |
| Sponsor fees for recreation programs | \$ 5,673 |
| Playground 2000 for park development | 1,805 |
| Keeper Days for annual city anniversary | 378 |
| LHP A'Glow for annual holiday celebration | 2,167 |
| DeGroff Park | 30 |
| Total | 10,053 |
| Environmental: | |
| Beautification improvements in the City | 15,002 |
| Waterway cleanup and protection | 68,802 |
| Total | 83,804 |

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE F - SPECIAL REVENUE FUNDS (continued)

| | | |
|-------------------------------|----|-----------------------|
| Cultural Support: | | |
| Library | | 14,704 |
| Senior Outreach | | 1,532 |
| Historical Committee | | <u>119</u> |
| Total | | <u>16,355</u> |
| Capital projects | | <u>4,693</u> |
| Total of Special Purpose Fund | \$ | <u><u>114,905</u></u> |

As reflected above, the projects of the Bond Construction Fund, which accounted for the proceeds of the 2002 General Obligation Bond issue (\$ 6,190,000), have been completed and the balance is zero. There is a negative cash balance of \$ 21,198 fully offset by investment holdings in the State Board of Administration. Likewise, the Capital Projects Fund represents other major capital improvement projects funded with non-bond resources that have been completed. The small remaining balance will be reserved for future improvements.

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, 2009 was 0.2320.

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009, was as follows:

| | <u>Balance October 1, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Balance September 30, 2009</u> |
|--|--|------------------|------------------|------------------|---|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 7,040,140 | \$ - | \$ - | \$ - | \$ 7,040,140 |
| Construction in progress | <u>360,568</u> | <u>-</u> | <u>-</u> | <u>(360,568)</u> | <u>-</u> |
| Total capital assets, not being depreciated | <u>7,400,708</u> | <u>-</u> | <u>-</u> | <u>(360,568)</u> | <u>7,040,140</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE H - CAPITAL ASSETS (continued)

| | <u>Balance October 1, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Balance September 30, 2009</u> |
|--|--|---------------------|---------------------|------------------|---|
| Capital assets, being depreciated | | | | | |
| Buildings and land improvements | 9,792,487 | 135,287 | 26,459 | - | 9,901,315 |
| Equipment and fixtures | 1,997,037 | 179,137 | 165,563 | - | 2,010,611 |
| Infrastructure | 4,272,560 | 220,773 | - | 360,568 | 4,853,901 |
| Vehicles | <u>2,144,470</u> | <u>55,036</u> | <u>373,291</u> | <u>-</u> | <u>1,826,215</u> |
| Total capital assets being depreciated | <u>18,206,554</u> | <u>590,233</u> | <u>565,313</u> | <u>360,568</u> | <u>18,592,042</u> |
| Total assets | <u>25,607,262</u> | <u>590,233</u> | <u>565,313</u> | <u>-</u> | <u>25,632,182</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and land improvements | 2,551,472 | 249,701 | 23,725 | - | 2,777,448 |
| Equipment and fixtures | 1,268,407 | 291,254 | 146,823 | - | 1,412,838 |
| Infrastructure | 117,185 | 62,108 | - | - | 179,293 |
| Vehicles | <u>1,386,171</u> | <u>122,148</u> | <u>334,058</u> | <u>-</u> | <u>1,174,261</u> |
| Total accumulated depreciation | <u>5,323,235</u> | <u>725,211</u> | <u>504,606</u> | <u>-</u> | <u>5,543,840</u> |
| Total capital assets, being depreciated, net | <u>12,883,319</u> | <u>(134,978)</u> | <u>60,707</u> | <u>360,568</u> | <u>13,048,202</u> |
| Governmental activities, capital assets, net | <u>\$ 20,284,027</u> | <u>\$ (134,978)</u> | <u>\$ 60,707</u> | <u>\$ -</u> | <u>\$ 20,088,342</u> |
| Total governmental activities, capital assets, net | <u>\$ 20,284,027</u> | <u>\$ (134,978)</u> | <u>\$ 60,707</u> | <u>\$ -</u> | <u>\$ 20,088,342</u> |
| Related debt | <u>5,570,281</u> | <u>47,562</u> | <u>451,403</u> | <u>-</u> | <u>5,166,440</u> |
| Invested in capital assets, net of related debt | <u>\$ 14,713,746</u> | <u>\$ (182,540)</u> | <u>\$ (390,696)</u> | <u>\$ -</u> | <u>\$ 14,921,902</u> |

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

| | |
|--|-------------------|
| Governmental activities: | |
| General government | \$ 81,144 |
| Public safety | 373,252 |
| Physical environment | 140,673 |
| Transportation | 45 |
| Culture and recreation | <u>130,097</u> |
| Total depreciation expense - governmental activities | <u>\$ 725,211</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

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, 2009:

| | Balance October 1, <u>2008</u> | <u>Additions</u> | <u>Deletions</u> | Balance September 30, <u>2009</u> | Due Within <u>One Year</u> |
|--------------------------|--------------------------------------|-------------------|-------------------|---|----------------------------------|
| General obligation bonds | \$ 4,765,000 | \$ - | \$ 260,000 | \$ 4,505,000 | \$ 270,000 |
| Capital leases | 805,281 | 47,562 | 191,403 | 661,440 | 183,598 |
| Compensated absences | <u>1,222,616</u> | <u>186,795</u> | <u>6,013</u> | <u>1,403,398</u> | <u>61,903</u> |
| | <u>\$ 6,792,897</u> | <u>\$ 234,357</u> | <u>\$ 457,416</u> | <u>\$ 6,569,838</u> | <u>\$ 515,501</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> |
|-------------------------------------|---------------------|---------------------|---------------------|
| 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 | 315,000 | 150,320 | 465,320 |
| 2015-2019 | 1,775,000 | 544,098 | 2,319,098 |
| 2020-2022 | <u>1,275,000</u> | <u>122,620</u> | <u>1,397,620</u> |
| | <u>\$ 4,505,000</u> | <u>\$ 1,528,078</u> | <u>\$ 6,033,078</u> |

Capital leases:

As of September 30, 2009, the City had obligations under five separate lease purchase agreements. The first lease outstanding for \$ 104,240 (Series 2006) was for the purchase of four police vehicles and one administrative vehicle. The second lease (Series 2007) was for the purchase of four police vehicles, one public works truck, and one fire command vehicle in the amount of \$ 122,760. 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. The Series 2009 lease purchase in the amount of \$ 47,562 provided for the acquisition of one police vehicle and one public works truck. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the lease inception. Debt service is provided from General Fund revenues. The carrying value of these assets is approximately \$ 685,300. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2009.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE I - LONG-TERM DEBT (continued)

| Year ending September 30, | Series 2006 | Series 2007 | Series 2008 | Series 2009 | Total |
|--|------------------|------------------|-------------------|------------------|-------------------|
| 2010 | \$ 28,581 | \$ 33,527 | \$ 133,042 | \$ 12,690 | \$ 207,840 |
| 2011 | - | 19,483 | 133,042 | 12,690 | 165,215 |
| 2012 | - | - | 127,399 | 12,690 | 140,089 |
| 2013 | - | - | 110,469 | 9,518 | 119,987 |
| 2014 | - | - | 82,862 | - | 82,862 |
| Thereafter | - | - | - | - | - |
| Total minimum lease payments | 28,581 | 53,010 | 586,814 | 47,588 | 715,993 |
| Less: amount representing interest | <u>4,217</u> | <u>2,021</u> | <u>45,229</u> | <u>3,086</u> | <u>54,553</u> |
| Present value of future minimum lease payments | <u>\$ 24,364</u> | <u>\$ 50,989</u> | <u>\$ 541,585</u> | <u>\$ 44,502</u> | <u>\$ 661,440</u> |

NOTE J - ACCOUNTS PAYABLE

Accounts payable at September 30, 2009 were as follows:

| | Vendors | Subcontractor | Total Accounts Payable |
|----------------------------------|-------------------|-----------------|------------------------------|
| Governmental activities: | | | |
| General Fund | \$ 123,441 | \$ - | \$ 123,441 |
| Infrastructure Fund | - | 5,657 | 5,657 |
| Garbage and Trash Fund | 185,256 | - | 185,256 |
| Tennis Center Fund | 2,368 | - | 2,368 |
| Public Safety Fund | 2,225 | - | 2,225 |
| Special Purpose Fund | <u>278</u> | <u>-</u> | <u>278</u> |
| Total governmental activities | <u>\$ 313,568</u> | <u>\$ 5,657</u> | <u>\$ 319,225</u> |

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 62-65.

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, 2009

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 age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined-benefit plan described later. In fiscal year 2009, the City made biweekly contributions to the plan equal to 12.5% for general employees and 14% for fire, police and management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the plan: 3% of base salary for general employees and 6% of base salary for all other full-time employees. 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 2009 subject to pension contributions was \$ 2,835,933. The City made required contributions as follows:

| | | | |
|-------------------|----|----------------|--|
| General employees | \$ | 192,088 | |
| Firefighters | | 37,399 | |
| Police officers | | 28,896 | |
| Management | | 115,599 | |
| | | <u>373,982</u> | |
| | \$ | <u>373,982</u> | |

The required contributions by employees were as follows:

| | | | |
|-------------------|----|----------------|--|
| General employees | \$ | 46,101 | |
| Firefighters | | 21,371 | |
| Police officers | | 12,384 | |
| Management | | 49,542 | |
| | | <u>129,398</u> | |
| | \$ | <u>129,398</u> | |

Plan membership at September 30, 2009, consisted of the following:

| | General | Fire | Police | Management |
|---|-----------|-----------|-----------|------------|
| Retirees and beneficiaries | | | | |
| currently receiving benefits | 2 | - | 2 | 2 |
| Terminated members entitled to, but not yet receiving benefits | 8 | 11 | 15 | 7 |
| Current employees: | | | | |
| Fully vested | 23 | 6 | 2 | 7 |
| Partially vested | 12 | 1 | 1 | 2 |
| | <u>35</u> | <u>7</u> | <u>3</u> | <u>9</u> |
| Total current employees | <u>35</u> | <u>7</u> | <u>3</u> | <u>9</u> |
| Total membership | <u>45</u> | <u>18</u> | <u>20</u> | <u>18</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE K - PENSION PLAN (continued)

Investment summaries at September 30, 2009, are as follows:

| Investments | % of Portfolio | Fair Value |
|---------------------------|-------------------|---------------|
| General employees: | | |
| Money Market Funds | 53 % | |
| Balanced Funds | 25 % | |
| U.S. Stock Funds | 18 % | |
| Bond Funds | 2 % | |
| International Stock Funds | 2 % | |
| Total | | \$ 2,420,866 |
| Firefighters: | | |
| Money Market Funds | 48 % | |
| U.S. Stock Funds | 38 % | |
| Balanced Funds | 12 % | |
| International Stock Funds | 2 % | |
| Total | | \$ 2,330,427 |
| Police Officers: | | |
| Money Market Funds | 68 % | |
| U.S. Stock Funds | 16 % | |
| Balanced Funds | 15 % | |
| Bond Funds | 1 % | |
| Total | | \$ 2,684,850 |
| Management Employees: | | |
| Money Market Funds | 48 % | |
| U.S. Stock Funds | 25 % | |
| Balanced Funds | 18 % | |
| Bond Funds | 7 % | |
| International Stock Funds | 2 % | |
| Total | | \$ 3,306,690 |

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, 2009, participant loans outstanding amounted to \$ 483,246.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE K - PENSION PLAN (continued)

Municipal Employees' Retirement Fund - defined benefit:

Effective October 1, 2003, the City established a defined-benefit pension plan for full-time police officers and firefighters. The pension plan is a single-employer variety. In accordance with Ordinance 835, the plan is mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. In fiscal year 2009, the City contributed 15.76% of employee base salaries and employees contributed 9.51%. All investments, totaling \$ 6,195,864 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 were required to do so at the actuarial computed value. The option to purchase past service with the City of Lighthouse Point expired in fiscal year 2009. As of September 30, 2009, the membership in the plan consists of 49 active participants, one retiree, and seven former employees who are either vested or entitled to a refund of their contributions. 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 as of September 30, 2009:

Schedule of Employer Contributions

| <u>Fiscal Year Ended</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> | <u>Annual Pension Cost</u> | <u>Percentage Contributed</u> |
|------------------------------|---|-----------------------------------|------------------------------------|-----------------------------------|
| 2004 | \$ 304,230 | 100% | \$ 304,230 | 100% |
| 2005 | \$ 332,619 | 100% | \$ 332,619 | 100% |
| 2006 | \$ 351,519 | 100% | \$ 351,519 | 100% |
| 2007 | \$ 371,520 | 100% | \$ 371,520 | 100% |
| 2008 | \$ 291,631 | 100% | \$ 291,631 | 100% |
| 2009 | \$ 560,698 | 100% | \$ 560,698 | 100% |

For the actuarial valuation date of October 1, 2008, the actuarial accrued liability for benefits was \$ 5,719,803, and the actuarial value of assets was \$ 5,578,515, resulting in an unfunded actuarial accrued liability of \$ 141,288. The covered payroll was \$ 2,441,440 for fiscal year 2009, and the ratio of unfunded actuarial accrued liability to the covered payroll was 5.9%.

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

| | |
|-------------------------------|--|
| Valuation date | October 1, 2008 |
| Actuarial cost method | Frozen initial liability cost method |
| Amortization method | Level dollar closed |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value adjusted to reflect a five-year phase-in of net investment gains and losses that occur after September 30, 2007 |
| Actuarial assumptions: | |
| Investment rate of return * | 7.75% |
| Projected salary increases * | 4% - 7% |
| * Includes inflation at | 3.25% |
| Cost-of-living adjustments | 0% - 3% as applicable |

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2009

NOTE K - PENSION PLAN (continued)

Deferred Compensation Plan:

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

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

Retirement Health Saving Plan:

As a voluntary supplement to the employees' required pension trust funds, the City established by Resolution 2003-1298 a retiree health savings plan and trust for the exclusive benefit of plan participants and their beneficiaries. The plan is fully funded by employee pre-tax contributions. The account totaled \$151,414 at fiscal year end and is invested by the International City Management Association Retirement Corporation per the direction of each participant. Funds can only be withdrawn for medical expenses as approved by Internal Revenue Service regulations. Should funds not be expended, they revert back to the City plan. Based upon employee group commitments, the plan currently includes Fire Lieutenants, Police Department non-union employees, Administrative Secretaries and the Chief Clerk of the Police Department.

Pension costs and contributions:

The pension costs 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 | | | | |
| 2007 | \$ 205,878 | \$ 205,878 | \$ 1,346,386 | 15.29% |
| 2008 | 228,475 | 228,475 | 1,474,052 | 15.50% |
| 2009 | 238,189 | 238,189 | 1,536,696 | 15.50% |
| Firefighter - Defined Contribution | | | | |
| 2007 | 49,990 | 49,990 | 227,224 | 22.00% |
| 2008 | 55,788 | 55,788 | 253,584 | 22.00% |
| 2009 | 58,770 | 58,770 | 267,135 | 22.00% |

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE K - 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 Officer - Defined Contribution | | | | |
| 2007 | 50,420 | 50,420 | 252,102 | 20.00% |
| 2008 | 51,458 | 51,458 | 257,286 | 20.00% |
| 2009 | 41,280 | 41,280 | 206,401 | 20.00% |
| Management - Defined Contribution | | | | |
| 2007 | 162,321 | 162,321 | 811,609 | 20.00% |
| 2008 | 160,208 | 160,208 | 801,040 | 20.00% |
| 2009 | 165,141 | 165,141 | 825,701 | 20.00% |
| Police/Fire Defined Benefit | | | | |
| 2007 | 618,113 | 618,113 | 2,769,238 | 22.32% |
| 2008 | 821,703 | 821,703 | 2,932,589 | 28.02% |
| 2009 | 876,833 | 876,833 | 3,210,991 | 25.27% |
| Retirement Health Savings | | | | |
| 2007 | 37,772 | 37,772 | 1,331,552 | 2.84% |
| 2008 | 10,235 | 10,235 | 376,080 | 2.72% |
| 2009 | 14,865 | 14,865 | 615,941 | 2.41% |

NOTE L - COMMITMENTS AND CONTINGENCIES

Litigation:

The City is involved in several legal matters. The outcome of these issues is not presently determinable, but it is the City's belief that the final resolution will not result in material financial losses from any one particular case.

Risk management:

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

Grants compliance:

The City receives financial assistance from Federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the Florida Single Audit Act, the City was not required to conduct a "single audit" for Federal or State grants. The threshold for such audits is \$ 500,000 for either level of government. The City has included the expenditure of Federal forfeitures under the Federal grant section. The following summarizes grant activity for the year ended September 30, 2009:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

| <u>Grant</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Receivable</u> |
|---|-------------------|---------------------|-------------------|
| Federal Grants: | | | |
| Federal Forfeitures | \$ 26,355 | \$ 214,648 | \$ - |
| Community Development Block Grant | 174,289 | 174,289 | 41,408 |
| Homeland Security | 12,334 | 12,334 | - |
| Justice | <u>1,749</u> | <u>1,749</u> | <u>-</u> |
| Total Federal grants | \$ <u>214,727</u> | \$ <u>403,020</u> | \$ <u>41,408</u> |
| State Grants: | | | |
| Department of State - Library | \$ 9,944 | \$ 9,944 | \$ - |
| Department of Environmental Protection | 161,560 | 161,560 | - |
| Department of Agriculture | 12,000 | 12,000 | 12,000 |
| Department of Law Enforcement | 1,000 | 1,000 | - |
| Department of Community Affairs | 9,000 | 9,000 | - |
| Department of Transportation | <u>20,095</u> | <u>20,095</u> | <u>-</u> |
| Total state grants | \$ <u>213,599</u> | \$ <u>213,599</u> | \$ <u>12,000</u> |
| Local Grants: | | | |
| Broward County Community Bus | \$ 3,298 | \$ 3,298 | \$ - |
| Marine Law Enforcement | 39,680 | 39,680 | 9,400 |
| Broward Beautiful | 8,233 | 8,233 | - |
| Urban Area Security Initiative | 54,125 | 54,125 | - |
| Recycling | <u>1,119</u> | <u>1,119</u> | <u>-</u> |
| Total local grants | \$ <u>106,455</u> | \$ <u>106,455</u> | \$ <u>9,400</u> |

NOTE M - OTHER POST EMPLOYMENT BENEFITS

For the fiscal year ended September 30, 2009, the City implemented Governmental Accounting Standards Board Statement No 45, Accounting and Reporting by Employers for Post Employment Benefits other than Pensions (OPEB), for certain post employment health care benefits provided by the City. The requirement of this statement was implemented prospectively.

The City offers retired employees the opportunity to retain the City's health insurance coverage. With the exception of department directors and elected officials, retirees contribute an amount equal to the actual premium for health insurance that is charged by the carrier. However, there is an implied subsidy in the insurance premium for retirees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average. In addition to the implied subsidy, the City provides an explicit subsidy with respect to department directors and elected officials upon retirement. This subsidy is equal to 100% of the premium charged by the insurance carrier for coverage for the retiree if the retiree is at least age 62 and has earned at least 10 years of service. At September 30, 2009, the plan had two retirees receiving benefits.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE M – OTHER POST EMPLOYMENT BENEFITS (continued)

Two stand-alone actuarial valuation reports have been prepared by an independent actuary and are available for review at the Finance Department in City Hall, 2200 NE 38th Street, Lighthouse Point, FL 33064. The latest valuation is dated October 1, 2008 based on the following methods and assumptions:

| | |
|-----------------------|--|
| Actuarial cost method | Projected unit credit |
| Amortization method | 15-year open period; level-dollar payment |
| Investment return | 4.00% per annum |
| Inflation | 2.75% per annum |
| Healthcare cost trend | |
| Select rates | 10.00% for 2008/09 graded to 6.00% for 2016/17 |
| Ultimate rate | 5.00% per annum |

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

Three Year Trend Information

| <u>Fiscal Year</u> | <u>Annual Required Contribution</u> | <u>% Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------|---|--------------------------|------------------------------------|
| 2006/2007 | \$ 27,498 | 0% | \$ 27,498 |
| 2007/2008 | \$ 30,160 | 0% | \$ 30,160 |
| 2008/2009 | \$ 111,000 | 28% | \$ 80,000 |

The net OPEB obligation at September 30, 2009 has been reflected on the Statement of Net Assets. The plan is not pre-funded and is therefore supported on a pay-as-you-go basis.

For the actuarial valuation date of October 1, 2008, the actuarial accrued liability for benefits was \$ 636,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 636,000. The covered payroll was \$ 5,047,000 for fiscal year 2009, and the ratio of unfunded actuarial accrued liability to the covered payroll was 12.6%.

NOTE N - SUBSEQUENT EVENTS

The City Commission has authorized the creation of a Stormwater Utility Fund beginning with the fiscal year ending September 30, 2010. Expenditures were appropriated in the FY 2009/2010 adopted budget. The budget projection for stormwater assessment in FY 2010 is \$ 300,000. Using an outside consultant, the City established the level of benefit for each property in Lighthouse Point for planned storm drainage improvements. During fiscal year 2009/2010, the City is billing property owners using the Broward County utility billing system. The City plans to incorporate the special assessment on property tax bills beginning with the November 2010 tax bills. The City is accounting for this new fund as an enterprise fund.

**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% |
| 10/01/07 | 5,081,694 | 5,236,449 | 154,755 | 97.0% | 2,782,471 | 5.6% |
| 10/01/08 | 5,578,515 | 5,719,803 | 141,288 | 97.5% | 2,441,440 | 5.9% |

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

| Fiscal Year Ended | Member | | Employer | |
|-------------------|---|-----------------------------------|---|-----------------------------------|
| | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
| 09/30/2005 | \$ 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 % |
| 09/30/2009 | 386,012 | 100 % | 490,822 | 100 % |

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

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

**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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Ad valorem taxes: | | | | |
| Current | \$ 6,590,187 | \$ 6,620,187 | \$ 6,189,942 | \$ (430,245) |
| Delinquent | - | - | 423,228 | 423,228 |
| | <u>6,590,187</u> | <u>6,620,187</u> | 6,613,170 | (7,017) |
| Franchise taxes: | | | | |
| Electricity | 777,815 | 777,815 | 900,765 | 122,950 |
| Solid waste | 95,000 | 95,000 | 110,956 | 15,956 |
| | <u>872,815</u> | <u>872,815</u> | 1,011,721 | 138,906 |
| Utility service taxes: | | | | |
| Electricity | 850,000 | 850,000 | 864,896 | 14,896 |
| Water | 300,000 | 300,000 | 423,246 | 123,246 |
| Gas | 2,000 | 2,000 | 3,040 | 1,040 |
| Propane | 30,000 | 30,000 | 37,230 | 7,230 |
| Communications services | 500,000 | 500,000 | 603,612 | 103,612 |
| | <u>1,682,000</u> | <u>1,682,000</u> | 1,932,024 | 250,024 |
| Licenses and permits: | | | | |
| Business license tax | 67,000 | 67,000 | 65,851 | (1,149) |
| Building permits | 150,000 | 150,000 | 148,611 | (1,389) |
| Plumbing permits | 20,000 | 20,000 | 30,012 | 10,012 |
| Electrical permits | 50,000 | 50,000 | 41,372 | (8,628) |
| Other | 100,000 | 137,000 | 131,966 | (5,034) |
| | <u>387,000</u> | <u>424,000</u> | 417,812 | (6,188) |
| Intergovernmental revenues: | | | | |
| State revenue sharing | 284,000 | 284,000 | 266,362 | (17,638) |
| Alcoholic beverage license | 7,500 | 7,500 | 8,320 | 820 |
| Gasoline tax | 200,000 | 200,000 | 196,372 | (3,628) |
| Half cent sales tax | 650,000 | 650,000 | 555,859 | (94,141) |
| Firefighters supplemental | 3,000 | 3,000 | 10,380 | 7,380 |
| Motor fuel rebate | 3,500 | 3,500 | 5,438 | 1,938 |
| County occupational license | 10,000 | 10,000 | 10,258 | 258 |
| Federal grants | 35,000 | 35,000 | 72,643 | 37,643 |
| State grants | - | - | 115,535 | 115,535 |
| Local grants | 35,000 | 35,000 | 106,455 | 71,455 |
| | <u>1,228,000</u> | <u>1,228,000</u> | 1,347,622 | 119,622 |

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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------------|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues (continued) | | | | |
| Charges for services: | | | | |
| Lien search fees | 5,000 | 5,000 | 7,315 | 2,315 |
| Zoning fees | 5,000 | 5,000 | 1,050 | (3,950) |
| Merchandise sales | 100 | 100 | 2,137 | 2,037 |
| Certification, copying, research | - | - | 773 | 773 |
| Other fees - City Clerk | - | - | 204 | 204 |
| Accident reports | - | - | 16,408 | 16,408 |
| Fingerprinting fees | 2,000 | 2,000 | 3,625 | 1,625 |
| Alarm fees | 6,000 | 6,000 | 6,899 | 899 |
| Special detail fees | 30,000 | 30,000 | 34,488 | 4,488 |
| Fire inspection fees | 23,000 | 23,000 | 5,686 | (17,314) |
| Construction inspection fees | 5,800 | 5,800 | 5,136 | (664) |
| Other fees - fire | 800 | 800 | 875 | 75 |
| Ambulance fees | 140,000 | 140,000 | 211,409 | 71,409 |
| Special Assessments - Fire | 546,000 | 546,000 | 554,199 | 8,199 |
| Photostat and other fees | 500 | 500 | 1,509 | 1,009 |
| Registration - recreation | 21,000 | 21,000 | 12,249 | (8,751) |
| Summer recreation fees | 45,000 | 45,000 | 48,580 | 3,580 |
| Other recreation fees | 6,500 | 6,500 | 6,819 | 319 |
| | <u>836,700</u> | <u>836,700</u> | <u>919,361</u> | <u>82,661</u> |
| Fines and forfeitures: | | | | |
| Court fines | 35,000 | 35,000 | 47,822 | 12,822 |
| Library fines | 1,000 | 1,000 | 1,767 | 767 |
| Parking citations | 15,000 | 15,000 | 8,710 | (6,290) |
| Code enforcement fines | 10,000 | 110,000 | 161,530 | 51,530 |
| | <u>61,000</u> | <u>161,000</u> | <u>219,829</u> | <u>58,829</u> |
| Miscellaneous income: | | | | |
| Interest income | 73,000 | 73,000 | 45,156 | (27,844) |
| Other | - | 118,150 | 459,393 | 341,243 |
| Allocation of fund balance | - | 69,115 | - | (69,115) |
| | <u>73,000</u> | <u>260,265</u> | <u>504,549</u> | <u>313,399</u> |
| Total revenues | <u>11,730,702</u> | <u>12,084,967</u> | <u>12,966,088</u> | <u>950,236</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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Expenditures: | | | | |
| General government: | | | | |
| Legislative - commission | | | | |
| Personal services | 38,603 | 38,603 | 35,694 | 2,909 |
| Operating expenditures | 58,086 | 53,536 | 38,379 | 15,157 |
| | <u>96,689</u> | <u>92,139</u> | <u>74,073</u> | <u>18,066</u> |
| Executive - Mayor: | | | | |
| Personal services | 26,079 | 26,079 | 25,490 | 589 |
| Operating expenditures | 26,782 | 32,266 | 17,734 | 14,532 |
| | <u>52,861</u> | <u>58,345</u> | <u>43,224</u> | <u>15,121</u> |
| Administration/finance: | | | | |
| Personal services | 556,736 | 539,036 | 538,155 | 881 |
| Operating expenditures | 65,017 | 91,014 | 85,036 | 5,978 |
| Capital outlay | - | 4,063 | 4,063 | - |
| | <u>621,753</u> | <u>634,113</u> | <u>627,254</u> | <u>6,859</u> |
| City attorney: | | | | |
| Operating expenditures | 132,141 | 148,941 | 148,132 | 809 |
| Support services: | | | | |
| Personal services | 84,000 | 69,000 | 62,219 | 6,781 |
| Operating expenditures | 386,096 | 334,626 | 334,209 | 417 |
| | <u>470,096</u> | <u>403,626</u> | <u>396,428</u> | <u>7,198</u> |
| Total general government | 1,373,540 | 1,337,164 | 1,289,111 | 48,053 |
| Public safety: | | | | |
| Police department: | | | | |
| Personal services | 3,865,006 | 3,847,006 | 3,822,096 | 24,910 |
| Operating expenditures | 278,440 | 284,784 | 281,472 | 3,312 |
| Capital outlay | 67,518 | 67,132 | 63,397 | 3,735 |
| | <u>4,210,964</u> | <u>4,198,922</u> | <u>4,166,965</u> | <u>31,957</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public safety (continued) | | | | |
| Fire department: | | | | |
| Personal services | 2,585,440 | 2,633,140 | 2,629,804 | 3,336 |
| Operating expenditures | 151,838 | 191,940 | 190,637 | 1,303 |
| Capital outlay | 3,008 | 41,206 | 41,206 | - |
| | <u>2,740,286</u> | <u>2,866,286</u> | <u>2,861,647</u> | <u>4,639</u> |
| Building department: | | | | |
| Personal services | 188,939 | 180,939 | 178,314 | 2,625 |
| Operating expenditures | 308,520 | 284,115 | 281,638 | 2,477 |
| | <u>497,459</u> | <u>465,054</u> | <u>459,952</u> | <u>5,102</u> |
| Code enforcement: | | | | |
| Personal services | 186,619 | 189,569 | 189,455 | 114 |
| Operating expenditures | 21,750 | 23,250 | 19,470 | 3,780 |
| | <u>208,369</u> | <u>212,819</u> | <u>208,925</u> | <u>3,894</u> |
| Total public safety | 7,657,078 | 7,743,081 | 7,697,489 | 45,592 |
| Physical environment: | | | | |
| Public works: | | | | |
| Personal services | 1,042,897 | 1,018,597 | 1,015,067 | 3,530 |
| Operating expenditures | 324,800 | 627,092 | 625,629 | 1,463 |
| Capital outlay | 92,794 | 96,733 | 81,205 | 15,528 |
| Total physical environment | 1,460,491 | 1,742,422 | 1,721,901 | 20,521 |
| Transportation: | | | | |
| Community bus: | | | | |
| Personal services | 36,822 | 31,822 | 31,552 | 270 |
| Operating expenditures | 14,900 | 13,400 | 11,646 | 1,754 |
| Total transportation | 51,722 | 45,222 | 43,198 | 2,024 |

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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| Culture/recreation: | | | | |
| Library: | | | | |
| Personal services | 267,143 | 254,643 | 251,152 | 3,491 |
| Operating expenditures | 96,325 | 111,281 | 109,469 | 1,812 |
| | <u>363,468</u> | <u>365,924</u> | <u>360,621</u> | <u>5,303</u> |
| Recreation department: | | | | |
| Personal services | 228,972 | 229,772 | 229,704 | 68 |
| Operating expenditures | 132,275 | 164,794 | 167,402 | (2,608) |
| Capital outlay | 22,000 | 10,306 | 1,111 | 9,195 |
| | <u>383,247</u> | <u>404,872</u> | <u>398,217</u> | <u>6,655</u> |
| Total culture/recreation | 746,715 | 770,796 | 758,838 | 11,958 |
| Debt service: | | | | |
| Principal | 224,000 | 200,000 | 191,403 | 8,597 |
| Interest | 10,000 | 30,000 | 27,613 | 2,387 |
| Total debt service | 234,000 | 230,000 | 219,016 | 10,984 |
| Total expenditures | <u>11,523,546</u> | <u>11,868,685</u> | <u>11,729,553</u> | <u>139,132</u> |
| Excess of revenues over expenditures | 207,156 | 216,282 | 1,236,535 | 1,020,253 |
| Other financing sources (uses): | | | | |
| Transfers in | - | 5,300 | - | (5,300) |
| Transfers out | (299,156) | (299,156) | (299,156) | - |
| Capital lease proceeds | 92,000 | 92,000 | 47,562 | (44,438) |
| Total other financing sources (uses) | <u>(207,156)</u> | <u>(201,856)</u> | <u>(251,594)</u> | <u>(49,738)</u> |
| Net change in fund balance | - | 14,426 | 984,941 | 970,515 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>4,565,076</u> | <u>4,565,076</u> | <u>4,565,076</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 4,565,076</u> | <u>\$ 4,579,502</u> | <u>\$ 5,550,017</u> | <u>\$ 970,515</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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services: | | | | |
| Membership fees | \$ 59,000 | \$ 59,000 | \$ 48,197 | \$ (10,803) |
| Daily use fees | 10,000 | 12,000 | 11,849 | (151) |
| Revenue sharing | 500 | 2,500 | 2,518 | 18 |
| Lighting fees | 2,000 | 2,000 | 1,374 | (626) |
| Appropriation of fund balance | (1,399) | 6,101 | - | (6,101) |
| | <u>70,101</u> | <u>81,601</u> | <u>63,938</u> | <u>(17,663)</u> |
| Miscellaneous: | | | | |
| Interest income | - | - | 226 | 226 |
| Other | 500 | 500 | 30 | (470) |
| | <u>500</u> | <u>500</u> | <u>256</u> | <u>(244)</u> |
| Total revenues | <u>70,601</u> | <u>82,101</u> | <u>64,194</u> | <u>(17,907)</u> |
| EXPENDITURES: | | | | |
| Culture/recreation: | | | | |
| Personal services | 143,170 | 148,770 | 148,752 | 18 |
| Operating expenditures | 14,400 | 20,300 | 19,953 | 347 |
| Total expenditures | <u>157,570</u> | <u>169,070</u> | <u>168,705</u> | <u>365</u> |
| Excess (deficiency) of revenues over expenditures | (86,969) | (86,969) | (104,511) | (17,542) |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | 86,969 | 86,969 | 86,969 | - |
| Total other financing sources | <u>86,969</u> | <u>86,969</u> | <u>86,969</u> | <u>-</u> |
| Net change in fund balance | - | - | (17,542) | (17,542) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>32,969</u> | <u>32,969</u> | <u>32,969</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 32,969</u> | <u>\$ 32,969</u> | <u>\$ 15,427</u> | <u>\$ (17,542)</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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Ad valorem taxes | \$ 462,381 | \$ 462,381 | \$ 467,340 | \$ 4,959 |
| Miscellaneous: | | | | |
| Interest income | <u>10,000</u> | <u>10,000</u> | <u>187</u> | <u>(9,813)</u> |
| Total revenues | <u>472,381</u> | <u>472,381</u> | <u>467,527</u> | <u>(4,854)</u> |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 260,000 | 260,000 | 260,000 | - |
| Interest | 201,960 | 201,960 | 201,960 | - |
| Other | <u>2,500</u> | <u>2,500</u> | <u>550</u> | <u>1,950</u> |
| Total expenditures | <u>464,460</u> | <u>464,460</u> | <u>462,510</u> | <u>1,950</u> |
| Net change in fund balance | 7,921 | 7,921 | 5,017 | (2,904) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>(6,861)</u> | <u>(6,861)</u> |
| Total other financing sources (uses) | - | - | (6,861) | (6,861) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>45,163</u> | <u>45,163</u> | <u>45,163</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 53,084</u> | <u>\$ 53,084</u> | <u>\$ 43,319</u> | <u>\$ (9,765)</u> |

**OTHER
FINANCIAL INFORMATION**

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Debt Service Fund

Debt Service Fund - This 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, 2009

| | Special Revenue | | | Total | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|--------------------|---------------------|----------------------|---------------------|-------------------|-----------------------------------|
| | Tennis Center Fund | Infrastructure Fund | Special Purpose Fund | | | |
| ASSETS: | | | | | | |
| Cash | \$ 100 | \$ - | \$ 9,157 | \$ 9,257 | \$ 42,510 | \$ 51,767 |
| Investments | - | - | 381,065 | 381,065 | 809 | 381,874 |
| Due from other funds | 14,262 | 1,163,591 | - | 1,177,853 | - | 1,177,853 |
| Due from other governments | - | 30,000 | - | 30,000 | - | 30,000 |
| Prepaid expenditures | 607 | - | - | 607 | - | 607 |
| Accounts receivable | 7,435 | - | - | 7,435 | - | 7,435 |
| Total assets | \$ 22,404 | \$ 1,193,591 | \$ 390,222 | \$ 1,606,217 | \$ 43,319 | \$ 1,649,536 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Accounts payable | \$ 2,368 | \$ 5,657 | \$ 278 | \$ 8,303 | \$ - | \$ 8,303 |
| Accrued payroll and related taxes | 4,609 | - | - | 4,609 | - | 4,609 |
| Due to other funds | - | - | 275,039 | 275,039 | - | 275,039 |
| Total liabilities | 6,977 | 5,657 | 275,317 | 287,951 | - | 287,951 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Debt service | - | - | - | - | 43,319 | 43,319 |
| Encumbrances | - | 113,549 | 2,064 | 115,613 | - | 115,613 |
| Prepaid expenditures | 607 | - | - | 607 | - | 607 |
| Unreserved: | | | | | | |
| Undesignated | 14,820 | 1,074,385 | 112,841 | 1,202,046 | - | 1,202,046 |
| Total fund balances | 15,427 | 1,187,934 | 114,905 | 1,318,266 | 43,319 | 1,361,585 |
| Total liabilities and fund balances | \$ 22,404 | \$ 1,193,591 | \$ 390,222 | \$ 1,606,217 | \$ 43,319 | \$ 1,649,536 |

CITY OF LIGHTHOUSE POINT, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended September 30, 2009

| | Special Revenue | | | Total | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|--------------------------|------------------------|----------------------------|---------------------|-------------------------|--|
| | Tennis Center Fund | Infrastructure Fund | Special Purpose Fund | | | |
| REVENUES: | | | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - | \$ 467,340 | \$ 467,340 |
| Intergovernmental revenues | - | 240,148 | - | 240,148 | - | 240,148 |
| Charges for services | 63,938 | - | 8,980 | 72,918 | - | 72,918 |
| Fines and forfeitures | - | - | - | - | - | - |
| Miscellaneous | 256 | 16,436 | 68,434 | 85,126 | 187 | 85,313 |
| Total revenues | 64,194 | 256,584 | 77,414 | 398,192 | 467,527 | 865,719 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Culture/recreation | 168,705 | - | 83,410 | 252,115 | - | 252,115 |
| Physical environment | - | 684,305 | 3,019 | 687,324 | - | 687,324 |
| Capital outlay | - | 240,473 | 7,847 | 248,320 | - | 248,320 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 260,000 | 260,000 |
| Interest | - | - | - | - | 202,510 | 202,510 |
| Total expenditures | 168,705 | 924,778 | 94,276 | 1,187,759 | 462,510 | 1,650,269 |
| Excess (deficiency) of revenues over expenditures | (104,511) | (668,194) | (16,862) | (789,567) | 5,017 | (784,550) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 86,969 | 190,187 | 28,861 | 306,017 | - | 306,017 |
| Transfers out | - | - | - | - | (6,861) | (6,861) |
| Total other financing sources (uses) | 86,969 | 190,187 | 28,861 | 306,017 | (6,861) | 299,156 |
| Net change in fund balance | (17,542) | (478,007) | 11,999 | (483,550) | (1,844) | (485,394) |
| FUND BALANCE AT BEGINNING OF YEAR | 32,969 | 1,665,941 | 102,906 | 1,801,816 | 45,163 | 1,846,979 |
| FUND BALANCE AT END OF YEAR | \$ 15,427 | \$ 1,187,934 | \$ 114,905 | \$ 1,318,266 | \$ 43,319 | \$ 1,361,585 |

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

| | <u>Defined Contribution Pension Plans</u> | | | | |
|---|---|---------------------|---------------------|---------------------|----------------------|
| | <u>General</u> | <u>Fire</u> | <u>Police</u> | <u>Management</u> | <u>Total</u> |
| ASSETS: | | | | | |
| Investments | \$ 2,420,866 | \$ 2,330,427 | \$ 2,684,850 | \$ 3,306,690 | \$ 10,742,833 |
| Participant loans receivable | <u>177,287</u> | <u>107,840</u> | <u>103,675</u> | <u>94,444</u> | <u>483,246</u> |
| Total assets | <u>\$ 2,598,153</u> | <u>\$ 2,438,267</u> | <u>\$ 2,788,525</u> | <u>\$ 3,401,134</u> | <u>\$ 11,226,079</u> |
| LIABILITIES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS: | | | | | |
| Held in trust for pension and other benefits | <u>\$ 2,598,153</u> | <u>\$ 2,438,267</u> | <u>\$ 2,788,525</u> | <u>\$ 3,401,134</u> | <u>\$ 11,226,079</u> |

| <u>Police and Fire Defined Benefit</u> | <u>Deferred Compensation</u> | <u>Healthcare</u> | <u>Total</u> |
|--|----------------------------------|-------------------|----------------------|
| \$ 6,195,864 | \$ 4,400,649 | \$ 151,414 | \$ 21,490,760 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>483,246</u> |
| \$ <u>6,195,864</u> | \$ <u>4,400,649</u> | \$ <u>151,414</u> | \$ <u>21,974,006</u> |
| \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| \$ <u>6,195,864</u> | \$ <u>4,400,649</u> | \$ <u>151,414</u> | \$ <u>21,974,006</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal year Ended September 30, 2009

| | Defined Contribution Pension Plans | | | | |
|---|------------------------------------|---------------------|---------------------|---------------------|----------------------|
| | General | Fire | Police | Management | Total |
| ADDITIONS: | | | | | |
| Contributions | | | | | |
| City | \$ 192,088 | \$ 37,399 | \$ 28,896 | \$ 115,599 | \$ 373,982 |
| Employees | 46,101 | 21,371 | 12,384 | 49,542 | 129,398 |
| Total contributions | <u>238,189</u> | <u>58,770</u> | <u>41,280</u> | <u>165,141</u> | <u>503,380</u> |
| Investment earnings (loss): | | | | | |
| Interest, dividend and investment value changes | 195,115 | (5,701) | 140,513 | 24,665 | 354,592 |
| Less investment expense | 24,644 | 23,693 | 27,027 | 32,894 | 108,258 |
| Net investment earnings (loss) | <u>170,471</u> | <u>(29,394)</u> | <u>113,486</u> | <u>(8,229)</u> | <u>246,334</u> |
| Total additions | 408,660 | 29,376 | 154,766 | 156,912 | 749,714 |
| DEDUCTIONS: | | | | | |
| Benefits | 272,045 | 75,051 | 235,249 | 402,491 | 984,836 |
| Refund of contributions: | | | | | |
| Employees | - | - | - | - | - |
| Total deductions | <u>272,045</u> | <u>75,051</u> | <u>235,249</u> | <u>402,491</u> | <u>984,836</u> |
| Change in net assets | 136,615 | (45,675) | (80,483) | (245,579) | (235,122) |
| NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS: | | | | | |
| BEGINNING 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> |
| END OF YEAR | <u>\$ 2,598,153</u> | <u>\$ 2,438,267</u> | <u>\$ 2,788,525</u> | <u>\$ 3,401,134</u> | <u>\$ 11,226,079</u> |

| <u>Police and Fire Defined Benefit</u> | <u>Deferred Compensation</u> | <u>Healthcare</u> | <u>Total</u> |
|--|----------------------------------|-------------------|----------------------|
| \$ 506,051 | \$ - | \$ - | \$ 880,033 |
| <u>370,782</u> | <u>373,436</u> | <u>14,865</u> | <u>888,481</u> |
| <u>876,833</u> | <u>373,436</u> | <u>14,865</u> | <u>1,768,514</u> |
| 214,795 | 35,748 | 1,782 | 606,917 |
| <u>11,502</u> | <u>42,567</u> | <u>1,406</u> | <u>163,733</u> |
| <u>203,293</u> | <u>(6,819)</u> | <u>376</u> | <u>443,184</u> |
| 1,080,126 | 366,617 | 15,241 | 2,211,698 |
| 56,980 | 400,231 | 5,038 | 1,447,085 |
| <u>19,252</u> | <u>-</u> | <u>-</u> | <u>19,252</u> |
| <u>76,232</u> | <u>400,231</u> | <u>5,038</u> | <u>1,466,337</u> |
| 1,003,894 | (33,614) | 10,203 | 745,361 |
| <u>5,191,970</u> | <u>4,434,263</u> | <u>141,211</u> | <u>21,228,645</u> |
| \$ <u>6,195,864</u> | \$ <u>4,400,649</u> | \$ <u>151,414</u> | \$ <u>21,974,006</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
September 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|
| Governmental funds capital assets: | | |
| Land | \$ 7,040,140 | \$ 7,040,140 |
| Buildings and land improvements | 9,901,315 | 9,792,487 |
| Equipment and fixtures | 2,010,611 | 1,997,037 |
| Vehicles | 1,826,215 | 2,144,470 |
| Infrastructure | 4,853,901 | 4,272,560 |
| Construction in progress | - | 360,568 |
| | <u>25,632,182</u> | <u>25,607,262</u> |
| Total governmental funds capital assets | \$ <u>25,632,182</u> | \$ <u>25,607,262</u> |
| Investment in governmental funds capital assets by source: | | |
| General revenues | \$ 13,723,443 | \$ 13,983,000 |
| Special revenues | 3,914,318 | 4,029,085 |
| County grants | 3,956,039 | 3,955,589 |
| State grants | 265,744 | 239,238 |
| Federal grants | 623,895 | 403,122 |
| Donations | 2,876,599 | 2,876,897 |
| Confiscated | <u>272,144</u> | <u>120,331</u> |
| | <u>25,632,182</u> | <u>25,607,262</u> |
| Total governmental funds capital assets | \$ <u>25,632,182</u> | \$ <u>25,607,262</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
September 30, 2009

| | <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 | 488,958 |
| 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>\$ 9,901,315</u> |

| <u>Equipment and Fixtures</u> | <u>Vehicles</u> | <u>Infrastructure</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------------|----------------------|
| \$ 26,757 | \$ - | \$ - | \$ 26,757 |
| 1,528 | - | - | 1,528 |
| 165,276 | 19,080 | - | 184,356 |
| <u>55,306</u> | <u>-</u> | <u>-</u> | <u>2,264,184</u> |
| <u>248,867</u> | <u>19,080</u> | <u>-</u> | <u>2,476,825</u> |
| 690,824 | 525,146 | - | 5,103,621 |
| 367,587 | 894,100 | - | 1,841,709 |
| 34,270 | - | - | 34,270 |
| <u>20,966</u> | <u>26,800</u> | <u>-</u> | <u>47,766</u> |
| <u>1,113,647</u> | <u>1,446,046</u> | <u>-</u> | <u>7,027,366</u> |
| 192,750 | 319,949 | 4,853,901 | 8,812,438 |
| 453 | - | - | 453 |
| 185,346 | - | - | 1,386,213 |
| <u>269,548</u> | <u>41,140</u> | <u>-</u> | <u>5,928,887</u> |
| <u>454,894</u> | <u>41,140</u> | <u>-</u> | <u>7,315,100</u> |
| <u>\$ 2,010,611</u> | <u>\$ 1,826,215</u> | <u>\$ 4,853,901</u> | <u>\$ 25,632,182</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, 2009

| | Balance October 1, 2008 | Additions | Deductions | Transfers | Balance September 30, 2009 |
|----------------------------------|-------------------------------|-------------------|-------------------|-----------------|----------------------------------|
| FUNCTION AND ACTIVITY: | | | | | |
| General government: | | | | | |
| Legislative | \$ 23,449 | \$ - | \$ - | \$ 3,308 | \$ 26,757 |
| Executive | 1,528 | - | - | - | 1,528 |
| Finance and administration | 179,285 | 4,063 | 7,574 | 8,582 | 184,356 |
| Other general government | <u>2,264,183</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,264,183</u> |
| Total general government | <u>2,468,445</u> | <u>4,063</u> | <u>7,574</u> | <u>11,890</u> | <u>2,476,824</u> |
| Public safety: | | | | | |
| Law enforcement | 5,032,245 | 122,741 | 35,303 | (16,061) | 5,103,622 |
| Fire control | 2,217,078 | 41,207 | 419,969 | 3,393 | 1,841,709 |
| Building department | 33,870 | - | - | 400 | 34,270 |
| Code enforcement | <u>47,387</u> | <u>-</u> | <u>-</u> | <u>378</u> | <u>47,765</u> |
| Total public safety | <u>7,330,580</u> | <u>163,948</u> | <u>455,272</u> | <u>(11,890)</u> | <u>7,027,366</u> |
| Physical environment: | | | | | |
| Maintenance | <u>8,476,512</u> | <u>413,265</u> | <u>77,338</u> | <u>-</u> | <u>8,812,439</u> |
| Transportation: | | | | | |
| Community bus | <u>453</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>453</u> |
| Culture/recreation: | | | | | |
| Library | 1,395,039 | 7,062 | 15,888 | - | 1,386,213 |
| Recreation | <u>5,936,233</u> | <u>1,895</u> | <u>9,241</u> | <u>-</u> | <u>5,928,887</u> |
| Total cultural/recreation | <u>7,331,272</u> | <u>8,957</u> | <u>25,129</u> | <u>-</u> | <u>7,315,100</u> |
| Total | <u>\$ 25,607,262</u> | <u>\$ 590,233</u> | <u>\$ 565,313</u> | <u>\$ -</u> | <u>\$ 25,632,182</u> |

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
 September 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|
| Amount available in Debt Service Fund | \$ 43,319 | \$ 45,163 |
| Amount to be provided for the retirement of general long-term debt | <u>6,526,519</u> | <u>6,747,734</u> |
| Total | <u>\$ 6,569,838</u> | <u>\$ 6,792,897</u> |
| | | |
| General long-term debt payable: | | |
| General obligation bonds | \$ 4,505,000 | \$ 4,765,000 |
| Capital leases | 661,440 | 805,281 |
| Accrued compensated absences | <u>1,403,398</u> | <u>1,222,616</u> |
| Total | <u>\$ 6,569,838</u> | <u>\$ 6,792,897</u> |

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2009

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

| Contents | <u>Page</u> |
|--|-------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 71-78 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 79-85 |
| Debt Capacity These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 86-91 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 92-93 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 94-99 |

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 SIX 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.

Table 1

| Year | | | |
|----------------------|----------------------|----------------------|----------------------|
| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| \$ 10,101,398 | \$ 13,755,926 | \$ 14,713,746 | \$ 14,921,902 |
| 1,701,725 | 1,021,484 | 5,112,882 | 4,529,850 |
| <u>4,405,822</u> | <u>5,635,518</u> | <u>4,958,569</u> | <u>5,407,838</u> |
| \$ <u>16,208,945</u> | \$ <u>20,412,928</u> | \$ <u>24,785,197</u> | \$ <u>24,859,590</u> |

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

| | Fiscal | |
|-------------------------------------|----------------------|----------------------|
| | 2004 | 2005 |
| Expenses: | | |
| 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 | 253,352 |
| | <u>\$ 11,699,681</u> | <u>\$ 12,479,991</u> |
| Program Revenues: | | |
| 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 |
| 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> |
| Net Expense over Revenue | <u>\$ 8,709,318</u> | <u>\$ 8,867,836</u> |
| General Revenues: | | |
| 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> |
| Change in net assets | <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 | 2009 | | |
| \$ | 1,107,630 | \$ | 1,140,397 | \$ | 1,491,969 | \$ | 1,440,339 |
| | 7,028,043 | | 7,454,524 | | 8,078,961 | | 8,161,594 |
| | 5,948,269 | | 3,909,260 | | 4,007,031 | | 4,776,528 |
| | 45,563 | | 46,492 | | 53,925 | | 40,852 |
| | 1,048,900 | | 1,138,481 | | 1,258,251 | | 1,141,223 |
| | 238,762 | | 216,500 | | 212,550 | | 229,439 |
| \$ | <u>15,417,167</u> | \$ | <u>13,905,654</u> | \$ | <u>15,102,687</u> | \$ | <u>15,789,975</u> |
| \$ | 148,617.00 | \$ | 150,626 | \$ | 84,577 | \$ | 11,479 |
| | 1,592,243 | | 1,759,972 | | 1,392,705 | | 1,256,534 |
| | 1,502,879 | | 2,526,006 | | 2,055,722 | | 1,901,360 |
| | 139,381 | | 151,540 | | 146,133 | | 142,078 |
| | 2,569,879 | | 223,088 | | 4,025,992 | | 214,979 |
| | 222,861 | | 1,327,828 | | 349,741 | | 369,768 |
| \$ | <u>6,175,860</u> | \$ | <u>6,139,060</u> | \$ | <u>8,054,870</u> | \$ | <u>3,896,198</u> |
| \$ | <u>9,241,307</u> | \$ | <u>7,766,594</u> | \$ | <u>7,047,817</u> | \$ | <u>11,893,777</u> |
| \$ | 6,580,068 | \$ | 7,422,102 | \$ | 6,950,839 | \$ | 7,080,510 |
| | 961,067 | | 1,058,761 | | 1,015,706 | | 1,011,721 |
| | 1,764,945 | | 1,748,164 | | 1,768,345 | | 1,930,017 |
| | 1,256,336 | | 1,204,632 | | 1,143,836 | | 1,276,444 |
| | 1,184,453 | | 536,918 | | 541,360 | | 669,478 |
| | - | | - | | - | | - |
| \$ | <u>11,746,869</u> | \$ | <u>11,970,577</u> | \$ | <u>11,420,086</u> | \$ | <u>11,968,170</u> |
| \$ | <u>2,505,562</u> | \$ | <u>4,203,983</u> | \$ | <u>4,372,269</u> | \$ | <u>74,393</u> |

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

| | Fiscal Year | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
| General Fund: | | | | |
| Reserved | \$ 109,589 | \$ 141,088 | \$ 437,413 | \$ 43,273 |
| Unreserved | <u>1,194,103</u> | <u>1,361,143</u> | <u>1,534,811</u> | <u>2,284,615</u> |
| Total general fund | <u>\$ 1,303,692</u> | <u>\$ 1,502,231</u> | <u>\$ 1,972,224</u> | <u>\$ 2,327,888</u> |
| All Other Governmental Funds: | | | | |
| Reserved: | | | | |
| Special revenue funds | \$ - | \$ - | \$ 794 | \$ 31,628 |
| Debt service funds | - | - | 30 | 13,836 |
| Capital project funds | - | - | 179,200 | 355,248 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 300,059 | 392,845 | 743,972 | 1,077,211 |
| Capital projects funds | <u>-</u> | <u>-</u> | <u>5,853,538</u> | <u>4,729,511</u> |
| Total all other governmental funds | <u>\$ 300,059</u> | <u>\$ 392,845</u> | <u>\$ 6,777,534</u> | <u>\$ 6,207,434</u> |

Table 3

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| \$ 210,341 | \$ 465,897 | \$ 777,899 | \$ 202,644 | \$ 462,231 | \$ 408,494 |
| <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>5,141,523</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> | <u>\$ 5,550,017</u> |
| \$ - | \$ - | \$ 105,305 | \$ 246,387 | \$ 238,320 | \$ 116,220 |
| 22,253 | 24,731 | 51,716 | 78,022 | 45,163 | 43,319 |
| - | 1,368,311 | 1,043,727 | 244,754 | - | - |
| 1,467,186 | 1,256,703 | 1,932,816 | 2,771,871 | 6,086,808 | 5,354,153 |
| <u>1,776,630</u> | <u>1,303,722</u> | <u>659,687</u> | <u>541,630</u> | <u>-</u> | <u>-</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> | <u>\$ 5,513,692</u> |

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

| | Fiscal Year | | | |
|---|-------------------|-------------------|---------------------|---------------------|
| | 2000 | 2001 | 2002 | 2003 |
| Revenues: | | | | |
| Ad valorem taxes | \$ 3,308,388 | \$ 3,659,957 | \$ 4,034,953 | \$ 4,812,054 |
| Franchise fees | 730,258 | 907,325 | 765,128 | 718,263 |
| Utility service taxes | 1,451,111 | 1,472,817 | 1,744,035 | 1,748,939 |
| Licenses and permits | 540,278 | 463,734 | 513,472 | 577,195 |
| Intergovernmental revenues | 1,201,645 | 1,406,988 | 1,220,693 | 1,569,825 |
| Charges for services | 1,433,910 | 1,517,185 | 1,519,491 | 1,555,750 |
| Fines and forfeitures | 81,132 | 196,473 | 152,066 | 197,636 |
| Interest income | 150,616 | 138,047 | 88,441 | 149,746 |
| Miscellaneous | 532,499 | 500,427 | 587,566 | 628,338 |
| Total revenues | 9,429,837 | 10,262,953 | 10,625,845 | 11,957,746 |
| Expenditures: | | | | |
| General government | 964,436 | 949,317 | 978,389 | 1,166,165 |
| Public safety | 4,578,005 | 4,948,812 | 5,338,832 | 5,587,354 |
| Physical environment | 1,952,934 | 2,126,960 | 2,039,742 | 2,084,729 |
| Transportation | - | 23,035 | 48,175 | 50,015 |
| Culture/recreation | 692,410 | 713,684 | 739,810 | 783,114 |
| Capital outlay | 1,132,236 | 1,187,408 | 620,899 | 2,095,126 |
| Debt service: | | | | |
| Interest | 16,844 | 16,161 | 16,035 | 242,102 |
| Principal | 76,106 | 101,074 | 126,627 | 375,615 |
| Other | - | 2,437 | 142,289 | 2,962 |
| Total expenditures | 9,412,971 | 10,068,888 | 10,050,798 | 12,387,182 |
| Excess of revenues over (under) expenditures | 16,866 | 194,065 | 575,047 | (429,436) |
| Other Financing Sources (Uses): | | | | |
| Insurance proceeds | - | - | - | - |
| Capital leases | 88,000 | 97,260 | 110,000 | 215,000 |
| Net proceeds of general obligation bonds | - | - | 6,169,635 | - |
| Transfers in | 124,023 | 110,684 | 256,351 | 375,565 |
| Transfers out | (124,023) | (110,684) | (256,351) | (375,565) |
| Total other financing sources (uses) | 88,000 | 97,260 | 6,279,635 | 215,000 |
| Net change in fund balances | \$ 104,866 | \$ 291,325 | \$ 6,854,682 | \$ (214,436) |
| Debt service as a % of noncapital expenditures | 1.1% | 1.3% | 1.5% | 60.4% |

Table 4

| | | Fiscal year | | | | | | | | | |
|----|--------------------|-------------|--------------------|------|--------------------|------|--------------------|----|-------------------|----|-------------------|
| | | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | | | | |
| \$ | 5,259,301 | \$ | 5,762,042 | \$ | 6,580,068 | \$ | 7,422,102 | \$ | 6,950,839 | \$ | 7,080,510 |
| | 787,205 | | 788,445 | | 940,568 | | 1,039,813 | | 1,015,706 | | 1,011,721 |
| | 1,757,313 | | 1,785,206 | | 1,761,194 | | 1,747,964 | | 1,763,939 | | 1,932,024 |
| | 652,083 | | 814,855 | | 896,506 | | 774,232 | | 517,443 | | 417,812 |
| | 1,584,915 | | 1,857,598 | | 4,051,484 | | 2,762,796 | | 2,249,872 | | 1,587,770 |
| | 1,689,303 | | 1,731,541 | | 2,349,084 | | 3,399,212 | | 3,003,878 | | 2,893,639 |
| | 202,293 | | 437,059 | | 137,530 | | 414,700 | | 3,427,513 | | 273,421 |
| | 111,222 | | 211,407 | | 379,691 | | 474,058 | | 158,098 | | 123,842 |
| | 853,609 | | 785,674 | | 851,267 | | 541,190 | | 424,998 | | 606,343 |
| | <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> | | <u>15,927,082</u> |
| | 1,190,309 | | 1,112,111 | | 1,189,441 | | 1,375,913 | | 1,186,532 | | 1,285,048 |
| | 6,044,963 | | 6,380,681 | | 6,757,601 | | 7,059,064 | | 7,428,115 | | 7,656,733 |
| | 2,426,329 | | 2,477,986 | | 5,116,482 | | 3,831,248 | | 4,233,546 | | 4,579,722 |
| | 50,595 | | 52,573 | | 45,172 | | 46,345 | | 53,719 | | 43,198 |
| | 796,813 | | 875,005 | | 973,317 | | 1,027,277 | | 1,016,718 | | 1,009,842 |
| | 4,242,804 | | 1,724,411 | | 4,401,549 | | 4,320,003 | | 2,513,393 | | 590,233 |
| | 248,797 | | 239,503 | | 231,707 | | 217,256 | | 222,993 | | 229,641 |
| | 424,957 | | 386,950 | | 387,533 | | 392,747 | | 389,098 | | 451,335 |
| | 2,850 | | 2,550 | | 813 | | 300 | | 5,300 | | 550 |
| | <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> | | <u>15,846,302</u> |
| | (2,531,173) | | 922,057 | | (1,156,223) | | 305,914 | | 2,462,872 | | 80,780 |
| | - | | - | | 626,021 | | 300,000 | | 300,000 | | - |
| | 161,000 | | 101,664 | | 104,240 | | 102,840 | | 700,833 | | 47,562 |
| | - | | - | | - | | - | | - | | - |
| | 335,331 | | 2,327,284 | | 1,242,569 | | 1,015,020 | | 481,463 | | 306,017 |
| | <u>(335,331)</u> | | <u>(2,327,284)</u> | | <u>(1,242,569)</u> | | <u>(1,015,020)</u> | | <u>(481,463)</u> | | <u>(306,017)</u> |
| | <u>161,000</u> | | <u>101,664</u> | | <u>730,261</u> | | <u>402,840</u> | | <u>1,000,833</u> | | <u>47,562</u> |
| \$ | <u>(2,370,173)</u> | \$ | <u>1,023,721</u> | \$ | <u>(425,962)</u> | \$ | <u>708,754</u> | \$ | <u>3,463,705</u> | \$ | <u>128,342</u> |
| | 6.0% | | 5.4% | | 4.2% | | 4.4% | | 4.2% | | 4.5% |

**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>Other Property</u> | <u>Total</u> |
|--------------------|---------------------------------|--------------------------------|---------------------------|---------------|
| 1999/00 | \$ ** | \$ ** | \$ ** | \$ ** |
| 2000/01 | ** | ** | ** | ** |
| 2001/02 | ** | ** | ** | ** |
| 2002/03 | ** | ** | ** | ** |
| 2003/04 | ** | ** | ** | ** |
| 2004/05 | ** | ** | ** | ** |
| 2005/06 | 2,414,459,670 | 119,103,800 | 16,761,140 | 2,550,324,610 |
| 2006/07 | 2,977,383,250 | 133,053,330 | 17,823,420 | 3,128,260,000 |
| 2007/08 | 3,142,495,340 | 152,285,530 | 18,306,970 | 3,313,087,840 |
| 2008/09 | 2,830,154,360 | 158,127,340 | 22,048,440 | 3,010,330,140 |

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>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> |
|-------------------|---------------------------|------------------------------|---|
| \$ ** | \$ 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 | ** |
| 801,369,280 | 1,748,955,330 | 3.8387 | 68.58 % |
| 1,101,668,827 | 2,026,591,173 | 3.7823 | 64.30 % |
| 1,125,979,062 | 2,187,108,778 | 3.2934 | 66.01 % |
| 933,717,124 | 2,076,613,016 | 3.5142 | 68.98 % |

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

| <u>Fiscal Year</u> | <u>Tax Roll Year</u> | <u>City</u> | | | <u>County</u> | <u>School Board</u> |
|------------------------|------------------------------|------------------|-------------|--------------|---------------|-------------------------|
| | | <u>Operating</u> | <u>Debt</u> | <u>Total</u> | | |
| 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 |
| 2008/09 | 2008 | 3.2822 | 0.2320 | 3.5142 | 5.3145 | 7.4170 |

SOURCE: Broward County Property Appraiser's Office

Table 6

| Overlapping Rates | | | | | |
|---------------------------------------|--|---|--|----------------------------|--|
| <u>Child Services Council</u> | <u>South Florida Water Management District</u> | <u>Florida Inland Navigation District</u> | <u>North Broward Hospital District</u> | <u>Hillsboro Inlet</u> | <u>Total City and Overlapping Rate</u> |
| 0.0000 | 0.6970 | 0.0440 | 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 |
| 0.3754 | 0.6240 | 0.0345 | 1.7059 | 0.0860 | 19.0715 |

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

| Taxpayer | Fiscal Year 2009 | | | Fiscal Year 2000 | | |
|-------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Centro Heritage Venetian Isle | \$ 21,192,760 | 1 | 1.02% | \$ 10,608,300 | 1 | 1.23% |
| Beacon Light Partners, LTD | 11,193,670 | 2 | 0.54% | 1,831,200 | 10 | 0.21% |
| J.H. and T.M. Verillo | 9,062,980 | 3 | 0.44% | 3,019,320 | 7 | 0.35% |
| James and Suzanne Acherson | 8,700,000 | 4 | 0.42% | 4,156,610 | 3 | 0.48% |
| Sheehan Pontiac | 7,245,030 | 5 | 0.35% | | | |
| Silver Seas Hotel Inc. | 6,998,360 | 6 | 0.34% | | | |
| Louis R. Bianculli | 5,942,000 | 7 | 0.29% | | | |
| Shawn and Susan Ryan | 5,824,220 | 8 | 0.28% | | | |
| First States Investors 5000A | 5,780,470 | 9 | 0.28% | | | |
| Grove Getaway LLC | 5,368,490 | 10 | 0.26% | | | |
| Sherwood Sheehan TR | | | | 4,893,610 | 2 | 0.57% |
| King Motor Company | | | | 3,495,600 | 4 | 0.40% |
| Infiniti Motors | | | | 3,270,270 | 5 | 0.38% |
| Beacon Light Partners, LTD | | | | 3,055,040 | 6 | 0.35% |
| Sample Road Joint Venture | | | | 2,506,950 | 8 | 0.29% |
| Barnett Bank Broward | | | | 2,377,580 | 9 | 0.27% |
| Total | \$ 87,307,980 | | 4.22% | \$ 39,214,480 | | 4.53% |

Source: Broward County Property Appraiser's Office

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

| <u>Fiscal Year Ended September 30</u> | <u>Taxes Levied for the Fiscal Year</u> | | |
|---|---|-------------------|-----------------|
| | <u>Gross Levy</u> | <u>Discount *</u> | <u>Net Levy</u> |
| 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 |
| 2008/09 | 7,368,624 | 316,056 | 7,052,568 |

* 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.

Source: Broward County Revenue Collection Division

| <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> |
| \$ 3,297,187 | 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% | 11,447 | 7,176,483 | 97.32% |
| 6,939,363 | 99.99% | 452,561 | 7,391,924 | 106.51% |
| 6,627,949 | 93.98% | - | 6,627,949 | 93.98% |

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> | |
| 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 | 263,558 | 5,283,558 |
| 2007/08 | 4,765,000 | 805,281 | 5,570,281 |
| 2008/09 | 4,505,000 | 661,440 | 5,166,440 |

* Source: Bureau of Economic and Business Research, University of Florida (Personal Income represents metro area)

** Data not available

Table 9

| | <u>Per Capita Personal Income *</u> | <u>Percentage of Personal Income</u> | <u>* Population</u> | <u>Per Capita</u> |
|----|---|--|-------------------------|-------------------|
| \$ | 32,230 | 0.11 % | 10,645 | 35 |
| | 32,060 | 0.11 % | 10,829 | 34 |
| | 32,685 | 1.85 % | 10,829 | 604 |
| | 33,127 | 1.77 % | 10,857 | 587 |
| | 35,668 | 1.58 % | 10,836 | 564 |
| | 38,342 | 1.51 % | 10,836 | 539 |
| | 41,204 | 1.24 % | 10,857 | 512 |
| | 43,123 | 1.12 % | 10,899 | 485 |
| | ** | 1.18 % | 10,964 | 508 |
| | ** | 1.09 % | 11,020 | 469 |

**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 |
|----------------|-------------------------------|-----------------------|--|
| 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% |
| 2008/09 | 4,505,000 | 2,076,613,016 | 0.22% |

* Source: Broward County Property Appraiser's Office

CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2009

| Jurisdiction | Net Debt Outstanding * | Percentage Applicable to City of Lighthouse Point ** | Amount Applicable to City of Lighthouse Point |
|--------------------------|---------------------------|--|---|
| Direct General Debt | | | |
| City of Lighthouse Point | \$ 5,166,440 | 100.00% | \$ 5,166,440 |
| Broward County | 443,997,000 | 1.24% | 5,527,540 |
| Broward District Schools | - | 1.24% | - |
| | | Total | \$ <u>10,693,980</u> |

* Source: Broward County Comprehensive Annual Financial Report

** Source: Broward County Property Appraiser

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

CITY OF LIGHTHOUSE POINT, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2009

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEGGED REVENUE COVERAGE
September 30, 2009

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 |
| 2000 | 10,645 | 239,960 | 4.6% | \$ 312,324,300 | \$ 29,340 |
| 2001 | 10,829 | 249,923 | 6.1% | 349,018,670 | 32,230 |
| 2002 | 10,829 | 260,892 | 6.0% | 347,177,740 | 32,060 |
| 2003 | 10,857 | 266,272 | 5.8% | 354,861,045 | 32,685 |
| 2004 | 10,836 | 271,339 | 5.1% | 358,964,172 | 33,127 |
| 2005 | 10,836 | 272,691 | 4.2% | 386,498,448 | 35,668 |
| 2006 | 10,857 | 270,935 | 3.9% | 416,279,094 | 38,342 |
| 2007 | 10,899 | 262,616 | 4.5% | 449,082,396 | 41,204 |
| 2008 | 10,964 | 258,905 | 6.5% | 472,800,572 | 43,123 |
| 2009 | 11,020 | 255,738 | 10.9% | 481,673,180 | 43,709 |

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

* Source: School Board of Broward County (county-wide enrollment)

** Source: U.S. Department of Labor, Bureau of Labor Statistics (metro statistics)

*** Source: Bureau of Economic and Business Research - University of Florida
(total personal income calculated using per capita for metro area times City population)

CITY OF LIGHTHOUSE POINT, FLORIDA
PRINCIPAL EMPLOYERS
September 30, 2009

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 FSICAL YEARS**

| Function/Program | 2000 * | 2001 * | 2002 | | 2003 | | 2004 | |
|----------------------------|--------|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | Full-Time | Part-Time | Full-Time | Part-Time | Full-Time | Part-Time |
| General government: | | | | | | | | |
| Finance and Administration | 8 | 7 | 7 | - | 7 | - | 7 | - |
| Subtotal | 8 | 7 | 7 | - | 7 | - | 7 | - |
| Public Safety: | | | | | | | | |
| Police | 41 | 41 | 41 | 4 | 41 | 5 | 41 | 5 |
| Fire | 25 | 28 | 27 | - | 27 | - | 27 | - |
| Building | 4 | 3 | 4 | - | 4 | - | 4 | - |
| Code Enforcement | 2 | 2 | 2 | 1 | 2 | - | 2 | 2 |
| Subtotal | 72 | 74 | 74 | 5 | 74 | 5 | 74 | 7 |
| Public Works | 17 | 17 | 16 | - | 16 | - | 16 | - |
| Transportation | - | - | - | 2 | - | 2 | - | 2 |
| Culture/Recreation: | | | | | | | | |
| Library | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 3 |
| Recreation | 5 | 4 | 5 | 22 | 4 | 22 | 4 | 22 |
| Subtotal | 9 | 8 | 9 | 26 | 8 | 25 | 8 | 25 |
| Total authorized employees | 106 | 106 | 106 | 33 | 105 | 32 | 105 | 34 |

* Full and part time data not available for year.

Source: City of Lighthouse Point Adopted Budget Documents

Table 16

| 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Full-Time | Part-Time |
| 7 | - | 7 | - | 6 | - | 6 | - | 6 | - |
| 7 | - | 7 | - | 6 | - | 6 | - | 6 | - |
| 42 | 4 | 42 | 4 | 43 | 4 | 43 | 4 | 42 | 3 |
| 27 | - | 27 | - | 27 | - | 27 | - | 27 | - |
| 3 | - | 3 | - | 3 | - | 3 | - | 3 | - |
| 2 | 2 | 2 | 2 | 3 | 1 | 2 | 2 | 2 | 2 |
| 74 | 6 | 74 | 6 | 76 | 5 | 75 | 6 | 74 | 5 |
| 16 | - | 16 | - | 17 | - | 17 | - | 15 | - |
| - | 2 | - | 2 | - | 3 | - | 3 | - | 2 |
| 4 | 4 | 4 | 4 | 4 | 4 | 3 | 5 | 3 | 1 |
| 4 | 23 | 4 | 23 | 4 | 23 | 4 | 23 | 4 | 23 |
| 8 | 27 | 8 | 27 | 8 | 27 | 7 | 28 | 7 | 24 |
| 105 | 35 | 105 | 35 | 107 | 35 | 105 | 37 | 102 | 31 |

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

| <u>Function/Program</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|---|---------------|---------------|---------------|---------------|
| General government: | | | | |
| Square miles | 2.49 | 2.49 | 2.49 | 2.49 |
| Elections | | | | |
| Registered voters | 7,510 | 7,807 | 8,007 | 8,222 |
| Votes cast in last election | 2,385 | 3,016 | 1,936 | 3,274 |
| Lien searches processed | * | * | * | * |
| Business licenses issued | * | * | * | * |
| Ordinances prepared and adopted | * | * | * | * |
| Resolutions prepared and adopted | * | * | * | * |
| Commission minutes prepared and adopted | * | * | * | * |
| Agenda packets prepared | * | * | * | * |
| 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 | 24 | 27 | 27 | 26 |
| Incidents responded to | 1,681 | 2,006 | 1,769 | 1,587 |
| Building | | | | |
| Permits issued | 1,815 | 1,586 | 1,548 | 1,580 |
| Value of construction | \$ 39,063,897 | \$ 30,612,349 | \$ 32,054,548 | \$ 35,965,191 |
| 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 | 47,125 |
| Circulation | **** | 53,098 | 53,903 | 53,442 |
| Volunteer hours | **** | 8,500 | 8,500 | 8,200 |
| 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

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2.49 | 2.49 | 2.49 | 2.49 | 2.49 | 2.49 |
| 8,222 | 8,353 | 8,353 | 7,317 | 7,540 | 7,578 |
| 3,274 | 2,690 | 2,690 | 2,690 | 2,690 | 2,690 |
| * | * | 278 | 263 | 207 | 246 |
| * | * | 546 | 522 | 502 | 509 |
| * | * | 8 | 10 | 6 | 5 |
| * | * | 73 | 61 | 59 | 60 |
| * | 29 | 27 | 27 | 31 | 28 |
| * | 29 | 27 | 28 | 28 | 34 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 33 | 34 | 34 | 33 | 35 | 35 |
| ** | ** | 8251 | 8806 | 9122 | 8387 |
| ** | ** | 414 | 422 | 384 | 314 |
| ** | ** | 3768 | 4248 | 4485 | 4308 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 26 | 26 | 26 | 26 | 26 | 26 |
| 1,196 | 1,454 | 1,226 | 1,241 | 1,246 | 1202 |
| 1,497 | 1,535 | 1,945 | 1,667 | 1,444 | 1,801 |
| \$ 32,054,548 | \$ 37,657,625 | \$ 43,886,924 | \$ 36,002,643 | \$ 22,612,828 | \$ 14,663,933 |
| 41.12 | 41.12 | 41.12 | 41.12 | 41.12 | 41.12 |
| 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| 42,485 | 44,056 | 46,223 | 42,220 | 36,507 | 70,693 |
| 58,171 | 57,875 | 50,691 | **** | 57,996 | 693 |
| 8,500 | 8,500 | 8,672 | **** | 8,600 | 8,600 |
| 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 4.60 | 4.60 | 4.60 | 4.60 | 4.60 | 4.60 |
| 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 |
| 6.10 | 6.10 | 6.10 | 6.10 | 6.10 | 6.10 |
| 1 | 1 | 1 | 1 | 1 | 1 |

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

| <u>Function/Program</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Governmental activities: | | | | |
| General government | | | | |
| Miles of streets | 41.12 | 41.12 | 41.12 | 41.12 |
| Square feet of buildings | * | * | * | * |
| Public safety: | | | | |
| Number of police stations | 1 | 1 | 1 | 1 |
| Number of fire stations | 1 | 1 | 1 | 1 |
| Culture/Recreation: | | | | |
| Libraries | 1 | 1 | 1 | 1 |
| Acres of parks | 31 | 31 | 31 | 31 |
| Number of parks | 5 | 5 | 5 | 5 |

* Data not available from City departments

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

Table 18

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--------------|--------------|-----------------|-----------------|-----------------|-----------------|
| 41.12 * | 41.12 * | 41.12 55,208 | 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

Independent Auditors' Report on Internal Control Comments and Recommendations

Internal Control Comments and Recommendations



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.
JAMES R. LARAWAY, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
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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 (the "City") as of and for the year ended September 30, 2009, and have issued our report thereon dated March 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City'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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City'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's financial statements that is more than inconsequential will not be prevented or detected by the City'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 or detected by the City's internal control.

City of Lighthouse Point, Florida

Our consideration of 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'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
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 30, 2010



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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 (the "City") as of and for the year ended September 30, 2009, and have issued our report thereon dated March 30, 2010.

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, 2010, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and 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 complied with Section 218.415., Florida Statutes.

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

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or 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.

Section 10.554(1)(i)5., Rules of Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. 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 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 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 for the fiscal year ended September 30, 2009, 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, 2009. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires to indicate that this letter is intended solely for the information and use of City management, members of the City Commission, Federal awarding agencies, the Florida Auditor General, 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
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 30, 2010



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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, 2009, 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 previous 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, 2010 on the financial statements of the City.

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

Fort Lauderdale, Florida
March 30, 2010

CITY OF LIGHTHOUSE POINT, FLORIDA
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS
September 30, 2009

PRIOR YEAR INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS

| | <u>STILL APPLICABLE</u> | <u>IMPLEMENTED OR NO LONGER RELEVANT</u> |
|--|-----------------------------|--|
| Reconcile Account Detail to the General Ledger | | X |
| Maintain Current and Updated Personnel Files | | X |

CURRENT YEAR INTERNAL CONTROL COMMENT AND RECOMMENDATIONS

NONE