

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LIGHTHOUSE POINT, FLORIDA
FOR THE FISCAL YEAR ENDED
September 30, 2010



Prepared By:
Finance Department

Terry Sharp
Finance Director

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2010

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INTRODUCTORY SECTION



March 28, 2011

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2010**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2010. 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.

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, stormwater management, and a community bus service. Water and sanitary sewer services are provided by other jurisdictions and so those revenues and costs are not included in this report. 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, 2010, which is the focus of this financial report, the assessed value of property for tax purposes dropped by 11.5 percent to \$ 1.86 billion. The fiscal year 2010/2011 tax base dropped to \$ 1.64 billion. New tax base estimates will not be received until June 1, 2011. 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's building permit revenue has shown improvement over the last two years which bodes well for future tax base numbers. 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. The ad valorem millage rates for fiscal year 2010/2011 were not changed from fiscal year 2009/2010 but did yield less revenue with the reduction in the tax base.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2010 included the following:

- Installation of a license plate recognition camera system citywide to identify stolen vehicles and criminal suspects funded with \$ 230,000 in Federal Forfeiture monies.
- Playground improvements of \$ 40,000 with the help of the Lighthouse Point Moms Club.
- Sidewalks and solar lights for N.E. 44 Street with \$160,000 Florida Department of Transportation grant funds.
- Drainage improvements for N.E. 22 Avenue and new landscaping on the eastside of City Hall with \$ 118,000 of Community Development Block Grant funds.
- Storm drainage and other efforts to improve the City's Flood Insurance Community Rating from Class 8 to Class 7 resulting in a 15 percent discount for property owners purchasing flood insurance.

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, 2010.

Employee Retirement System:

The City offers seven 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

	<u>2010</u>	<u>2009</u>
City Contributions:		
Defined Contributions:		
General Employees	\$ 196,095	\$ 192,088
Firefighters	40,731	37,399
Police Officers	24,319	28,896
Management Employees	140,048	115,599
Defined Benefit:		
Police and Fire	637,229	506,051
Voluntary:		
Deferred Compensation	-	-
Healthcare	-	-
	<u> </u>	<u> </u>
Total	<u>\$ 1,038,422</u>	<u>\$ 880,033</u>

	<u>2010</u>	<u>2009</u>
Net Changes:		
Defined Contributions:		
General Employees	\$ 106,950	\$ 136,615
Firefighters	221,276	(45,675)
Police Officers	81,393	(80,483)
Management Employees	1,058,698	(245,579)
Defined Benefit		
Police and Fire	1,585,598	1,003,894
Voluntary:		
Deferred Compensation	388,629	-
Healthcare	22,449	-
	<u>3,464,993</u>	<u>768,772</u>
Total	<u>\$ 3,464,993</u>	<u>\$ 768,772</u>

	<u>2010</u>	<u>2009</u>
Net Assets:		
Defined Contributions:		
General Employees	\$ 2,705,103	\$ 2,598,153
Firefighters	2,659,543	2,438,267
Police Officers	2,869,918	2,788,525
Management Employees	4,459,832	3,401,134
Defined Benefit		
Police and Fire	7,781,462	6,195,864
Voluntary:		
Deferred Compensation	4,789,278	-
Healthcare	173,863	-
	<u>25,438,999</u>	<u>17,421,943</u>
Total	<u>\$ 25,438,999</u>	<u>\$ 17,421,943</u>

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, 2010, the City had investments in six 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, 2010, the City had \$ 4,235,000 bonded debt and \$537,755 lease purchase debt. The City's total net outstanding debt is \$ 4,772,755. This represents a ratio of net bonded to assessed value of 0.23 and net debt per capita of \$ 436.

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

Readers of this report are directed to Management's Discussion and Analysis on Page 3 which highlights key elements of the report and analyzes 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, Page 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, 2009. This was the sixteenth 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.

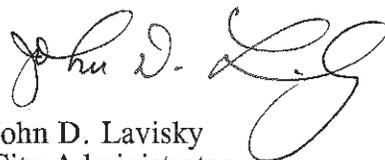
Acknowledgements:

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, 2009

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



President

Executive Director

Citizens of Lighthouse Point

Charter

Mayor

Commission

**Development
Review Committee**

**City
Administrator**

**Planning & Zoning Board
Community Appearance Board
Code Enforcement Board
Library Advisory Board/Personnel Appeals Board**

City
Attorney

Police
Department

City
Clerk

Finance
Department

Fire
Department

Code
Enforcement

Building
Department

Public Works
Department

Recreation
Department

Library
Department

CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2010

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

FINANCIAL SECTION



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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic 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 31% 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 basic 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 the 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, 2010, 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 28, 2011, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures which consist principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements as a whole. 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 73 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 28, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lighthouse Point offers readers this overview and analysis of the financial activities for the fiscal year ended September 30, 2010. Readers are encouraged to review the information presented here in conjunction with the financial statements and notes to financial statements that follow.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ending September 30, 2010:

- The City's total assets exceeded its liabilities by \$ 25,475,539. The entire amount was derived from governmental activities. Of this amount, \$ 6,282,968 (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's revenues for governmental activities were \$ 16,242,706, including \$ 4,453,302 in program related services. Expenses for all governmental activities were \$ 15,626,757.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 11,400,387, an increase of \$ 336,679. The general fund increased by \$ 858,017.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$ 5,920,747 or approximately 50% of total general fund expenditures during fiscal year 2010. The amount represents an increase of \$ 779,224 which is attributable to conservative revenue projections and prudent expenditure of resources.
- The total value of the City's governmental cash and investments at September 30, 2010 was \$ 11,175,695. Invested funds were up \$ 99,241 and cash was up \$ 97,789.

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

OVERVIEW OF FINANCIAL STATEMENTS

The organization of the City's financial statements is guided by the pronouncements of the Governmental Accounting Standards Board and its reporting model prescribed in Pronouncement 34. The City's financial activity is described in a series of financial statements, notes to financial statements, and supplemental information. The basic financial 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 15 and 16 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 with the difference representing 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, revenue 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), 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 25 and 26 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 17 and 18 as well as the governmental fund statement of revenues, expenditures, and changes in fund balance on pages 20 and 21 provides an indication of the long-term impact of near-term financing decisions.

The City maintains six funds of the governmental type divided into major and non-major categories based upon their significance in amount. All are combined into a single presentation on pages 17 through 21. Individual nonmajor governmental fund data is presented in the combining statements on pages 61-64. The City adopts an annual appropriation for its operating funds including the general fund, the tennis center fund, the garbage and trash fund, the stormwater fund, and the debt service fund. A budgetary comparison is provided for each of the funds to demonstrate compliance with the budget.

Additional explanation of the financial statements is provided in the notes to the basic financial statements beginning on page 27. 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 \$ 25,475,539 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2010 compared to September 30, 2009.

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 \$ 4.8 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		
	2010	2009
Current and other assets	\$ 12,455,943	\$ 12,149,683
Capital assets, net	20,139,388	20,088,342
Total assets	32,595,331	32,238,025
Current liabilities	698,872	808,597
Long-term liabilities outstanding	6,420,920	6,569,838
Total liabilities	7,119,792	7,378,435
Net assets:		
Invested in capital assets, net of related debt	15,316,538	14,921,902
Restricted	3,876,033	4,529,846
Unrestricted	6,282,968	5,407,842
Total net assets	\$ 25,475,539	\$ 24,859,590

A portion of net assets, approximately 15% represents resources that are subject to external restrictions or City policy on how they may be used. The remaining balances of unrestricted net assets (\$ 6,282,968) may be used to meet the City's ongoing obligations to citizens and creditors. The latter balances increased by \$ 875,126 from fiscal year 2009.

Governmental activities:

Governmental activities increased the City of Lighthouse Point's net assets by \$ 615,949. 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>2010</u>	<u>2009</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 4,003,887	\$ 3,311,451
Operating grants and contributions	188,259	214,979
Capital grants and contributions	261,156	369,768
General revenues:		
Ad valorem taxes	6,945,061	7,080,510
Other taxes	3,087,294	2,941,738
Intergovernmental revenues	1,352,185	1,276,444
Miscellaneous	<u>404,863</u>	<u>669,478</u>
Total revenues	<u>16,242,705</u>	<u>15,864,368</u>
EXPENSES:		
General government	1,363,611	1,440,339
Public safety	8,428,182	8,161,594
Physical environment	4,413,816	4,776,528
Transportation	39,679	40,852
Culture and recreation	1,166,238	1,141,223
Debt service	<u>215,230</u>	<u>229,439</u>
Total expenses	<u>15,626,756</u>	<u>15,789,975</u>
Change in net assets	615,949	74,393
NET ASSETS AT BEGINNING OF YEAR		
	<u>24,859,590</u>	<u>24,785,197</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,475,539</u>	<u>\$ 24,859,590</u>

Charges for services increased by \$ 692,436 primarily due to the initial special assessment for stormwater management and additional garbage and trash revenue stemming from a change in City policy to limit vacation rebates to six months and a slight increase in rates. Expenses were lower in fiscal year 2010 primarily in physical environment with a smaller staff and fewer 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.

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At the end of fiscal year 2010, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 11,400,387. Approximately 95%, or \$ 10,817,342, of the fund balance constitutes unreserved fund balance 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 fiscal year 2011 general fund budget, the City Commission approved the use of \$ 832,463 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 fiscal year 2010, unreserved and undesignated fund balance of the general fund was \$ 5,920,747. 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 50% of the total general fund expenditures, while total fund balance represents 54% 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
- 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 2010	Fiscal Year 2009	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,475,263	\$ 6,613,170	\$ (137,907)	(2.09)
Franchise taxes	970,558	1,011,721	(41,163)	(4.07)
Utility service taxes	2,120,424	1,932,024	188,400	9.75
Licenses and permits	530,797	417,812	112,985	27.04
Intergovernmental revenues	1,199,412	1,347,622	(148,210)	(11.00)
Charges for services	921,269	919,361	1,908	0.21
Fines and forfeitures	294,864	219,829	75,035	34.13
Miscellaneous	176,447	504,549	(328,102)	(65.03)
Other sources	63,795	47,562	16,233	34.13
	<u>\$ 12,752,829</u>	<u>\$ 13,013,650</u>	<u>\$ (260,821)</u>	<u>(2.00)</u>

The City's property tax base dropped by 11.5% in fiscal year 2010 and although, the City Commission adopted a larger millage rate, the City realized a decrease in revenue. Utility service taxes were up primarily for water and communications services partially offset by a decline in franchise fees. Building permit revenue reflected the beginning of an upturn in the economy and intergovernmental revenue was down compared to fiscal year 2009 with fewer grants available. Fine revenue was up due to code enforcement activities. Miscellaneous revenue was down to a more normal level after fiscal year 2009 included a settlement with Broward County for costs related to a bridge replacement in a prior fiscal period. Other sources revenue was higher in fiscal year 2010 because of more vehicle borrowing.

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The following table summarizes the general fund expenditures compared with the prior year:

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,284,206	\$ 1,289,111	\$ (4,905)	(0.38)
Public safety	8,008,499	7,697,489	311,010	4.04
Physical environment	1,451,047	1,721,901	(270,854)	(15.73)
Transportation	39,662	43,198	(3,536)	(8.19)
Culture/Recreation	780,800	758,838	21,962	2.89
Debt service	212,034	219,016	(6,982)	(3.19)
Other uses	<u>118,564</u>	<u>299,156</u>	<u>(180,592)</u>	<u>(60.37)</u>
	<u>\$ 11,894,812</u>	<u>\$ 12,028,709</u>	<u>\$ (133,897)</u>	<u>(1.11)</u>

General fund expenditures were down \$ 133,897 from fiscal year 2009. General Government spending was down slightly due to reduced legal expenses. Public safety expenditures were higher with the purchase of four new police vehicles and increased pension contributions for police officers and firefighters. Public works expenditures were lower in fiscal year 2010 due to limited capital improvements budgeted in the general fund. Culture/recreation expenditures were higher with an additional position in the library. Transfers were down with no transfer to the infrastructure fund.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 6,433,850	\$ 6,433,850	\$ -	-
Franchise taxes	955,000	955,000	-	-
Utility service taxes	1,702,323	1,702,323	-	-
Licenses and permits	348,000	510,000	162,000	46.55
Intergovernmental revenues	1,103,500	1,136,500	33,000	2.99
Charges for services	869,400	870,550	1,150	0.13
Fines and forfeitures	61,000	61,000	-	-
Miscellaneous	40,000	40,000	-	-
Transfer in and other sources	69,000	69,000	-	-
Allocation of fund balance	<u>429,303</u>	<u>385,793</u>	<u>(43,510)</u>	<u>(10.14)</u>
	<u>\$ 12,011,376</u>	<u>\$ 12,164,016</u>	<u>\$ 152,640</u>	<u>1.27</u>

Revenue changes for budget purposes included an increase in building activity which generated more permit revenue and the receipt of \$ 33,000 for a Water Savings Incentive Grant that was not anticipated at the time the fiscal year 2009/2010 budget was prepared.

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
General government	\$ 1,406,658	\$ 1,457,672	\$ 51,014	3.63
Public safety	8,055,486	8,049,506	(5,980)	(0.07)
Physical environment	1,428,943	1,481,403	52,460	3.67
Transportation	41,161	41,161	-	-
Culture/Recreation	750,159	800,705	50,546	6.74
Debt service	215,000	215,000	-	-
Transfers out	113,969	118,569	4,600	4.04
	<u>\$ 12,011,376</u>	<u>\$ 12,164,016</u>	<u>\$ 152,640</u>	<u>1.27</u>

General Government expenditure appropriations were increased primarily because the City was required to return approximately \$ 38,000 in Federal Emergency Management Agency funds for Hurricane Katrina in fiscal year 2005/2006 which were replaced by property insurance proceeds for the same restoration projects. The physical environment appropriations were increased primarily to reflect the costs associated with the Water Savings Incentive Program project. Culture/Recreation budgets were increased to reflect the cost of an additional position in the library that was transferred from the Police Department. Transfers out were increased to cover costs of recreational improvements for playgrounds. Public safety expenditures exceeded the budget appropriation due to the posting of a donated marine patrol boat to expenditures.

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 economic conditions have affected the tennis center revenue picture. The City consciously held the line on expenditures and attempted to minimize the cost of running the facility while providing quality clay court tennis facilities.

	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 59,780	\$ 63,938	\$ (4,158)	(6.50)
Miscellaneous	3,091	256	2,835	1,107.42
Transfers in	86,969	86,969	-	-
	<u>\$ 149,840</u>	<u>\$ 151,163</u>	<u>\$ (1,323)</u>	<u>(0.88)</u>
EXPENDITURES:				
Culture/Recreation	\$ 167,114	\$ 168,705	\$ (1,591)	(0.94)
	<u>\$ 167,114</u>	<u>\$ 168,705</u>	<u>\$ (1,591)</u>	<u>(0.94)</u>

The City is very much aware that budget appropriations for the tennis center were not sufficient to cover actual costs. The tennis center fund ran a greater deficit in fiscal year 2009/2010 than anticipated in the adopted budget. Financial and programmatic adjustments to bring expenditures within available resources will be addressed with the mid-year budget review process in fiscal year 2010/2011 and preparation of the fiscal year 2011/2012 budget.

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 61,000	\$ 61,000	\$ -	-
Miscellaneous	500	500	-	-
Transfer in	<u>86,969</u>	<u>86,969</u>	<u>-</u>	<u>-</u>
	<u>\$ 148,469</u>	<u>\$ 148,469</u>	<u>\$ -</u>	<u>-</u>
EXPENDITURES:				
Culture/recreation	<u>\$ 165,088</u>	<u>\$ 165,088</u>	<u>\$ -</u>	<u>-</u>
	<u>\$ 165,088</u>	<u>\$ 165,088</u>	<u>\$ -</u>	<u>-</u>

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 with Waste Management and charges a user fee to residential customers. Commercial customers and some condominiums pay for the service directly to the franchisee.

	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 2,219,732	\$ 1,901,360	\$ 318,372	16.74
Miscellaneous	<u>62,882</u>	<u>90,200</u>	<u>(27,318)</u>	<u>(30.29)</u>
	<u>\$ 2,282,614</u>	<u>\$ 1,991,560</u>	<u>\$ 291,054</u>	<u>14.61</u>

Charges for services are governed by the rates adopted by the City and offset by rebates to residents who vacation more than three months per year. Actual revenues were higher in fiscal year 2009/2010 primarily due to an amendment to the City’s vacation rebate program where residents who vacation at least three months per year are eligible for a rebate of their garbage fees paid during their absence. Prior to fiscal year 2009/2010, the rebate period was unlimited after three months. Beginning in fiscal year 2009/2010, the rebate was limited to no more than six months. Garbage fees were increased by an insignificant percentage. Miscellaneous revenue was lower with the expiration of the City’s share of refunded Broward County bond debt.

	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
Physical environment	<u>\$ 2,347,431</u>	<u>\$ 2,251,702</u>	<u>\$ 95,729</u>	<u>4.25</u>
	<u>\$ 2,347,431</u>	<u>\$ 2,251,702</u>	<u>\$ 95,729</u>	<u>4.25</u>

The expenditures increased due to the previously discussed amendment to the rebate program which increased expenditures but limited the credit the City could claim on Waste Management invoices. Budget appropriations were increased to cover the costs above original budget appropriations using an allocation from fund balance.

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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 fiscal year 2010 because of the drop in property tax base. There were no changes in the original budget appropriations.

	Fiscal Year 2010	Fiscal Year 2009	Dollar Change	Percent Change
REVENUES:				
Ad valorem taxes	\$ 469,798	\$ 467,340	\$ 2,458	0.53
Miscellaneous	<u>648</u>	<u>187</u>	<u>461</u>	<u>246.52</u>
	<u>\$ 470,446</u>	<u>\$ 467,527</u>	<u>\$ 2,919</u>	<u>0.62</u>
EXPENDITURES:				
Debt service	\$ 463,670	\$ 462,510	\$ 1,160	0.25
Transfers out	<u>-</u>	<u>6,861</u>	<u>(6,861)</u>	<u>(100.00)</u>
	<u>\$ 463,670</u>	<u>\$ 469,371</u>	<u>\$ (5,701)</u>	<u>(1.21)</u>

Stormwater Fund

The stormwater fund is a new fund established in fiscal year 2009/2010. The purpose of the fund is to provide resources for stormwater management capital improvements and significant maintenance of stormwater infrastructure that had been funded in past years by grants. Such grant dollars have diminished over time and are now insufficient to meet the City's needs. The primary source of revenue is a stormwater special assessment that was included on the utility bill administered by Broward County for the City. A consultant study was used to determine the benefit for individual properties of the City's stormwater management program. The miscellaneous revenue is interest earnings. There were no changes in the original budget appropriations.

	Fiscal Year 2010	Fiscal Year 2009	Dollar Change	Percent Change
REVENUES:				
Stormwater fees	\$ 267,559	\$ -	\$ 267,559	100.00
Miscellaneous	<u>462</u>	<u>-</u>	<u>462</u>	<u>100.00</u>
	<u>\$ 268,021</u>	<u>\$ -</u>	<u>\$ 268,021</u>	<u>100.00</u>
EXPENDITURES:				
Physical environment	\$ <u>95,777.00</u>	\$ <u>-</u>	\$ <u>95,777.00</u>	<u>100.00</u>

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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. Fiscal year 2010 saw a decrease in the receipt of fines and forfeitures. The most significant expenditures in fiscal year 2009/2010 included the installation of a license plate recognition system to capture information used in crime prevention. Operating expenses included communications operating costs as well as education and training for police officers.

	Fiscal Year 2010	Fiscal Year 2009	Dollar Change	Percent Change
REVENUES:				
Fines and forfeitures	\$ 51,243	\$ 53,592	\$ (2,349)	(4.38)
Miscellaneous	<u>26,445</u>	<u>50,119</u>	<u>(23,674)</u>	<u>(47.24)</u>
	<u>\$ 77,688</u>	<u>\$ 103,711</u>	<u>\$ (26,023)</u>	<u>(25.09)</u>
EXPENDITURES:				
Public safety	\$ 112,808	\$ 63,847	\$ 48,961	76.68
Capital outlay	<u>269,389</u>	<u>150,931</u>	<u>118,458</u>	<u>78.48</u>
	<u>\$ 382,197</u>	<u>\$ 214,778</u>	<u>\$ 167,419</u>	<u>77.95</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 versus final comparison is provided.

Infrastructure Fund:

The infrastructure fund was established by the City Commission to carryout general capital improvement projects and has been 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. As the general fund has been pinched by a reduction in the property tax base, one of the balancing approaches used by the City has been to reduce its contributions to this fund. For fiscal year 2009/2010, no transfer from the general fund was budgeted or implemented. The primary revenue this fiscal year was infrastructure grants for stormwater and sidewalk improvements. Miscellaneous revenue is interest earnings which have dropped as interest rates have generally decreased in the current economy.

	Fiscal Year 2010	Fiscal Year 2009	Dollar Change	Percent Change
REVENUES:				
Intergovernmental	\$ 256,081	\$ 240,148	\$ 15,933	6.63
Transfers in	-	190,187	(190,187)	(100.00)
Miscellaneous	<u>8,454</u>	<u>16,436</u>	<u>(7,982)</u>	<u>(48.56)</u>
	<u>\$ 264,535</u>	<u>\$ 446,771</u>	<u>\$ (182,236)</u>	<u>(40.79)</u>

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Appropriations are approved on a project by project basis. Because of the limited resources in the general fund, the infrastructure fund experienced significant funding of infrastructure maintenance expenditures.

	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>	Dollar Change	Percent Change
EXPENDITURES:				
Physical environment	\$ 351,085	\$ 684,305	\$ (333,220)	(48.69)
Capital outlay	<u>267,584</u>	<u>240,473</u>	<u>27,111</u>	<u>11.27</u>
	<u>\$ 618,669</u>	<u>\$ 924,778</u>	<u>\$ (306,109)</u>	<u>(33.10)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Lighthouse Point's investment in capital assets for its governmental activities as of September 30, 2010 amounts to \$ 20,139,388 (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 purchase of four police vehicles (\$ 81,228), completion of new sidewalks and solar lights on N.E. 44th Street (\$ 149,514), completion of the N.E. 22nd Avenue drainage project (\$ 118,070), and installation of the license plate recognition system for crime prevention (\$ 229,693). Capital assets for the year ended September 30, 2010 are summarized in the following table:

	<u>2010</u>	<u>2009</u>
Capital assets:		
Land	\$ 7,040,140	\$ 7,040,140
Buildings and land improvements	9,934,138	9,901,315
Equipment and fixtures	2,248,974	2,010,611
Vehicles	1,939,533	1,826,215
Infrastructure	<u>5,121,485</u>	<u>4,853,901</u>
Total capital assets	<u>\$ 26,284,270</u>	<u>\$ 25,632,182</u>

Further data about the City's capital assets can be found in Note H on pages 38-40.

Long-Term Debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 6,204,920. Ad valorem taxes provide the revenue stream for the repayment of general obligation bonds and a general fund pledge to appropriate supports the capital leases. Compensated absences are paid out upon termination based upon City policy and labor agreements.

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
General obligation bonds	\$ 4,505,000	\$ -	\$ 270,000	\$ 4,235,000
Capital leases	661,440	63,795	187,480	537,755
Compensated absences	<u>1,403,398</u>	<u>40,087</u>	<u>11,320</u>	<u>1,432,165</u>
	<u>\$ 6,569,838</u>	<u>\$ 103,882</u>	<u>\$ 468,800</u>	<u>\$ 6,204,920</u>

Additional information about the City’s long-term debt can be found in Note I on pages 40 and 41.

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. They rely on property tax, a limited number of other taxes on utilities and gasoline, and local business taxes and franchise fees to support delivery of municipal services. During fiscal year 2010, the City of Lighthouse Point weathered the downturn in economic activity by carefully using limited resources and reducing non-essential expenditures such as supplies and new locally-funded infrastructure projects.

The general fund budget for fiscal year 2011 was approved at the level of \$ 11,914,413, which represents a decrease of \$ 249,603 or 2% under the final budget of \$ 12,164,016 for fiscal year 2010. The operating millage rate has been set at 3.6188 mills which represents an 11.6% reduction 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.

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, 2010

		Governmental Activities
ASSETS:		
Cash and cash equivalents	\$	2,598,203
Investments		8,577,492
Accounts receivable		424,251
Due from other governments		441,753
Prepays and other assets		414,244
Capital assets:		
Nondepreciable		7,040,140
Depreciable, net		13,099,248
Total assets		32,595,331
 LIABILITIES:		
Current liabilities:		
Accounts payable		342,220
Accrued payroll and related taxes		252,280
Accrued interest payable		30,566
Deposits		20,853
Licenses collected in advance		37,369
Unearned revenues		13,214
Other liabilities		2,370
Noncurrent liabilities:		
Due within one year		494,495
Due in more than one year		5,710,425
Litigation payable		75,000
Other postemployment benefit obligation liability		141,000
Total liabilities		7,119,792
 NET ASSETS:		
Invested in capital assets, net of related debt		15,316,538
Restricted for:		
Infrastructure		833,799
Debt service		50,095
Law enforcement trust		2,992,139
Unrestricted		6,282,968
Total net assets	\$	25,475,539

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, 2010

	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	\$ 1,363,611	\$ 13,861	\$ -	\$ -	\$ (1,349,750)
Public safety	8,428,182	1,363,035	125,925	13,086	(6,926,136)
Physical environment	4,413,816	2,487,291	46,704	248,070	(1,631,751)
Transportation	39,679	-	-	-	(39,679)
Culture/recreation	1,166,238	139,700	15,630	-	(1,010,908)
Interest expense	215,230	-	-	-	(215,230)
Total governmental activities	\$ 15,626,756	\$ 4,003,887	\$ 188,259	\$ 261,156	(11,173,454)
General revenues:					
Taxes:					
Ad-valorem taxes					6,945,061
Franchise taxes					970,558
Utility service taxes					2,116,736
Intergovernmental revenues (unrestricted)					1,352,185
Miscellaneous					404,863
Total general revenues					11,789,403
Change in net assets					615,949
NET ASSETS AT BEGINNING OF YEAR					24,859,590
NET ASSETS AT END OF YEAR					\$ 25,475,539

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

CITY OF LIGHTHOUSE POINT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

	Major Governmental	
	General Fund	Garbage and Trash Fund
ASSETS:		
Cash and cash equivalents	\$ 263,930	\$ -
Investments	8,195,490	-
Due from other funds	-	931,066
Accounts receivable	370,698	44,601
Due from other governments	302,935	7,560
Prepaid expenditures	414,244	-
Total assets	\$ 9,547,297	\$ 983,227
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts payable	\$ 142,697	\$ 186,652
Accrued payroll and related taxes	247,050	-
Due to other funds	2,288,610	-
Deposits	20,853	-
Licenses collected in advance	37,369	-
Deferred revenue	400,464	-
Other liabilities	2,220	-
Total liabilities	3,139,263	186,652
Fund balances:		
Reserved for:		
Encumbrances	73,043	-
Prepaid expenditures	414,244	-
Debt service	-	-
Unreserved / reported in:		
Undesignated:		
General Fund	5,920,747	-
Special Revenue Funds	-	796,575
Total fund balances	6,408,034	796,575
Total liabilities and fund balances	\$ 9,547,297	\$ 983,227

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>
\$ 2,098,868	\$ 235,405	\$ 2,598,203
-	382,002	8,577,492
892,144	838,849	2,662,059
1,000	7,952	424,251
127	131,131	441,753
-	-	414,244
<u>2,992,139</u>	<u>1,595,339</u>	<u>15,118,002</u>
\$ 5,933	\$ 6,938	\$ 342,220
-	5,230	252,280
-	373,449	2,662,059
-	-	20,853
-	-	37,369
-	-	400,464
-	150	2,370
<u>5,933</u>	<u>385,767</u>	<u>3,717,615</u>
1,225	44,438	118,706
-	-	414,244
-	50,095	50,095
-	-	5,920,747
<u>2,984,981</u>	<u>1,115,039</u>	<u>4,896,595</u>
<u>2,986,206</u>	<u>1,209,572</u>	<u>11,400,387</u>
<u>\$ 2,992,139</u>	<u>\$ 1,595,339</u>	<u>\$ 15,118,002</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, 2010

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 18 \$ 11,400,387

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	\$ 26,284,270	
Accumulated depreciation is	<u>(6,144,882)</u>	20,139,388

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		387,250
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Long-term liabilities, including leases and bonds payable are not due and payable in the current period and therefore are not reported in the funds:

Debt	(4,772,755)	
Compensated absences payable	(1,432,165)	
Accrued interest payable	(30,566)	
Other postemployment benefit obligation liability	(141,000)	
Litigation payable	<u>(75,000)</u>	(6,451,486)

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 15 \$ 25,475,539

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, 2010

	Major Governmental	
	General Fund	Garbage and Trash Fund
REVENUES:		
Ad valorem taxes	\$ 6,475,263	\$ -
Franchise taxes	970,558	-
Utility service taxes	2,120,424	-
Licenses and permits	530,797	-
Intergovernmental revenues	1,199,412	-
Charges for services	921,269	2,219,732
Fines and forfeitures	294,864	-
Miscellaneous	176,447	62,882
	<u>12,689,034</u>	<u>2,282,614</u>
EXPENDITURES:		
Current:		
General government	1,284,206	-
Public safety	7,831,136	-
Physical environment	1,449,735	2,347,431
Transportation	39,662	-
Culture/recreation	765,987	-
Capital outlay	193,488	-
Debt service:		
Principal	187,481	-
Interest	24,553	-
	<u>11,776,248</u>	<u>2,347,431</u>
Total expenditures	<u>11,776,248</u>	<u>2,347,431</u>
Excess (deficiency) of revenues over expenditures	<u>912,786</u>	<u>(64,817)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	(118,564)	-
Issuance of debt	63,795	-
	<u>(54,769)</u>	<u>-</u>
Total other financing sources (uses)	<u>(54,769)</u>	<u>-</u>
Net change in fund balance	858,017	(64,817)
FUND BALANCES AT BEGINNING OF YEAR	<u>5,550,017</u>	<u>861,392</u>
FUND BALANCES AT ENDING OF YEAR	<u>\$ 6,408,034</u>	<u>\$ 796,575</u>

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

<u>Funds</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 469,798	\$ 6,945,061
-	-	970,558
-	-	2,120,424
-	-	530,797
-	256,081	1,455,493
-	332,089	3,473,090
51,243	-	346,107
<u>26,445</u>	<u>146,419</u>	<u>412,193</u>
<u>77,688</u>	<u>1,204,387</u>	<u>16,253,723</u>
-	-	1,284,206
112,808	-	7,943,944
-	457,189	4,254,355
-	-	39,662
-	247,870	1,013,857
269,389	306,234	769,111
-	270,000	457,481
<u>-</u>	<u>193,670</u>	<u>218,223</u>
<u>382,197</u>	<u>1,474,963</u>	<u>15,980,839</u>
<u>(304,509)</u>	<u>(270,576)</u>	<u>272,884</u>
-	118,564	118,564
-	-	(118,564)
<u>-</u>	<u>-</u>	<u>63,795</u>
<u>-</u>	<u>118,564</u>	<u>63,795</u>
(304,509)	(152,012)	336,679
<u>3,290,715</u>	<u>1,361,584</u>	<u>11,063,708</u>
\$ <u>2,986,206</u>	\$ <u>1,209,572</u>	\$ <u>11,400,387</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, 2010

NET CHANGES IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS, PAGE 21 \$ 336,679

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	\$ 769,111	
Less current year provision for depreciation	<u>(710,735)</u>	58,376

The net effect of various miscellaneous transactions
involving capital assets (trade-ins, retirements) is
to decrease net assets. (7,330)

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

Miscellaneous revenues		(3,688)
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Issuance of debt provides 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:

Issuance of debt	(63,795)	
Principal payments	<u>457,480</u>	393,685

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	2,994	
Change in compensated absences payable	(28,767)	
Change in other postemployment benefit obligation liability	(61,000)	
Change in litigation payable	<u>(75,000)</u>	(161,773)

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES, PAGE 16 \$ 615,949

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, 2010

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 6,433,850	\$ 6,433,850	\$ 6,475,263	\$ 41,413
Franchise fees	955,000	955,000	970,558	15,558
Utility service taxes	1,702,323	1,702,323	2,120,424	418,101
Licenses and permits	348,000	510,000	530,797	20,797
Intergovernmental revenues	1,103,500	1,136,500	1,199,412	62,912
Charges for services	869,400	870,550	921,269	50,719
Fines and forfeitures	61,000	61,000	294,864	233,864
Miscellaneous	40,000	40,000	176,447	136,447
Allocation of fund balance	429,303	385,793	-	(385,793)
Total revenues	11,942,376	12,095,016	12,689,034	594,018
EXPENDITURES:				
Current:				
General government	1,406,398	1,457,412	1,284,206	173,206
Public safety	7,979,895	7,925,845	7,831,136	94,709
Physical environment	1,383,943	1,479,903	1,449,735	30,168
Transportation	41,161	41,161	39,662	1,499
Culture/recreation	728,159	785,892	765,987	19,905
Capital outlay	142,851	140,234	193,488	(53,254)
Debt service:				
Principal	200,000	200,000	187,481	12,519
Interest	15,000	15,000	24,553	(9,553)
Total expenditures	11,897,407	12,045,447	11,776,248	269,199
Excess of revenues over expenditures	44,969	49,569	912,786	863,217
OTHER FINANCING SOURCES (USES):				
Transfers out	(113,969)	(118,569)	(118,564)	5
Capital lease proceeds	69,000	69,000	63,795	(5,205)
Total other financing sources (uses)	(44,969)	(49,569)	(54,769)	(5,200)
Net change in fund balance	-	-	858,017	858,017
FUND BALANCE AT BEGINNING OF YEAR	5,550,017	5,550,017	5,550,017	-
FUND BALANCE AT END OF YEAR	\$ 5,550,017	\$ 5,550,017	\$ 6,408,034	\$ 858,017

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, 2010

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Garbage/solid waste fees	\$ 2,253,000	\$ 2,261,024	\$ 2,219,732	\$ (41,292)
Miscellaneous:				
Recycling proceeds	60,000	60,000	55,374	(4,626)
Interest income	20,000	20,000	7,508	(12,492)
Total miscellaneous	80,000	80,000	62,882	(17,118)
Total revenues	2,333,000	2,341,024	2,282,614	(58,410)
EXPENDITURES:				
Physical environment:				
Trash collection:				
Operating expenditures	2,333,000	2,347,431	2,347,431	-
Total expenditures	2,333,000	2,347,431	2,347,431	-
Net change in fund balance	-	(6,407)	(64,817)	(58,410)
FUND BALANCE AT BEGINNING OF YEAR	861,392	861,392	861,392	-
FUND BALANCE AT END OF YEAR	\$ 861,392	\$ 854,985	\$ 796,575	\$ (58,410)

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, 2010

ASSETS:	
Investments:	
U.S. stock funds	\$ 8,117,536
Money market funds	7,647,859
Balanced funds	3,512,943
Bond funds	4,624,632
International stock funds	<u>1,034,714</u>
Total	24,937,684
Participant loans receivables	<u>501,315</u>
Total assets	25,438,999
 LIABILITIES	 <u>-</u>
 NET ASSETS:	
Held in trust for pension and other benefits	\$ <u><u>25,438,999</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, 2010

ADDITIONS:

Contributions:

City	\$	1,038,422
Employees		<u>1,255,453</u>
Total contributions		<u>2,293,875</u>

Investment earnings and expenses:

Interest, dividends and investment value changes		2,796,342
Investment expense		<u>(200,686)</u>
Net investment earnings		<u>2,595,656</u>
Total additions		<u>4,889,531</u>

DEDUCTIONS:

Benefits		928,553
Refund of contributions:		
City		7,029
Employees		<u>488,956</u>
Total deductions		<u>1,424,538</u>
Change in net assets		3,464,993

NET ASSETS HELD IN TRUST FOR PENSION
AND OTHER BENEFITS:

At Beginning of the Year		<u>21,974,006</u>
At End of the Year	\$	<u><u>25,438,999</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, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. These 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, 2010. 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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2010, the City had no proprietary funds. A new stormwater fund was established in this fiscal year and is reported as a special revenue fund. It is intended for capital improvements related to stormwater management as well as maintenance of existing infrastructure. It does not meet the requirements of a proprietary fund because there is no debt pledging the net revenues of fees, there is no legal requirement that requires a recovery of specific costs, and the pricing of the fee did not specifically indicate a certain capital outlay annually. The fund simply supplements other City resources for capital improvements related to stormwater management.

The financial statements offer an emphasis upon the more significant sub funds within the governmental category and these are referred as major funds. The City reports the following major governmental funds:

General Fund - The general fund is the principal operating fund of the City and is used to account for all financial transactions except those that are required to be accounted for in another fund.

Garbage and Trash Fund - This 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, the stormwater fund, and the debt service fund. The special purpose fund is comprised of locally generated resources for recreation support, environmental projects, cultural support, the general obligation bond construction projects, and other capital projects. Additionally, the City presents the pension trust fund as a fiduciary fund, which accounts for the activities of the various pension plans provided to City employees.

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 rendered. Management believes all accounts to be fully collectible; therefore, no allowance for doubtful accounts has been provided for in the accompanying financial statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments:

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

Capital assets:

Capital assets, which include land, buildings 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, 2010, encumbrances outstanding are as follows:

General fund	\$	73,043
Infrastructure fund		42,449
Special purpose fund:		
Environmental		1,470
Cultural support		519
Public safety fund		1,225
Total	\$	118,706

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 payable from expendable available financial resources and only if they have matured.

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

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

1. During April, each City department prepares their budget requests for the upcoming fiscal year and reviews the status of their budget for the current fiscal year.
2. 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 GAAP. Budgeted amounts are as originally adopted, or as amended by the City Commission or the Mayor. Legislative amendments are for any changes that exceed \$ 1,000 within each character of expenditure (personal services, operating expenditures, capital outlay, debt service, and transfers). Amendments are required when projected expenditures are anticipated to exceed budgeted appropriations at the character level. The original general fund budget was amended by the City Commission during the year to provide for \$ 103,221 of supplemental appropriations in addition to the \$ 44,819 in encumbrances automatically added to the fiscal year 2009/2010 appropriations. The budget was increased to provide for cost associated with water savings, increased building inspections, and water expenditures in recreation. Funding for the increased expenditures came from grants, building permit fees, and recreation fees. For fiscal year 2010, expenditures for capital outlay in the general fund exceed final budget appropriations by \$ 53,254. This amount is attributable to donated fixed assets that were posted to expenditures during this audit process and fully offset by miscellaneous contribution revenue.

NOTE C - PROPERTY TAX

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE C - PROPERTY TAX (continued)

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2009, upon which the 2009-2010 levy was based, was approximately \$ 1,856,656,442. 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, 2010 was \$ 3.6188 per \$ 1,000 and \$ 0.2637 per \$ 1,000 for bond debt service.

NOTE D - DEPOSITS AND INVESTMENTS

Governmental Funds

Deposits:

The City's deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. 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 \$ 2,598,203 and the bank balance was \$ 2,629,153. 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. As of September 30, 2010, the amount invested in these longer maturity securities was less than 1% of total investments. Total governmental fund investments at September 30, 2010 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	\$ 64,072	\$ -	\$ -	\$ 64,072
Mutual funds	5,929,530	5,573,175	356,355	-
Certificates of deposit	2,104,456	2,104,456	-	-
Money market funds	479,434	-	479,434	-
Total	\$ 8,577,492	\$ 7,677,631	\$ 835,789	\$ 64,072

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

The City's investment policy is designed to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates, by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and by structuring the investment portfolio so that securities do not have to be sold prior to maturity to meet cash flow requirements. Protection of principal is paramount in the City's investment policy.

Credit risk:

The City's investment policy specifically sets parameters to minimize the City's credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions and broker/dealers with which the City will do business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Disclosure by Investment Type:

The 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, 2010 is estimated at 7.49 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 0.70 and weighted average maturity of 0.78 years. The 1-3 Year High Quality Bond Fund carries a Fitch Rating of AAA/V2 with effective duration of 1.50 and weighted average maturity of 1.50 years. The Intermediate High Quality Bond Fund is rated AAA/V3 by Fitch with effective duration of 2.80 and weighted average maturity of 3.10. At September 30, 2010, the total investment balance in the Florida Municipal Investment Trust was approximately \$ 1.4 million.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE D - DEPOSITS AND INVESTMENTS (continued)

- At September 30, 2010, 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. At September 30, 2010, the total balance of the two mutual funds managed by Dreyfus 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. At September 30, 2010, the total investment balance in the Federated Government Ultra Short Fund was approximately \$ 2.5 million.

At September 30, 2010, the City invested in certificates of deposit with Florida Shores Bank. The City held \$ 1,750,000 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 a certificate of deposit (CD) that is 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 investments were placed in two packages with the \$ 750,000 group of CD's earning a fixed 1.5% interest and maturing February 17, 2011 and the \$ 1 million group earning a fixed 1.0% interest and maturing October 14, 2010 and was subsequently renewed through October 13, 2011. 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 1.0% annually with a maturity date of August 12, 2011 and a public depository CD of \$ 100,000 with a fixed interest rate 3.0% maturing October 17, 2011. The City also has a money market account with Florida Shores Bank with ending bank balance of \$ 23,332 at September 30, 2010. Interest rates fluctuate on the account based upon the market.

Fiduciary Funds

The City has seven different pension plans included in the fiduciary funds. Four plans operate under the Internal Revenue Service (IRS) 401(a) parameters, one plan serves as the City's IRS 457 deferred compensation plan, and one is a retirement health savings plan. 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, 2010 were as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Investment Type	Fair Value	Investment Maturities (in years) 1 to 5
U.S. stock funds	\$ 8,117,536	\$ 8,117,536
Money market funds	7,647,859	7,647,859
Balanced funds	3,512,943	3,512,943
Bonds funds	4,624,632	4,624,632
International stock funds	<u>1,034,714</u>	<u>1,034,714</u>
Total	\$ <u>24,937,684</u>	\$ <u>24,937,684</u>

Interest rate risk:

To mitigate its exposure to losses in fair value, the City's fiduciary funds are invested in a well-diversified and balanced portfolio. The overall focus is on long-term growth given that the funds are for employee retirement purposes. For the defined benefit plan, the investment plan is 40% in fixed income high quality bond funds and 60% equities. The bond fund carries a Fitch rating of AA/V4 with weighted average maturity of 4.90 years.

Credit risk:

The plan administrators handle selection of individual securities. Employees select from model portfolios offered by the Vantage Trust Company for the 401(a), 457, and retirement health savings plan. The 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 be loaned out are shown with a receivable amount. Interfund receivables and payables at September 30, 2010 were as follows:

Fund	Receivable	Payable
Major Funds:		
General fund	\$ -	\$ 2,288,610
Garbage and trash fund	931,066	-
Public safety fund	892,144	-
Nonmajor Funds:		
Tennis center fund	-	2,897
Infrastructure fund	703,799	-
Special purpose fund	<u>135,050</u>	<u>370,552</u>
Total	\$ <u>2,662,059</u>	\$ <u>2,662,059</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE E - INTERFUND TRANSACTIONS (continued)

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Budgeted Funds:		
Major Funds:		
General fund	\$ -	\$ 118,564
Nonmajor Funds:		
Tennis center fund	<u>86,969</u>	<u>-</u>
Total budgeted funds	<u>86,969</u>	<u>118,564</u>
Nonbudgeted Funds:		
Nonmajor Funds:		
Special purpose fund	<u>31,595</u>	<u>-</u>
Total nonbudgeted funds	<u>31,595</u>	<u>-</u>
Total	<u>\$ 118,564</u>	<u>\$ 118,564</u>

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

In fiscal year 2010, the general fund transferred \$ 118,564 to other funds including \$ 86,969 for the Tennis Center budgeted subsidy for facility operations, and \$ 31,595 for the City's Keeper Day and Lighthouse A'Glow celebrations as well as recreational improvements to City parks (shown as Special Purpose Funds).

NOTE F - SPECIAL REVENUE FUNDS -

The City has six special revenue funds. The garbage and trash fund is budgeted and designed to account for revenues and expenditures associated with the collection and disposal of residential refuse. The tennis center fund is budgeted and accounts for the operation of the City's recreational facility at Frank McDonough Park. The public safety fund is 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 stormwater fund was initiated in this fiscal year to provide for funding of stormwater management projects, is budgeted, and is funded by a special assessment to benefiting properties. The special purpose fund actually represents a number of special purposes accounted for within individual sub funds. These special purposes account for transactions from specific revenue sources as required by law or administrative regulations. This fund is not budgeted on an annual basis like operating funds but rather appropriated on an as needed basis by the City Commission.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE F - SPECIAL REVENUE FUNDS (continued)

The special purpose fund maintains an internal allocation of the intended purposes of its fund balance. As of September 30, 2010, the allocation of fund balance for all of the individual special purpose sub funds is as follows:

Recreation Support:	
Sponsor fees for recreation programs	\$ 4,854
Playground 2007 for park development	13,328
Keeper Days for annual city anniversary	(545)
LHP A'Glow for annual holiday celebration	1,027
DeGroff park	<u>30</u>
Total	<u>18,694</u>
Environmental:	
Beautification improvements in the City	15,952
Waterway cleanup and protection	<u>92,439</u>
Total	<u>108,391</u>
Cultural Support:	
Library	15,819
Senior outreach	1,537
Historical committee	<u>120</u>
Total	<u>17,476</u>
Bond fund	<u>8,428</u>
Capital projects fund	<u>2,292</u>
Total special purpose fund	<u>\$ 155,281</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 small, negative cash balance (\$ 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 millage rate established for the year ended September 30, 2010 was 0.2637.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2010</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 7,040,140	\$ -	\$ -	\$ -	\$ 7,040,140
Total capital assets, not being depreciated	<u>7,040,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,040,140</u>
Capital assets, being depreciated					
Buildings and land improvements	9,901,315	66,214	33,391	-	9,934,138
Equipment and fixtures	2,010,611	300,480	62,117	-	2,248,974
Infrastructure	4,853,901	267,584	-	-	5,121,485
Vehicles	<u>1,826,215</u>	<u>134,833</u>	<u>21,515</u>	<u>-</u>	<u>1,939,533</u>
Total capital assets being depreciated	<u>18,592,042</u>	<u>769,111</u>	<u>117,023</u>	<u>-</u>	<u>19,244,130</u>
Total assets	<u>25,632,182</u>	<u>769,111</u>	<u>117,023</u>	<u>-</u>	<u>26,284,270</u>
Less accumulated depreciation for:					
Buildings and land improvements	2,777,448	259,746	33,615	-	3,003,579
Equipment and fixtures	1,412,838	203,733	55,236	-	1,561,335
Infrastructure	179,293	97,140	-	-	276,433
Vehicles	<u>1,174,261</u>	<u>150,116</u>	<u>20,842</u>	<u>-</u>	<u>1,303,535</u>
Total accumulated depreciation	<u>5,543,840</u>	<u>710,735</u>	<u>109,693</u>	<u>-</u>	<u>6,144,882</u>
Total capital assets, being depreciated, net	<u>13,048,202</u>	<u>58,376</u>	<u>7,330</u>	<u>-</u>	<u>13,099,248</u>
Governmental activities, capital assets, net	<u>\$ 20,088,342</u>	<u>\$ 58,376</u>	<u>\$ 7,330</u>	<u>\$ -</u>	<u>\$ 20,139,388</u>
Total governmental activities, capital assets, net	\$ 20,088,342	\$ 58,376	\$ 7,330	\$ -	\$ 20,139,388
Related debt	<u>5,166,440</u>	<u>63,795</u>	<u>457,480</u>	<u>-</u>	<u>4,772,755</u>
Debt service reserve	-	50,095	-	-	50,095
Invested in capital assets, net of related debt	<u>\$ 14,921,902</u>	<u>\$ (55,514)</u>	<u>\$ (450,150)</u>	<u>\$ -</u>	<u>\$ 15,316,538</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE H - CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 79,135
Public safety	346,912
Physical environment	150,224
Transportation	45
Culture and recreation	<u>134,419</u>
Total depreciation expense - governmental activities	<u>\$ 710,735</u>

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, 2010:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010	Due Within One Year
General obligation bonds	\$ 4,505,000	\$ -	\$ 270,000	\$ 4,235,000	\$ 280,000
Capital leases	661,440	63,795	187,480	537,755	166,340
Compensated absences	<u>1,403,398</u>	<u>40,087</u>	<u>11,320</u>	<u>1,432,165</u>	<u>48,155</u>
	<u>\$ 6,569,838</u>	<u>\$ 103,882</u>	<u>\$ 468,800</u>	<u>\$ 6,204,920</u>	<u>\$ 494,495</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:

Year Ending September 30	Principal	Interest	Total
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	325,000	137,720	462,720
2016-2020	1,855,000	466,535	2,321,535
2021-2022	<u>870,000</u>	<u>62,463</u>	<u>932,463</u>
	<u>\$ 4,235,000</u>	<u>\$ 1,334,958</u>	<u>\$ 5,569,958</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE I - LONG-TERM DEBT (continued)

Capital leases:

As of September 30, 2010, the City had obligations under five separate lease purchase agreements. The Series 2007 was for the purchase of four police vehicles, one public works truck, and one fire command vehicle in the amount of \$ 102,840. The 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 \$ 47,341 provided for the acquisition of one police vehicle and one public works truck. The Series 2010 in the amount of \$ 63,795 funded the replacement of three police cars. 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 \$ 621,000. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2010.

Year Ending September 30,	Series 2007	Series 2008	Series 2009	Series 2010	Total
2011	\$ 19,483	\$ 133,042	\$ 12,690	\$ 16,779	\$ 181,994
2012	-	127,398	12,690	16,779	156,867
2013	-	110,469	9,518	16,779	136,766
2014	-	82,852	-	12,584	95,436
Total minimum lease payments	19,483	453,761	34,898	62,921	571,063
Less: amount representing interest	361	28,234	1,716	2,997	33,308
Present value of future minimum lease payments	\$ <u>19,122</u>	\$ <u>425,527</u>	\$ <u>33,182</u>	\$ <u>59,924</u>	\$ <u>537,755</u>

NOTE J - ACCOUNTS PAYABLE

Accounts payable at September 30, 2010 were as follows:

	Vendors	Subcontractor	Total Accounts Payable
Governmental activities:			
General fund	\$ 142,697	\$ -	\$ 142,697
Garbage and trash fund	186,652	-	186,652
Public safety fund	5,933	-	5,933
Tennis center fund	1,622	-	1,622
Stormwater fund	3,763	-	3,763
Special purpose fund	1,553	-	1,553
Total governmental activities	\$ <u>342,220</u>	\$ <u>-</u>	\$ <u>342,220</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

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 65-68.

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.

Municipal Employees' Retirement Fund - Defined Contribution:

In a defined contribution plan, benefits depend solely on amounts contributed to the defined contribution plan plus investment earnings. Employees are eligible to participate after completion of one year of continuous service and attainment of age 21. Additionally, police officers and firefighters employed by the City prior to October 2003 continue in the defined contribution plan if they did not convert to the defined benefit plan described later. In fiscal year 2010, the City made biweekly contributions to the defined contribution plan equal to 12.5% for general employees and 14% for fire, police and management employees of each participant's base salary. In addition, each participant was required to make the following contributions to the defined contribution plan: 3% of base salary for general employees and 6% of base salary for all other full-time employees. The defined contribution plans were established by City Resolution No. 681 in April 1988 for general employees, Resolution No. 841 in January 1993 for fire employees, and Resolution No. 993 in October 1997 for police officers and management employees. Amendments to the defined contribution plans can only be made by resolution.

Each participant's interest in their accrued benefits from employer contributions and associated investment earnings is vested 20% after three years of credited service and 20% for each additional year of service for the next four years. Employee contributions vest immediately. The City's payroll in fiscal year 2010 subject to pension contributions was \$ 2,922,871. The City made required contributions as follows:

General employees	\$	196,095
Firefighters		40,731
Police officers		24,319
Management		140,048
	\$	401,193

The required contributions by employees were as follows:

General employees	\$	119,373
Firefighters		71,147
Police officers		55,832
Management		92,889
	\$	339,241

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE K - PENSION PLAN (continued)

Defined contribution plan membership at September 30, 2010, consisted of the following:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	3	1	3	2
Terminated members entitled to, but not yet receiving benefits	8	3	2	4
Current employees:				
Fully vested	27	13	9	10
Partially vested	<u>6</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total current employees	<u>33</u>	<u>13</u>	<u>9</u>	<u>11</u>
Total membership	<u><u>44</u></u>	<u><u>17</u></u>	<u><u>14</u></u>	<u><u>17</u></u>

Investment summaries at September 30, 2010, are as follows:

<u>Investments</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
General employees:		
Money market funds	49%	
Balanced funds	25%	
U.S. stock funds	21%	
Bond funds	3%	
International stock funds	2%	
Total		\$ 2,491,982
Firefighters:		
Money market funds	44%	
U.S. stock funds	39%	
Balanced funds	14%	
International stock funds	3%	
Total		\$ 2,558,216
Police Officers:		
Money market funds	55%	
U.S. stock funds	18%	
Balanced funds	17%	
Bond funds	10%	
Total		\$ 2,765,746
Management Employees:		
Money market funds	43%	
U.S. stock funds	18%	
Balanced funds	19%	
Bond funds	17%	
International stock funds	3%	
Total		\$ 4,377,137

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE K - PENSION PLAN (continued)

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, 2010, participant loans outstanding amounted to \$ 501,315.

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 defined benefit pension plan is a single-employer variety. In accordance with Ordinance 835, the defined benefit pension plan is mandatory for all new hires and optional for all police officers and firefighters employed on October 1, 2003. In fiscal year 2010, the City contributed 18.51% of employee base salaries and employees contributed 12.58%. All investments, totaling \$ 7,781,462 at September 30, 2010, are managed by the Florida League of Cities, Inc. in its Florida Municipal Investment Trust Fund. The defined benefit pension 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 expired in fiscal year 2009. As of September 30, 2010, the membership in the defined benefit pension plan consists of 49 active participants, two retirees, 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.

The following information reflects the pension cost trend included in the latest completed valuation as of October 1, 2010:

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>
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	\$ 283,521	100%	\$ 283,521	100%
2010	\$ 486,135	128%	\$ 486,135	128%

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

Valuation date	October 1, 2010
Actuarial cost method	Frozen initial liability cost method
Amortization method	Level-dollar amount over a period of up to 30 years
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%
Individual salary increases	7% per annum for participants between 35 and 45 years of age; 5% per annum for participants between 45 and 55; and 4% per annum for those age 55 and older

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE K - PENSION PLAN (continued)

The schedule of funding progress for the postemployment defined benefit plan is provided in the section immediately following these notes to the basic financial statements and includes multi-year trend information about the actuarial value of the defined benefit pension plan assets relative to the actuarial accrued liability for benefits over time.

Deferred Compensation Plan:

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

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

Retirement Health Saving Plan:

As a voluntary supplement to the employees' required pension trust funds, the City established by Resolution 2003-1298 a retirement health saving plan and trust for the exclusive benefit of plan participants and their beneficiaries. The retirement health saving plan is fully funded by employee pre-tax contributions. The account totaled \$ 173,863 at September 30, 2010 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 retirement health saving plan. Based upon employee group commitments, the retirement health saving plan currently includes fire lieutenants, police department non-union employees, administrative secretaries and the chief clerk of the police department.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE K - PENSION PLAN (continued)

Pension costs and contributions:

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

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
General Employees - Defined Contribution				
2008	\$ 228,475	\$ 228,475	\$ 1,474,052	15.50%
2009	238,189	238,189	1,536,696	15.50%
2010	315,468	315,468	1,511,737	20.87%
Firefighter - Defined Contribution				
2008	55,788	55,788	253,584	22.00%
2009	58,770	58,770	267,135	22.00%
2010	111,878	111,878	280,036	39.95%
Police Officer - Defined Contribution				
2008	51,458	51,458	257,286	20.00%
2009	41,280	41,280	206,401	20.00%
2010	80,152	80,151	168,011	47.71%
Management - Defined Contribution				
2008	160,208	160,208	801,040	20.00%
2009	165,141	165,141	825,701	20.00%
2010	232,937	232,937	963,087	24.19%
Police/Fire Defined Benefit				
2008	821,703	821,703	2,932,589	28.02%
2009	876,833	876,833	3,210,991	25.27%
2010	1,069,193	1,069,192	3,334,052	32.07%
Retirement Health Savings				
2008	10,235	10,235	376,080	2.72%
2009	14,865	14,865	615,941	2.41%
2010	24,027	24,027	966,499	2.49%

The City has contributed 100% of the required contributions. The increased percentage contribution for the defined benefit plans in 2010 includes repayment of loans by employees. The defined benefit contribution increased based upon the actuarial valuation. The retirement health savings contribution increased because of additional participants and covered payroll.

NOTE L - COMMITMENTS AND CONTINGENCIES

Litigation

The City as a municipality is subject to lawsuits in the conduct of its business. The City has reviewed its outstanding litigation and booked \$ 75,000 in potential payout as of September 30, 2010 in the Government-wide financial statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

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, 2010:

<u>Grant</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>
Federal Grants:			
Federal Forfeitures	\$ 46,131	\$ 377,425	\$ -
Community Development Block Grant	152,177	154,834	2,657
Justice	<u>1,226</u>	<u>1,226</u>	<u>-</u>
Total federal grants	\$ <u>199,534</u>	\$ <u>533,485</u>	\$ <u>2,657</u>
State Grants:			
Department of State - Library	\$ 9,775	\$ 9,775	\$ -
Department of Law Enforcement	8,250	13,086	4,836
Department of Transportation	<u>20,095</u>	<u>150,095</u>	<u>130,000</u>
Total state grants	\$ <u>38,120</u>	\$ <u>172,956</u>	\$ <u>134,836</u>
Local Grants:			
Marine Law Enforcement	\$ 34,230	\$ 50,316	\$ 16,086
South Florida Water Management District	<u>26,609</u>	<u>26,609</u>	<u>-</u>
Total local grants	\$ <u>60,839</u>	\$ <u>76,925</u>	\$ <u>16,086</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE M – OTHER POST EMPLOYMENT BENEFITS

The City’s only post retirement benefit is offering retired employees the opportunity to retain the City’s health insurance coverage by paying the full premium paid by the City for active employees. For department directors only, employees who retire at age 62 with at least ten years of service receive the City health insurance until age 65 with the City paying the full premium for the retiree. At age 55 with at least ten years of service, a department director may receive 33% of the premium subsidy from the City.

At present, only one former director is receiving this benefit. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. A GASB Statement 45 actuarial valuation was completed September 27, 2009 and reflects the most current estimate of the other postemployment benefit obligation liability. As of September 30, 2010, the net obligation was \$ 141,000. Consequently, the statement of net assets reflects this amount. 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 fiscal year 2008/09 graded to 6.00% for fiscal year 2016/17
Ultimate rate	5.00% per annum

The net other postemployment benefit obligation outstanding as of September 30, 2010 is calculated as follows:

	As of September 30, 2010
Development of the Annual OPEB Cost	
1 ARC	\$ 115,000
2 Interest on the Net OPEB Obligation	3,000
3 Adjustment to the ARC	<u>(7,000)</u>
4 Total Annual OPEB Cost	<u>\$ 111,000</u>
Development of the Net OPEB Obligation	
1 Annual OPEB Cost	\$ 111,000
2 Employer Contributions	(49,000)
3 Interest on Employer Contributions	<u>(1,000)</u>
4 Increase in the Net OPEB Obligation	\$ 61,000
5 Net OPEB Obligation (beginning of year)	<u>80,000</u>
6 Net OPEB Obligation (end of year)	<u>\$ 141,000</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE M – OTHER POST EMPLOYMENT BENEFITS (continued)

Three Year Trend Information

Fiscal Year	Annual Required Contribution	Percent Contributed	Net Other Postemployment Benefit Obligation
2007/2008	\$ 30,160	0%	\$ -
2008/2009	\$ 111,000	28%	\$ 80,000
2009/2010	\$ 115,000	43%	\$ 141,000

The plan is not pre-funded and is therefore supported on a pay-as-you-go basis. For the latest actuarial valuation date of October 1, 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%.

The schedule of funding progress for the other post employment benefits is provided in the section immediately following these notes to the financial statements and includes multi-year trend information about the actuarial value of the plan assets relative to the actuarial accrued liability for benefits over time.

**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>
10/01/06	\$ 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	5.8%
10/01/09	6,043,934	6,183,342	139,408	97.7%	2,572,144	5.4%
10/01/10	7,008,924	7,146,306	137,382	98.1%	2,718,225	5.1%

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>
09/30/2006	\$ 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%
09/30/2010	637,229	100%	431,963	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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 6,433,850	\$ 6,433,850	\$ 6,398,988	\$ (34,862)
Delinquent	-	-	76,275	76,275
	<u>6,433,850</u>	<u>6,433,850</u>	6,475,263	41,413
Franchise taxes:				
Electricity	850,000	850,000	849,827	(173)
Solid waste	105,000	105,000	120,731	15,731
	<u>955,000</u>	<u>955,000</u>	970,558	15,558
Utility service taxes:				
Electricity	852,000	852,000	946,372	94,372
Water	315,000	315,000	415,687	100,687
Gas	2,000	2,000	2,729	729
Propane	33,323	33,323	35,820	2,497
Communications services	500,000	500,000	719,816	219,816
	<u>1,702,323</u>	<u>1,702,323</u>	2,120,424	418,101
Licenses and permits:				
Business license tax	67,000	67,000	64,487	(2,513)
Building permits	150,000	312,000	185,440	(126,560)
Plumbing permits	20,000	20,000	37,248	17,248
Electrical permits	40,000	40,000	63,200	23,200
Other	71,000	71,000	180,422	109,422
	<u>348,000</u>	<u>510,000</u>	530,797	20,797
Intergovernmental revenues:				
State revenue sharing	265,000	265,000	266,947	1,947
Alcoholic beverage license	8,500	8,500	13,546	5,046
Gasoline tax	191,091	191,091	190,860	(231)
Half cent sales tax	548,909	548,909	555,657	6,748
Firefighters supplemental	6,500	6,500	10,255	3,755
Motor fuel rebate	3,500	3,500	4,885	1,385
County occupational license	10,000	10,000	10,059	59
Federal grants	35,000	35,000	27,322	(7,678)
State grants	-	-	42,956	42,956
Local grants	35,000	68,000	76,925	8,925
	<u>1,103,500</u>	<u>1,136,500</u>	1,199,412	62,912

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	5,000	5,000	11,910	6,910
Zoning fees	1,000	1,000	1,400	400
Merchandise sales	2,000	2,000	26	(1,974)
Certification, copying, research	300	300	525	225
Accident reports	-	-	743	743
Fingerprinting fees	2,500	2,500	2,740	240
Alarm fees	6,500	6,500	6,418	(82)
Special detail fees	35,000	35,000	20,334	(14,666)
Fire inspection fees	23,000	23,000	22,051	(949)
Construction inspection fees	5,800	5,800	7,525	1,725
Other fees - fire	800	800	1,000	200
Ambulance fees	155,000	155,000	189,861	34,861
Special assessments - fire	568,000	568,000	581,566	13,566
Photostat and other fees	500	500	1,894	1,394
Registration - recreation	13,000	13,000	11,165	(1,835)
Summer recreation fees	45,000	46,150	55,035	8,885
Other recreation fees	6,000	6,000	7,076	1,076
	<u>869,400</u>	<u>870,550</u>	<u>921,269</u>	<u>50,719</u>
Fines and forfeitures:				
Court fines	40,000	40,000	34,481	(5,519)
Library fines	1,000	1,000	1,418	418
Parking citations	10,000	10,000	6,835	(3,165)
Code enforcement fines	10,000	10,000	252,130	242,130
	<u>61,000</u>	<u>61,000</u>	<u>294,864</u>	<u>233,864</u>
Miscellaneous income:				
Interest income	30,000	30,000	67,109	37,109
Other	10,000	10,000	109,338	99,338
	<u>40,000</u>	<u>40,000</u>	<u>176,447</u>	<u>136,447</u>
Allocation of fund balance	<u>429,303</u>	<u>385,793</u>	<u>-</u>	<u>(385,793)</u>
Total revenues	<u>11,942,376</u>	<u>12,095,016</u>	<u>12,689,034</u>	<u>594,018</u>

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	37,823	37,823	35,655	2,168
Operating expenditures	37,062	52,526	25,148	27,378
	<u>74,885</u>	<u>90,349</u>	<u>60,803</u>	<u>29,546</u>
Executive - Mayor:				
Personal services	25,985	25,985	25,480	505
Operating expenditures	28,307	30,631	18,367	12,264
	<u>54,292</u>	<u>56,616</u>	<u>43,847</u>	<u>12,769</u>
Administration/finance:				
Personal services	557,140	560,140	559,826	314
Operating expenditures	81,136	121,062	118,142	2,920
Capital outlay	260	260	-	260
	<u>638,536</u>	<u>681,462</u>	<u>677,968</u>	<u>3,494</u>
City attorney:				
Operating expenditures	151,251	151,251	105,182	46,069
Support services:				
Personal services	70,000	70,000	67,388	2,612
Operating expenditures	417,694	407,994	329,018	78,976
	<u>487,694</u>	<u>477,994</u>	<u>396,406</u>	<u>81,588</u>
Total general government	1,406,658	1,457,672	1,284,206	173,466
Public safety:				
Police department:				
Personal services	4,094,418	4,004,848	3,975,911	28,937
Operating expenditures	248,465	256,672	243,199	13,473
Capital outlay	69,141	108,711	137,665	(28,954)
	<u>4,412,024</u>	<u>4,370,231</u>	<u>4,356,775</u>	<u>13,456</u>

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	2,815,877	2,804,877	2,773,000	31,877
Operating expenditures	171,391	174,704	163,862	10,842
Capital outlay	6,450	14,950	39,697	(24,747)
	<u>2,993,718</u>	<u>2,994,531</u>	<u>2,976,559</u>	<u>17,972</u>
Building department:				
Personal services	184,532	184,532	181,727	2,805
Operating expenditures	246,825	281,825	281,461	364
	<u>431,357</u>	<u>466,357</u>	<u>463,188</u>	<u>3,169</u>
Code enforcement:				
Personal services	196,937	196,937	194,205	2,732
Operating expenditures	21,450	21,450	17,772	3,678
	<u>218,387</u>	<u>218,387</u>	<u>211,977</u>	<u>6,410</u>
Total public safety	8,055,486	8,049,506	8,008,499	41,007
Physical environment:				
Public works:				
Personal services	1,070,548	993,248	993,180	68
Operating expenditures	313,395	486,655	456,555	30,100
Capital outlay	45,000	1,500	1,312	188
Total physical environment	1,428,943	1,481,403	1,451,047	30,356
Transportation:				
Community bus:				
Personal services	31,311	29,611	28,169	1,442
Operating expenditures	9,850	11,550	11,493	57
Total transportation	41,161	41,161	39,662	1,499

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CITY OF LIGHTHOUSE POINT, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	262,343	304,543	294,037	10,506
Operating expenditures	97,814	94,073	85,157	8,916
Capital outlay	-	4,101	4,101	-
	<u>360,157</u>	<u>402,717</u>	<u>383,295</u>	<u>19,422</u>
Recreation department:				
Personal services	237,227	229,815	229,332	483
Operating expenditures	130,775	157,461	157,461	-
Capital outlay	22,000	10,712	10,712	-
	<u>390,002</u>	<u>397,988</u>	<u>397,505</u>	<u>483</u>
Total culture/recreation	750,159	800,705	780,800	19,905
Debt service:				
Principal	200,000	200,000	187,481	12,519
Interest	15,000	15,000	24,553	(9,553)
Total debt service	215,000	215,000	212,034	2,966
Total expenditures	<u>11,897,407</u>	<u>12,045,447</u>	<u>11,776,248</u>	<u>269,199</u>
Excess of revenues over expenditures	44,969	49,569	912,786	863,217
Other financing sources (uses):				
Transfers out	(113,969)	(118,569)	(118,564)	5
Capital lease proceeds	69,000	69,000	63,795	(5,205)
Total other financing sources (uses)	<u>(44,969)</u>	<u>(49,569)</u>	<u>(54,769)</u>	<u>(5,200)</u>
Net change in fund balance	-	-	858,017	858,017
FUND BALANCE AT BEGINNING OF YEAR	<u>5,550,017</u>	<u>5,550,017</u>	<u>5,550,017</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,550,017</u>	<u>\$ 5,550,017</u>	<u>\$ 6,408,034</u>	<u>\$ 858,017</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Membership fees	\$ 48,000	\$ 48,000	\$ 47,854	\$ (146)
Daily use fees	10,000	10,000	11,700	1,700
Revenue sharing	2,000	2,000	(821)	(2,821)
Lighting fees	1,000	1,000	1,047	47
	<u>61,000</u>	<u>61,000</u>	<u>59,780</u>	<u>(1,220)</u>
Miscellaneous:				
Interest income	500	500	16	(484)
Other	-	-	3,075	3,075
	<u>500</u>	<u>500</u>	<u>3,091</u>	<u>2,591</u>
 Total revenues	 <u>61,500</u>	 <u>61,500</u>	 <u>62,871</u>	 <u>1,371</u>
EXPENDITURES:				
Culture/recreation:				
Personal services	146,688	144,638	146,622	(1,984)
Operating expenditures	18,400	20,450	20,492	(42)
 Total expenditures	 <u>165,088</u>	 <u>165,088</u>	 <u>167,114</u>	 <u>(2,026)</u>
 Excess (deficiency) of revenues over expenditures	 (103,588)	 (103,588)	 (104,243)	 (655)
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	 (16,619)	 (16,619)	 (17,274)	 (655)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>15,427</u>	 <u>15,427</u>	 <u>15,427</u>	 <u>-</u>
 FUND BALANCE (DEFICIT) AT END OF YEAR	 <u><u>\$ (1,192)</u></u>	 <u><u>\$ (1,192)</u></u>	 <u><u>\$ (1,847)</u></u>	 <u><u>\$ (655)</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services:				
Stormwater fees	\$ 300,000	\$ 300,000	\$ 267,559	\$ (32,441)
	<u>300,000</u>	<u>300,000</u>	<u>267,559</u>	<u>(32,441)</u>
Miscellaneous:				
Interest income	400	400	462	62
	<u>400</u>	<u>400</u>	<u>462</u>	<u>62</u>
Total revenues	<u>300,400</u>	<u>300,400</u>	<u>268,021</u>	<u>(32,379)</u>
EXPENDITURES:				
Physical environment:				
Operating expenditures	300,400	300,400	-	300,400
Total expenditures	<u>300,400</u>	<u>300,400</u>	<u>-</u>	<u>300,400</u>
Net change in fund balance	-	-	268,021	268,021
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,021</u>	<u>\$ 268,021</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 465,356	\$ 465,356	\$ 469,798	\$ 4,442
Miscellaneous:				
Interest income	<u>3,000</u>	<u>3,000</u>	<u>648</u>	<u>(2,352)</u>
Total revenues	<u>468,356</u>	<u>468,356</u>	<u>470,446</u>	<u>2,090</u>
EXPENDITURES:				
Debt service:				
Principal	270,000	270,000	270,000	-
Interest	193,120	193,120	193,120	-
Other	<u>2,500</u>	<u>2,500</u>	<u>550</u>	<u>1,950</u>
Total expenditures	<u>465,620</u>	<u>465,620</u>	<u>463,670</u>	<u>1,950</u>
Net change in fund balance	2,736	2,736	6,776	4,040
FUND BALANCE AT BEGINNING OF YEAR	<u>43,319</u>	<u>43,319</u>	<u>43,319</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 46,055</u>	<u>\$ 46,055</u>	<u>\$ 50,095</u>	<u>\$ 4,040</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.

Stormwater Fund - This is a new fund established in fiscal year 2009/2010 to provide resources for stormwater management capital improvements and significant maintenance of stormwater infrastructure that had been funded in past years by grants.

Special Purpose Fund - 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, 2010

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
ASSETS:			
Cash	\$ 100	\$ -	\$ 175,117
Investments	-	-	-
Due from other funds	-	703,799	-
Accounts receivable	7,952	-	-
Due from other governments	-	130,000	890
	<u>8,052</u>	<u>833,799</u>	<u>176,007</u>
Total assets	\$ <u>8,052</u>	\$ <u>833,799</u>	\$ <u>176,007</u>
 LIABILITIES AND FUND BALANCES:			
Accounts payable	\$ 1,622	\$ -	\$ 3,763
Accrued payroll and related taxes	5,230	-	-
Due to other funds	2,897	-	-
Other liabilities	150	-	-
	<u>9,899</u>	<u>-</u>	<u>3,763</u>
Total liabilities	9,899	-	3,763
 Fund balances:			
Reserved for:			
Debt service	-	-	-
Encumbrances	-	42,449	-
Unreserved:			
Undesignated	(1,847)	791,350	172,244
	<u>(1,847)</u>	<u>833,799</u>	<u>172,244</u>
Total fund balances	(1,847)	833,799	172,244
Total liabilities and fund balances	\$ <u>8,052</u>	\$ <u>833,799</u>	\$ <u>176,007</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 11,064	\$ 186,281	\$ 49,124	\$ 235,405
381,272	381,272	730	382,002
135,050	838,849	-	838,849
-	7,952	-	7,952
-	130,890	241	131,131
<u>\$ 527,386</u>	<u>\$ 1,545,244</u>	<u>\$ 50,095</u>	<u>\$ 1,595,339</u>
\$ 1,553	\$ 6,938	\$ -	\$ 6,938
-	5,230	-	5,230
370,552	373,449	-	373,449
-	150	-	150
<u>372,105</u>	<u>385,767</u>	<u>-</u>	<u>385,767</u>
-	-	50,095	50,095
1,989	44,438	-	44,438
<u>153,292</u>	<u>1,115,039</u>	<u>-</u>	<u>1,115,039</u>
<u>155,281</u>	<u>1,159,477</u>	<u>50,095</u>	<u>1,209,572</u>
<u>\$ 527,386</u>	<u>\$ 1,545,244</u>	<u>\$ 50,095</u>	<u>\$ 1,595,339</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMJAOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2010

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
REVENUES:			
Ad valorem taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	256,081	-
Charges for services	59,780	-	267,559
Miscellaneous	3,091	8,454	462
	<u>62,871</u>	<u>264,535</u>	<u>268,021</u>
Total revenues			
 EXPENDITURES:			
Current:			
Physical environment	-	351,085	95,777
Culture/recreation	167,114	-	-
Capital outlay	-	267,584	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>167,114</u>	<u>618,669</u>	<u>95,777</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(104,243)</u>	<u>(354,134)</u>	<u>172,244</u>
 OTHER FINANCING SOURCES (USES):			
Transfers in	86,969	-	-
Transfers out	-	-	-
	<u>86,969</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(17,274)	(354,134)	172,244
 FUND BALANCE AT BEGINNING OF YEAR			
	<u>15,427</u>	<u>1,187,933</u>	<u>-</u>
 FUND BALANCE (DEFICIT) AT END OF YEAR			
	<u>\$ (1,847)</u>	<u>\$ 833,799</u>	<u>\$ 172,244</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 469,798	\$ 469,798
-	256,081	-	256,081
4,750	332,089	-	332,089
<u>133,764</u>	<u>145,771</u>	<u>648</u>	<u>146,419</u>
<u>138,514</u>	<u>733,941</u>	<u>470,446</u>	<u>1,204,387</u>
10,327	457,189	-	457,189
80,756	247,870	-	247,870
38,650	306,234	-	306,234
-	-	270,000	270,000
-	-	<u>193,670</u>	<u>193,670</u>
<u>129,733</u>	<u>1,011,293</u>	<u>463,670</u>	<u>1,474,963</u>
<u>8,781</u>	<u>(277,352)</u>	<u>6,776</u>	<u>(270,576)</u>
31,595	118,564	-	118,564
-	-	-	-
<u>31,595</u>	<u>118,564</u>	<u>-</u>	<u>118,564</u>
40,376	(158,788)	6,776	(152,012)
<u>114,905</u>	<u>1,318,265</u>	<u>43,319</u>	<u>1,361,584</u>
\$ <u><u>155,281</u></u>	\$ <u><u>1,159,477</u></u>	\$ <u><u>50,095</u></u>	\$ <u><u>1,209,572</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2010

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
ASSETS:					
Investments	\$ 2,491,982	\$ 2,558,216	\$ 2,765,746	\$ 4,377,137	\$ 12,193,081
Participant loans receivable	<u>213,121</u>	<u>101,327</u>	<u>104,172</u>	<u>82,695</u>	<u>501,315</u>
Total assets	<u>\$ 2,705,103</u>	<u>\$ 2,659,543</u>	<u>\$ 2,869,918</u>	<u>\$ 4,459,832</u>	<u>\$ 12,694,396</u>
LIABILITIES					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS:					
Held in trust for pension and other benefits	<u>\$ 2,705,103</u>	<u>\$ 2,659,543</u>	<u>\$ 2,869,918</u>	<u>\$ 4,459,832</u>	<u>\$ 12,694,396</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 7,781,462	\$ 4,789,278	\$ 173,863	\$ 24,937,684
<u>-</u>	<u>-</u>	<u>-</u>	<u>501,315</u>
\$ <u>7,781,462</u>	\$ <u>4,789,278</u>	\$ <u>173,863</u>	\$ <u>25,438,999</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>7,781,462</u>	\$ <u>4,789,278</u>	\$ <u>173,863</u>	\$ <u>25,438,999</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal year Ended September 30, 2010

	Defined Contribution Pension Plans				
	General	Fire	Police	Management	Total
ADDITIONS:					
Contributions					
City	\$ 196,095	\$ 40,731	\$ 24,319	\$ 140,048	\$ 401,193
Employees	<u>119,373</u>	<u>71,147</u>	<u>55,832</u>	<u>92,889</u>	<u>339,241</u>
Total contributions	<u>315,468</u>	<u>111,878</u>	<u>80,151</u>	<u>232,937</u>	<u>740,434</u>
Investment earnings (loss):					
Interest, dividend and investment value changes	216,174	181,023	211,355	922,907	1,531,459
Less investment expense	<u>25,596</u>	<u>25,816</u>	<u>27,779</u>	<u>43,136</u>	<u>122,327</u>
Net investment earnings (loss)	<u>190,578</u>	<u>155,207</u>	<u>183,576</u>	<u>879,771</u>	<u>1,409,132</u>
Total additions	506,046	267,085	263,727	1,112,708	2,149,566
DEDUCTIONS:					
Benefits	75,953	45,809	30,001	42,010	193,773
Refund of contributions:					
City	-	-	7,029	-	7,029
Employees	<u>323,143</u>	<u>-</u>	<u>145,304</u>	<u>12,000</u>	<u>480,447</u>
Total deductions	<u>399,096</u>	<u>45,809</u>	<u>182,334</u>	<u>54,010</u>	<u>681,249</u>
Change in net assets	106,950	221,276	81,393	1,058,698	1,468,317
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
BEGINNING 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>
END OF YEAR	<u>\$ 2,705,103</u>	<u>\$ 2,659,543</u>	<u>\$ 2,869,918</u>	<u>\$ 4,459,832</u>	<u>\$ 12,694,396</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 637,229	\$ -	\$ -	\$ 1,038,422
<u>431,963</u>	<u>460,222</u>	<u>24,027</u>	<u>1,255,453</u>
<u>1,069,192</u>	<u>460,222</u>	<u>24,027</u>	<u>2,293,875</u>
612,529	640,584	11,770	2,796,342
<u>30,633</u>	<u>46,139</u>	<u>1,587</u>	<u>200,686</u>
<u>581,896</u>	<u>594,445</u>	<u>10,183</u>	<u>2,595,656</u>
1,651,088	1,054,667	34,210	4,889,531
56,981	666,038	11,761	928,553
-	-	-	7,029
<u>8,509</u>	<u>-</u>	<u>-</u>	<u>488,956</u>
<u>65,490</u>	<u>666,038</u>	<u>11,761</u>	<u>1,424,538</u>
1,585,598	388,629	22,449	3,464,993
<u>6,195,864</u>	<u>4,400,649</u>	<u>151,414</u>	<u>21,974,006</u>
\$ <u><u>7,781,462</u></u>	\$ <u><u>4,789,278</u></u>	\$ <u><u>173,863</u></u>	\$ <u><u>25,438,999</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE
 September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Governmental funds capital assets:		
Land	\$ 7,040,140	\$ 7,040,140
Buildings and land improvements	9,934,138	9,901,315
Equipment and fixtures	2,248,974	2,010,611
Vehicles	1,939,533	1,826,215
Infrastructure	<u>5,121,485</u>	<u>4,853,901</u>
Total governmental funds capital assets	\$ <u><u>26,284,270</u></u>	\$ <u><u>25,632,182</u></u>
Investment in governmental funds capital assets by source:		
General revenues	\$ 13,882,552	\$ 13,723,443
Special revenues	3,914,318	3,914,318
County grants	3,956,039	3,956,039
State grants	276,744	265,744
Federal grants	741,722	623,895
Donations	2,971,344	2,876,599
Confiscated	<u>541,551</u>	<u>272,144</u>
Total governmental funds capital assets	\$ <u><u>26,284,270</u></u>	\$ <u><u>25,632,182</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
September 30, 2010

	<u>Land</u>	<u>Buildings and Land Improvements</u>
General government:		
Legislative	\$ -	\$ -
Executive	-	-
Finance and administration	-	-
Other general government	<u>15,087</u>	<u>2,177,022</u>
Total general government	<u>15,087</u>	<u>2,177,022</u>
Public safety:		
Law enforcement	-	3,897,929
Fire control	6,215	574,952
Building department	-	-
Code enforcement	<u>-</u>	<u>-</u>
Total public safety	<u>6,215</u>	<u>4,472,881</u>
Physical environment:		
Maintenance	2,956,880	485,759
Transportation:		
Community bus	-	-
Culture/recreation:		
Library	-	1,200,867
Recreation	<u>4,061,958</u>	<u>1,597,609</u>
Total culture/recreation	<u>4,061,958</u>	<u>2,798,476</u>
Total governmental funds capital assets	<u>\$ 7,040,140</u>	<u>\$ 9,934,138</u>

<u>Equipment and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 24,469	\$ -	\$ -	\$ 24,469
1,521	-	-	1,521
165,276	19,080	-	184,356
48,080	-	-	2,240,189
<u>239,346</u>	<u>19,080</u>	<u>-</u>	<u>2,450,535</u>
942,290	639,253	-	5,479,472
368,044	894,100	-	1,843,311
34,270	-	-	34,270
20,965	26,011	-	46,976
<u>1,365,569</u>	<u>1,559,364</u>	<u>-</u>	<u>7,404,029</u>
188,289	318,672	5,121,485	9,071,085
453	-	-	453
184,841	-	-	1,385,708
270,476	42,417	-	5,972,460
<u>455,317</u>	<u>42,417</u>	<u>-</u>	<u>7,358,168</u>
<u>\$ 2,248,974</u>	<u>\$ 1,939,533</u>	<u>\$ 5,121,485</u>	<u>\$ 26,284,270</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, 2010

	Balance October 1, 2009	Additions	Deductions	Transfers	Balance September 30, 2010
FUNCTION AND ACTIVITY:					
General government:					
Legislative	\$ 26,757	\$ -	\$ 2,288	\$ -	\$ 24,469
Executive	1,528	-	457	450	1,521
Finance and administration	184,356	-	-	-	184,356
Other general government	<u>2,264,183</u>	<u>7,249</u>	<u>31,242</u>	<u>-</u>	<u>2,240,190</u>
Total general government	<u>2,476,824</u>	<u>7,249</u>	<u>33,987</u>	<u>450</u>	<u>2,450,536</u>
Public safety:					
Law enforcement	5,103,622	405,181	28,870	(450)	5,479,483
Fire control	1,841,709	39,697	38,895	-	1,842,511
Building department	34,270	-	-	-	34,270
Code enforcement	<u>47,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,765</u>
Total public safety	<u>7,027,366</u>	<u>444,878</u>	<u>67,765</u>	<u>(450)</u>	<u>7,404,029</u>
Physical environment:					
Maintenance	<u>8,812,439</u>	<u>268,896</u>	<u>8,974</u>	<u>(1,277)</u>	<u>9,071,084</u>
Transportation:					
Community bus	<u>453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453</u>
Culture/recreation:					
Library	1,386,213	4,101	4,606	-	1,385,708
Recreation	<u>5,928,887</u>	<u>43,987</u>	<u>1,691</u>	<u>1,277</u>	<u>5,972,460</u>
Total cultural/recreation	<u>7,315,100</u>	<u>48,088</u>	<u>6,297</u>	<u>1,277</u>	<u>7,358,168</u>
Total	<u>\$ 25,632,182</u>	<u>\$ 769,111</u>	<u>\$ 117,023</u>	<u>\$ -</u>	<u>\$ 26,284,270</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
 September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Amount available in debt service fund	\$ 50,095	\$ 43,319
Amount to be provided for the retirement of general long-term debt	<u>6,154,825</u>	<u>6,526,519</u>
Total	<u>\$ 6,204,920</u>	<u>\$ 6,569,838</u>
General long-term debt payable:		
General obligation bonds	\$ 4,235,000	\$ 4,505,000
Capital leases	537,755	661,440
Accrued compensated absences	<u>1,432,165</u>	<u>1,403,398</u>
Total	<u>\$ 6,204,920</u>	<u>\$ 6,569,838</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2010

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.	74-81
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	82-88
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.	89-94
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.	95-96
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.	97-102

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							
		2006	2007	2008	2009	2010			
\$	10,101,398	\$	13,755,926	\$	14,713,746	\$	14,921,902	\$	15,316,538
	1,701,725		1,021,484		5,112,882		4,529,846		3,876,033
	<u>4,405,822</u>		<u>5,635,518</u>		<u>4,958,569</u>		<u>5,407,842</u>		<u>6,282,968</u>
\$	<u>16,208,945</u>	\$	<u>20,412,928</u>	\$	<u>24,785,197</u>	\$	<u>24,859,590</u>	\$	<u>25,475,539</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
Total governmental activities expenses	\$ 11,699,681	\$ 12,479,991
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
Total governmental activities program revenues	\$ 2,990,363	\$ 3,612,155
Net Expense over Revenue	\$ 8,709,318	\$ 8,867,836
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	-
Total general revenues	\$ 13,473,778	\$ 10,595,222
Change in net assets	\$ 4,764,460	\$ 1,727,386

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	2010			
\$	1,107,630	\$	1,140,397	\$	1,491,969	\$	1,440,339	\$	1,363,611
	7,028,043		7,454,524		8,078,961		8,161,594		8,428,182
	5,948,269		3,909,260		4,007,031		4,776,528		4,413,816
	45,563		46,492		53,925		40,852		39,679
	1,048,900		1,138,481		1,258,251		1,141,223		1,166,238
	238,762		216,500		212,550		229,439		215,231
\$	<u>15,417,167</u>	\$	<u>13,905,654</u>	\$	<u>15,102,687</u>	\$	<u>15,789,975</u>	\$	<u>15,626,757</u>
\$	148,617.00	\$	150,626	\$	84,577	\$	11,479	\$	13,861
	1,592,243		1,759,972		1,392,705		1,256,534		1,363,035
	1,502,879		2,526,006		2,055,722		1,901,360		2,487,291
	139,381		151,540		146,133		142,078		139,700
	2,569,879		223,088		4,025,992		214,979		188,259
	222,861		1,327,828		349,741		369,768		261,156
\$	<u>6,175,860</u>	\$	<u>6,139,060</u>	\$	<u>8,054,870</u>	\$	<u>3,896,198</u>	\$	<u>4,453,302</u>
\$	<u>9,241,307</u>	\$	<u>7,766,594</u>	\$	<u>7,047,817</u>	\$	<u>11,893,777</u>	\$	<u>11,173,455</u>
\$	6,580,068	\$	7,422,102	\$	6,950,839	\$	7,080,510	\$	6,945,061
	961,067		1,058,761		1,015,706		1,011,721		970,558
	1,764,945		1,748,164		1,768,345		1,930,017		2,116,737
	1,256,336		1,204,632		1,143,836		1,276,444		1,352,185
	1,184,453		536,918		541,360		669,478		404,863
	-		-		-		-		-
\$	<u>11,746,869</u>	\$	<u>11,970,577</u>	\$	<u>11,420,086</u>	\$	<u>11,968,170</u>	\$	<u>11,789,404</u>
\$	<u>2,505,562</u>	\$	<u>4,203,983</u>	\$	<u>4,372,269</u>	\$	<u>74,393</u>	\$	<u>615,949</u>

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

	Fiscal Year			
	2001	2002	2003	2004
General Fund:				
Reserved	\$ 141,088	\$ 437,413	\$ 43,273	\$ 210,341
Unreserved	<u>1,361,143</u>	<u>1,534,811</u>	<u>2,284,615</u>	<u>2,572,849</u>
Total general fund	<u>\$ 1,502,231</u>	<u>\$ 1,972,224</u>	<u>\$ 2,327,888</u>	<u>\$ 2,783,190</u>
All Other Governmental Funds:				
Reserved:				
Special revenue funds	\$ -	\$ 794	\$ 31,628	\$ -
Debt service funds	-	30	13,836	22,253
Capital project funds	-	179,200	355,248	-
Unreserved, reported in:				
Special revenue funds	392,845	743,972	1,077,211	1,467,186
Capital projects funds	<u>-</u>	<u>5,853,538</u>	<u>4,729,511</u>	<u>1,776,630</u>
Total all other governmental funds	<u>\$ 392,845</u>	<u>\$ 6,777,534</u>	<u>\$ 6,207,434</u>	<u>\$ 3,266,069</u>

Table 3

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 465,897	\$ 777,899	\$ 202,644	\$ 462,231	\$ 408,494	\$ 487,287
<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>5,920,747</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>	\$ <u>6,408,034</u>
\$ -	\$ 105,305	\$ 246,387	\$ 238,320	\$ 116,220	\$ 45,663
24,731	51,716	78,022	45,163	43,319	50,095
1,368,311	1,043,727	244,754	-	-	-
1,256,703	1,932,816	2,771,871	6,086,808	5,354,153	4,896,595
<u>1,303,722</u>	<u>659,687</u>	<u>541,630</u>	<u>-</u>	<u>-</u>	<u>-</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>	\$ <u>4,992,353</u>

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

	Fiscal Year			
	2001	2002	2003	2004
Revenues:				
Ad valorem taxes	\$ 3,659,957	\$ 4,034,953	\$ 4,812,054	\$ 5,259,301
Franchise fees	907,325	765,128	718,263	787,205
Utility service taxes	1,472,817	1,744,035	1,748,939	1,757,313
Licenses and permits	463,734	513,472	577,195	652,083
Intergovernmental revenues	1,406,988	1,220,693	1,569,825	1,584,915
Charges for services	1,517,185	1,519,491	1,555,750	1,689,303
Fines and forfeitures	196,473	152,066	197,636	202,293
Interest income	138,047	88,441	149,746	111,222
Miscellaneous	500,427	587,566	628,338	853,609
Total revenues	10,262,953	10,625,845	11,957,746	12,897,244
Expenditures:				
General government	949,317	978,389	1,166,165	1,190,309
Public safety	4,948,812	5,338,832	5,587,354	6,044,963
Physical environment	2,126,960	2,039,742	2,084,729	2,426,329
Transportation	23,035	48,175	50,015	50,595
Culture/recreation	713,684	739,810	783,114	796,813
Capital outlay	1,187,408	620,899	2,095,126	4,242,804
Debt service:				
Interest	16,161	16,035	242,102	248,797
Principal	101,074	126,627	375,615	424,957
Other	2,437	142,289	2,962	2,850
Total expenditures	10,068,888	10,050,798	12,387,182	15,428,417
Excess of revenues over (under) expenditures	194,065	575,047	(429,436)	(2,531,173)
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	-
Capital leases	97,260	110,000	215,000	161,000
Net proceeds of general obligation bonds	-	6,169,635	-	-
Transfers in	110,684	256,351	375,565	335,331
Transfers out	(110,684)	(256,351)	(375,565)	(335,331)
Total other financing sources (uses)	97,260	6,279,635	215,000	161,000
Net change in fund balances	\$ 291,325	\$ 6,854,682	\$ (214,436)	\$ (2,370,173)
Debt service as a % of noncapital expenditures	1.3%	1.5%	60.4%	6.0%

Table 4

		Fiscal year									
		2005	2006	2007	2008	2009	2010				
\$	5,762,042	\$	6,580,068	\$	7,422,102	\$	6,950,839	\$	7,080,510	\$	6,945,061
	788,445		940,568		1,039,813		1,015,706		1,011,721		970,558
	1,785,206		1,761,194		1,747,964		1,763,939		1,932,024		2,120,424
	814,855		896,506		774,232		517,443		417,812		530,797
	1,857,598		4,051,484		2,762,796		2,249,872		1,587,770		1,455,493
	1,731,541		2,349,084		3,399,212		3,003,878		2,893,639		3,473,090
	437,059		137,530		414,700		3,427,513		273,421		346,107
	211,407		379,691		474,058		158,098		123,842		117,250
	785,674		851,267		541,190		424,998		606,343		294,943
	<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>		<u>16,253,723</u>
	1,112,111		1,189,441		1,375,913		1,186,532		1,285,048		1,284,206
	6,380,681		6,757,601		7,059,064		7,428,115		7,656,733		7,943,944
	2,477,986		5,116,482		3,831,248		4,233,546		4,579,722		4,254,355
	52,573		45,172		46,345		53,719		43,198		39,662
	875,005		973,317		1,027,277		1,016,718		1,009,842		1,013,857
	1,724,411		4,401,549		4,320,003		2,513,393		590,233		769,111
	239,503		231,707		217,256		222,993		229,641		217,673
	386,950		387,533		392,747		389,098		451,335		457,481
	2,550		813		300		5,300		550		550
	<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>		<u>15,980,839</u>
	922,057		(1,156,223)		305,914		2,462,872		80,780		272,884
	-		626,021		300,000		300,000		-		-
	101,664		104,240		102,840		700,833		47,562		63,795
	-		-		-		-		-		-
	2,327,284		1,242,569		1,015,020		481,463		306,017		118,564
	<u>(2,327,284)</u>		<u>(1,242,569)</u>		<u>(1,015,020)</u>		<u>(481,463)</u>		<u>(306,017)</u>		<u>(118,564)</u>
	<u>101,664</u>		<u>730,261</u>		<u>402,840</u>		<u>1,000,833</u>		<u>47,562</u>		<u>63,795</u>
\$	<u>1,023,721</u>	\$	<u>(425,962)</u>	\$	<u>708,754</u>	\$	<u>3,463,705</u>	\$	<u>128,342</u>	\$	<u>336,679</u>
	5.4%		4.2%		4.4%		4.2%		4.5%		4.6%

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>
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	45,531,676	3,340,312,546
2008/09	2,830,154,360	158,127,340	41,961,047	3,030,242,747
2009/10	2,269,143,710	161,598,070	41,823,612	2,472,565,392

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>
\$ **	\$ 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	**
779,419,053	1,770,905,557	3.8387	69.44%
1,101,668,827	2,026,591,173	3.7823	64.78%
1,138,611,580	2,201,700,966	3.2934	65.91%
933,717,124	2,096,525,623	3.5142	69.20%
933,717,124	1,538,848,268	3.8825	75.09%

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

Fiscal Year	Tax Roll Year	City			County	School Board
		Operating	Debt	Total		
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
2009/10	2009	3.6188	0.2637	3.8825	5.3145	7.4310

SOURCE: Broward County Property Appraiser's Office

Table 6

Overlapping Rates					
Child Services Council	South Florida Water Management District	Florida Inland Navigation District	North Broward Hospital District	Hillsboro Inlet	Total City and Overlapping Rate
0.0000	0.6970	0.0410	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
0.4243	0.6240	0.0345	1.7059	0.0860	19.5027

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

Taxpayer	Fiscal Year 2010			Fiscal Year 2001		
	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	\$ 21,118,660	1	1.14%	\$ 12,265,680	1	1.23%
Beacon Light Partners, LTD	8,368,280	2	0.45%	2,845,510	7	0.31%
J.H. and T.M. Verillo	7,452,420	3	0.40%	1,831,200	10	0.20%
James and Suzanne Acherson	6,998,360	4	0.38%	4,471,800	3	0.48%
Sheehan Pontiac	6,487,510	5	0.35%			
Silver Seas Hotel Inc.	6,408,180	6	0.35%			
Louis R. Bianculli	5,708,390	7	0.31%			
Shawn and Susan Ryan	5,447,060	8	0.29%			
First States Investors 5000A	5,153,400	9	0.28%			
Grove Getaway LLC	4,908,620	10	0.26%			
Sherwood Sheehan TR				3,114,500	6	0.33%
King Motor Company				5,183,450	2	0.55%
Infiniti Motors				3,916,760	4	0.42%
Beacon Light Partners, LTD				3,800,200	5	0.41%
Sample Road Joint Venture				2,570,410	8	0.28%
Barnett Bank Broward				2,483,020	9	0.27%
Total	\$ 78,050,880		4.21%	\$ 42,482,530		4.48%

Source: Broward County Property Appraiser's Office

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year		
	Gross Levy	Discount *	Net Levy
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
2009/10	7,208,468	309,283	6,899,185

* 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 fiscal year 2006.

*** Fiscal year 2002/03 reflects initial year of levy for general obligation bond debt service.

Source: Broward County Property Appraiser

Table 8

<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Year **</u>	<u>Total Collections to Date</u>	
<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
\$ 3,648,433	96.25%	\$ 11,524	\$ 3,659,957	96.56%
4,027,112	96.91%	7,841	4,034,953	97.10%
4,807,030	96.82%	5,024	4,812,054	96.92%
5,259,949	96.72%	(648)	5,259,301	96.71%
5,758,072	96.40%	214,754	5,972,826	100.00%
6,358,132	93.53%	257,066	6,615,198	97.31%
7,165,036	93.00%	11,477	7,176,513	93.15%
6,939,363	95.70%	311,719	7,251,082	100.00%
6,627,949	89.95%	98,399	6,726,348	91.28%
6,846,662	94.98%	-	6,846,662	94.98%

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>	
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
2009/10	4,235,000	537,755	4,772,755

* 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>
\$	32,060	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
	**	1.01%	10,955	436

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

<u>Fiscal Year</u>	<u>General Obligation Bond</u>	<u>* Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property</u>
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	2,026,591,173	0.25%
2007/08	4,765,000	2,201,700,966	0.22%
2008/09	4,505,000	2,096,814,035	0.21%
2009/10	4,235,000	1,856,656,442	0.23%

* Source: Broward County Property Appraiser's Office

CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2010

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	\$ 4,772,755	100.00%	\$ 4,772,755
Broward County	393,274,000	1.25%	4,917,964
Broward District Schools	-	1.24%	-
		Total	\$ <u>9,690,719</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, 2010

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEDGED REVENUE COVERAGE
September 30, 2010

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
2001	10,829	249,923	6.1%	\$ 352,992,913	\$ 32,597
2002	10,829	260,892	6.0%	362,100,102	33,438
2003	10,857	266,272	5.8%	368,540,865	33,945
2004	10,836	271,339	5.1%	393,758,568	36,338
2005	10,836	272,691	4.2%	419,266,512	38,692
2006	10,857	270,935	3.9%	454,506,591	41,863
2007	10,899	262,616	4.5%	468,297,333	42,967
2008	10,964	258,905	6.5%	471,594,532	43,013
2009	11,020	255,738	10.9%	455,699,040	41,352
2010	10,955	255,203	12.1%	453,011,160	41,352

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 Analysis - U.S. Department of Commerce
(total personal income calculated using per capita for metro area times City population)

**** Latest personal income data available is 2009

CITY OF LIGHTHOUSE POINT, FLORIDA
PRINCIPAL EMPLOYERS
September 30, 2010

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	2001 *	2002		2003		2004		2005	
		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General government:									
Finance and Administration	7	7	-	7	-	7	-	7	-
Subtotal	7	7	-	7	-	7	-	7	-
Public Safety:									
Police	41	41	4	41	5	41	5	42	4
Fire	28	27	-	27	-	27	-	27	-
Building	3	4	-	4	-	4	-	3	-
Code Enforcement	2	2	1	2	-	2	2	2	2
Subtotal	74	74	5	74	5	74	7	74	6
Public Works	17	16	-	16	-	16	-	16	-
Transportation	-	-	2	-	2	-	2	-	2
Culture/Recreation:									
Library	4	4	4	4	3	4	3	4	4
Recreation	4	5	22	4	22	4	22	4	23
Subtotal	8	9	26	8	25	8	25	8	27
Total authorized employees	106	106	33	105	32	105	34	105	35

* Full and part time data not available for year.

Source: City of Lighthouse Point Adopted Budget Documents

Table 16

2006		2007		2008		2009		2010	
Full-Time	Part-Time								
7	-	6	-	6	-	5	-	5	-
7	-	6	-	6	-	5	-	5	-
42	4	43	4	43	4	42	3	42	4
27	-	27	-	27	-	27	-	27	-
3	-	3	-	3	-	3	-	3	-
2	2	3	1	2	2	2	2	2	2
74	6	76	5	75	6	74	5	74	6
16	-	17	-	17	-	15	-	15	-
-	2	-	3	-	3	-	2	-	2
4	4	4	4	3	5	3	1	3	1
4	23	4	23	4	23	4	23	4	23
8	27	8	27	7	28	7	24	7	24
105	35	107	35	105	37	101	31	101	32

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

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	7,807	8,007	8,222	8,222
Votes cast in last election	3,016	1,936	3,274	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	33
Calls-for-service handled	**	**	**	**
Traffic accidents handled	**	**	**	**
Traffic citations/warnings issued	**	**	**	**
Fire				
Stations	1	1	1	1
Uniformed employees	27	27	26	26
Incidents responded to	2,006	1,769	1,587	1,196
Building				
Permits issued	1,586	1,548	1,580	1,497
Value of construction	\$ 30,612,349	\$ 32,054,548	\$ 35,965,191	\$ 32,054,548
Physical environment				
Miles of streets	41.12	41.12	41.12	41.12
Miles of waterways	18.00	18.00	18.00	18.00
Culture/Recreation				
Library				
Books in collection	44,950	44,525	47,125	42,485
Circulation	53,098	53,903	53,442	58,171
Volunteer hours	8,500	8,500	8,200	8,500
Recreation				
Facilities				
Al Fletcher Park acreage	0.50	0.50	0.50	0.50
Dan Witt Park acreage	6.00	6.00	6.00	6.00
DeGroff Park acreage	4.60	4.60	4.60	4.60
Exchange Club park acreage	14.00	14.00	14.00	14.00
Frank McDonough Park acreage	6.10	6.10	6.10	6.10
Tennis Center	1	1	1	1

* Data for prior years not available from City Clerk's Office

** Data for prior years not available from Police Department

*** Data not available from Fire Department

**** Library was closed for expansion

Source: City of Lighthouse Point Departments

Table 17

	2005	2006	2007	2008	2009	2010
	2.49	2.49	2.49	2.49	2.49	2.49
	8,353	8,353	7,317	7,540	7,578	7,771
	2,690	2,690	2,690	2,690	2,690	2,690
	*	278	263	207	246	361
	*	546	522	502	509	500
	*	8	10	6	5	4
	*	73	61	59	60	61
	29	27	27	31	28	24
	29	27	28	28	34	24
	1	1	1	1	1	1
	34	34	33	35	35	33
	**	8251	8806	9122	8387	7,925
	**	414	422	384	314	339
	**	3768	4248	4485	4308	2,086
	1	1	1	1	1	1
	26	26	26	26	26	26
	1,454	1,226	1,241	1,246	1202	1,242
	1,535	1,945	1,667	1,444	1,801	2,288
\$	37,657,625 \$	43,886,924 \$	36,002,643 \$	22,612,828 \$	14,663,933 \$	18,457,987
	41.12	41.12	41.12	41.12	41.12	41.12
	18.00	18.00	18.00	18.00	18.00	18.00
	44,056	46,223	42,220	36,507	38,756	37,721
	57,875	50,691	****	57,996	70,693	71,910
	8,500	8,672	****	8,600	8,600	8,250
	0.50	0.50	0.50	0.50	0.50	0.50
	6.00	6.00	6.00	6.00	6.00	6.00
	4.60	4.60	4.60	4.60	4.60	4.60
	14.00	14.00	14.00	14.00	14.00	14.00
	6.10	6.10	6.10	6.10	6.10	6.10
	1	1	1	1	1	1

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

Function/Program	2001	2002	2003	2004
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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
41.12 *	41.12 55,208	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 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, 2010, and have issued our report thereon dated March 28, 2011. 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. We did not audit the financial statements of the Police and Fire Defined Benefit Pension Trust Fund, as described in our report on the City's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

City of Lighthouse Point, Florida

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 28, 2011



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, 2010, and have issued our report thereon dated March 28, 2011.

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 28, 2011, 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, 2010, 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, 2010. 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 28, 2011