

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LIGHTHOUSE POINT, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2011



Prepared By:
Finance Department

Terry Sharp
Finance Director

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION



March 13, 2012

Honorable Mayor and Commissioners

**RE: CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT -
FOR THE YEAR ENDED September 30, 2011**

Dear Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report for the year ended September 30, 2011. 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, 2011, which is the focus of this financial report, the assessed value of property for tax purposes dropped by 8.9 percent to \$ 1.63 billion. The fiscal year 2011/2012 tax base has increased slightly to \$ 1.65 billion. 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 three 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 spendable balance as shown in the financial statements in this report. The ad valorem millage rates for fiscal year 2011/2012 were lowered from fiscal year 2010/2011 with the small increase in taxable values. Standard & Poor's recently affirmed the City's unenhanced general obligation bond rating of AA+ partially based on the economic conditions in Lighthouse Point. In the commercial sector, six new restaurants and eight new retail establishments have opened in the past year.

MAJOR INITIATIVES

The City's major initiatives for fiscal year 2011 included the following:

- Completed significant repairs to Bridge 202 over the Ibis Waterway and Bridge 207 over the Alamanda Waterway.
- Resurfaced athletic fields in both Frank McDonough and Dan Witt Parks with City funds.
- Began the Green Technology Sports Lighting Project with State grant funds.
- Developed an acceptable compromise with Broward County to minimize water and sewer rate increases for residents.
- Imposed a moratorium on pain clinics within the City limits.
- Installed a sun shade system for Dan Witt Park Playground funded by donations from the MOMS Club.
- Ordered a replacement fire-rescue unit.
- Selected a broker of record for health insurance to seek ways to improve health benefits for employees while minimizing costs to the City and employees.
- Implemented a fee-for-service library program.

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 part of committed fund balance, except in the Public Safety Fund where the entire fund balance is presented as restricted fund balance, since they do not constitute expenditures or liabilities, on September 30, 2011.

Financial Policies:

The City has adopted specific financial policies that have contributed to the sound financial position reflected in this report for Fiscal Year 2010/2011. These include:

- a contingency policy that requires a minimum fund balance to be set aside for emergencies as part of committed general fund balance
- an investment policy that protects principal and restricts chasing yield in these uncertain market times,
- conservative budget practices that have resulted in increasing fund balances.

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. More information on the retirement plans is provided in the financial section of this report.

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, 2010. This was the seventeenth 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

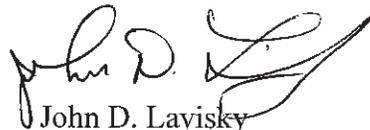
Acknowledgements:

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, 2010

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.



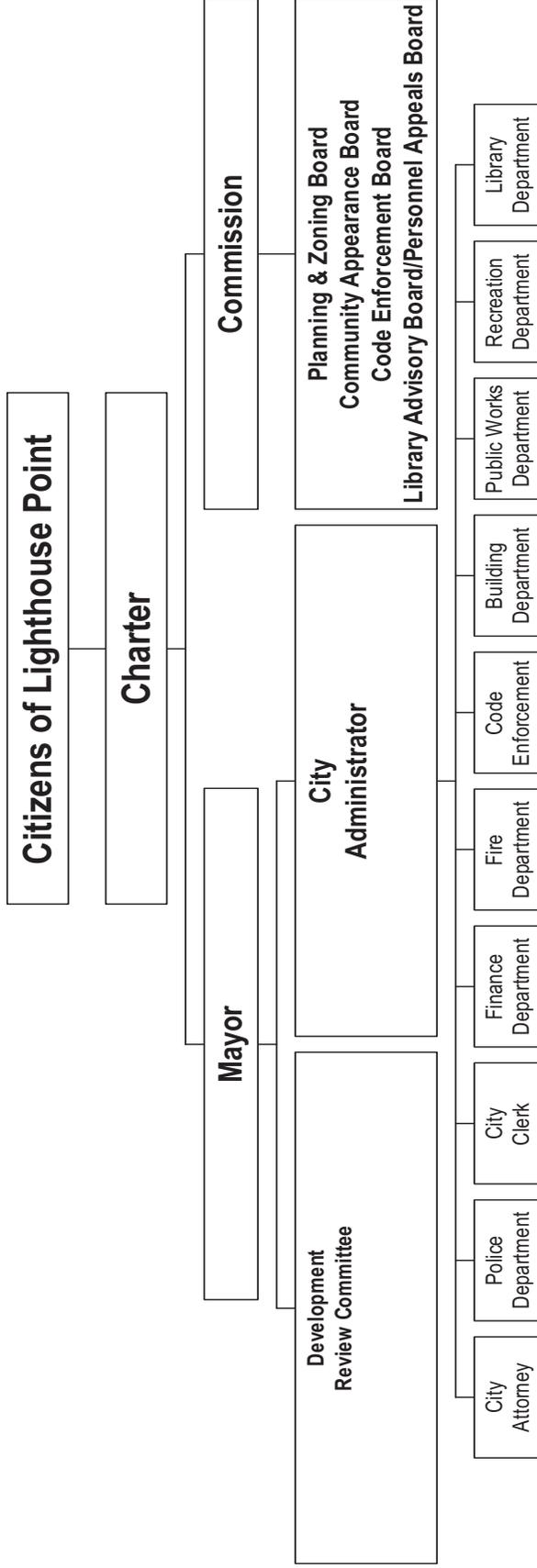
Linda C. Danison

President

Jeffrey R. Emer

Executive Director

City of Lighthouse Point City Governmental Structure September 30, 2011



CITY OF LIGHTHOUSE POINT, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2011

Mayor	Fred Schorr
Commission President	Susie E. Gordon
Commission Vice President	Michael S. Long
Commissioner	Thomas A. Hasis
Commissioner	Sandy Johnson
Commissioner	Glenn Troast
City Administrator	John D. Lavisky
City Attorney	Michael Cirullo
Interim City Clerk	Jennifer Oh
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, 2011, 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, based on our audits and the report of the other auditors, 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, 2011, 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 13, 2012, 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 55 through 75 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 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 13, 2012

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, 2011. 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, 2011:

- The City's total assets exceeded its liabilities by \$ 25,039,702. The entire amount was derived from governmental activities. Of this amount, \$ 6,665,793 (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 \$ 14,934,864, including \$ 4,222,017 in program related services. Expenses for all governmental activities were \$ 15,370,701.
- At the close of the current fiscal year, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,992,907, a decrease of \$ 407,480. The general fund decreased by \$ 198,257.
- At the end of the current fiscal year, the total fund balance for the general fund was \$ 6,209,777, including \$ 89,064 Nonspendable; \$ 2,245,350 Committed; \$ 3,750,000 Assigned; and \$ 125,363 Unassigned. These categories reflect the new reporting requirements from the Governmental Accounting Standards Boards Statement 54.
- The total value of the City's governmental cash and investments at September 30, 2011 was \$ 11,227,278. Invested funds were down \$ 482,182 and cash was up \$ 533,765.

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 (GASB) 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. The City has no proprietary 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 nonmajor 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 63-66. 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 the City of Lighthouse Point, assets exceeded liabilities by \$ 25,039,702 at the close of the fiscal year. The table below summarizes Lighthouse Point's net assets for the fiscal year ended September 30, 2011 compared to September 30, 2010.

The largest portion of the City's net assets (61%) reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress and infrastructure) less any related outstanding debt used to acquire those assets (approximately \$ 4.3 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		
	2011	2010
Current and other assets	\$ 12,110,602	\$ 12,455,943
Capital assets, net	19,718,554	20,139,388
Total assets	31,829,156	32,595,331
Current liabilities	762,976	698,872
Long-term liabilities outstanding	6,026,478	6,420,920
Total liabilities	6,789,454	7,119,792
Net assets:		
Invested in capital assets, net of related debt	15,392,168	15,316,538
Restricted	2,981,741	3,876,033
Unrestricted	6,665,793	6,282,968
Total net assets	\$ 25,039,702	\$ 25,475,539

A portion of net assets (\$ 2,981,741), approximately 12%, represents resources that are subject to external restrictions on how they may be used. The remaining balances of unrestricted net assets (\$ 6,665,793) may be used to meet the City's ongoing obligations to citizens and creditors. The latter balance increased by \$ 382,825 from fiscal year 2010 while the restricted net assets declined by \$ 894,292.

Governmental activities:

Governmental activities decreased the City of Lighthouse Point's net assets by \$ 435,837. Key elements of the change are described below:

- Reduced property tax levy in light of drop in property values and commitment to keep millage rate stable.

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

- Reduced grant revenue primarily due to Community Development Block Grant funds for drainage project in fiscal year 2010.
- Reduced charges for services revenue in the Garbage and Trash Fund as rates did not change but vacation rebate participation increased.

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

	<u>2011</u>	<u>2010</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 3,897,260	\$ 4,003,887
Operating grants and contributions	222,371	188,259
Capital grants and contributions	102,386	261,156
General revenues:		
Ad valorem taxes	6,138,909	6,945,061
Other taxes	3,065,240	3,087,294
Intergovernmental revenues	1,320,663	1,352,185
Miscellaneous	<u>188,035</u>	<u>404,863</u>
Total revenues	<u>14,934,864</u>	<u>16,242,705</u>
EXPENSES:		
General government	1,370,967	1,363,611
Public safety	8,569,761	8,428,182
Physical environment	3,989,844	4,413,816
Transportation	40,474	39,679
Culture and recreation	1,201,806	1,166,238
Debt service	<u>197,849</u>	<u>215,230</u>
Total expenses	<u>15,370,701</u>	<u>15,626,756</u>
Change in net assets	(435,837)	615,949
NET ASSETS AT BEGINNING OF YEAR	<u>25,475,539</u>	<u>24,859,590</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,039,702</u>	<u>\$ 25,475,539</u>

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 spendable fund balance, may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

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

At the end of fiscal year 2011, the City of Lighthouse Point's governmental funds reported combined ending fund balances of \$ 10,992,907. Approximately 1% of the fund balance, or \$ 89,064, constitutes nonspendable fund balance that is not available for spending at the City's discretion. The remainder is spendable but falls into four different categories: restricted by external requirements, committed by the City Commission, assigned by the Mayor or top management, and unassigned. Only the unassigned portion is available for spending with no restrictions. The other spendable categories are governed by legal or policy requirements. This presentation reflects the guidelines of the GASB Statement 54, which has gone into effect with this reporting period. The spendable fund balance at year end was \$ 10,903,843.

General Fund

The general fund is the chief operating fund of the City of Lighthouse Point. At the end of fiscal year 2011, nonspendable and spendable fund balance of the general fund was \$ 6,209,777. As a measure of the general fund's liquidity, it may be useful to compare unrestricted spendable fund balance to total fund expenditures. Assigned and unassigned fund balance represents 32% of the total general fund expenditures, while total unrestricted fund balance represents 51% of the same amount. The nonspendable fund balance represents prepaid insurance premiums for the following fiscal year. Restricted fund balance includes amounts that are limited by outside legal restraints such as bond covenants or federal/state forfeitures. There is no restricted fund balance in the general fund. Committed fund balance is comprised of City Commission restrictions including minimum contingency balance and appropriated budget surplus for the following year's budget. Assigned fund balance is based upon direction from the Mayor as the person responsible for the City's executive and administrative powers. Assigned fund balance includes encumbrances less than \$ 20,000 and funds earmarked for hurricane recovery and emergency bridge replacement. Any remaining fund balance is categorized as unassigned.

The following table summarizes the general fund's revenues compared with the prior year:

	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 5,721,956	\$ 6,475,263	\$ (753,307)	-11.63%
Franchise taxes	929,559	970,558	(40,999)	-4.22%
Utility service taxes	2,139,372	2,120,424	18,948	0.89%
Licenses and permits	529,905	530,797	(892)	-0.17%
Intergovernmental revenues	1,398,147	1,199,412	198,735	16.57%
Charges for services	925,538	921,269	4,269	0.46%
Fines and forfeitures	236,984	294,864	(57,880)	-19.63%
Miscellaneous	36,430	176,447	(140,017)	-79.35%
Transfers in and other sources	53,984	63,795	(9,811)	-15.38%
	<u>\$ 11,971,875</u>	<u>\$ 12,752,829</u>	<u>\$ (780,954)</u>	-6.12%

Honorable Mayor
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 Residents of the City of Lighthouse Point, Florida

The City's property tax base dropped by 8.9% in fiscal year 2011 and although the City Commission adopted exactly the same millage rate as the year before, the City realized a decrease in revenues. Franchise fees from Florida Power and Light were lower than the prior year while utility service taxes from Broward County water customers were higher. Intergovernmental revenues were up almost \$ 200,000 with the receivable for the athletic field lighting grant project and receipt of closeout funds from the Federal Emergency Management Agency (FEMA) for Hurricane Wilma and the Urban Area Security Initiative. Fines and forfeitures revenues were lower than budgeted projections and came in less than the previous fiscal year. Miscellaneous revenues also decreased from the prior year as the prior year balance included the value of equipment donated to the Police and Fire Departments. The transfers in and other sources balance in fiscal year 2011 represents a transfer from the garbage and trash fund to offset administrative costs in the general fund.

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

	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
EXPENDITURES:				
General government	\$ 1,304,025	\$ 1,284,206	\$ 19,819	1.54%
Public safety	8,121,474	8,008,499	112,975	1.41%
Physical environment	1,313,938	1,451,047	(137,109)	-9.45%
Transportation	40,365	39,662	703	1.77%
Culture/Recreation	1,041,269	780,800	260,469	33.36%
Debt service	181,994	212,034	(30,040)	-14.17%
Transfers out	167,067	118,564	48,503	40.91%
	<u>\$ 12,170,132</u>	<u>\$ 11,894,812</u>	<u>\$ 275,320</u>	2.31%

General fund expenditures were up \$ 275,320 from fiscal year 2010. General government spending was up due to election expenses. Public safety expenditures were higher primarily due to contractual pay increases. Physical environment expenditures were lower in fiscal year 2011 due to a reduction in staff. Culture/recreation expenditures were higher primarily from recreational improvements to athletic field surfaces and lighting. Transfers out were increased to limit the millage rate for general obligation bond debt service.

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

	Original Budget	Final Budget	Dollar Change	Percent Change
REVENUES:				
Ad Valorem	\$ 5,672,951	\$ 5,672,951	\$ -	-
Franchise taxes	975,000	975,000	-	-
Utility service taxes	1,852,500	1,852,500	-	-
Licenses and permits	399,000	434,254	35,254	8.84%
Intergovernmental revenues	1,122,375	1,422,375	300,000	26.73%
Charges for services	868,140	871,140	3,000	0.35%
Fines and forfeitures	81,000	229,700	148,700	183.58%
Miscellaneous	57,000	57,000	-	-
Transfers in and other sources	(167,066)	(40,391)	126,675	-75.82%
Allocation of fund balance	832,463	832,463	-	-
	<u>\$ 11,693,363</u>	<u>\$ 12,306,992</u>	<u>\$ 613,629</u>	5.25%

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Revenue changes for budget purposes included recognition of an increase in building activity which generated more permit revenue. Intergovernmental revenue came in strong compared to the conservative budget projections at adoption. The City received closeout amounts from both FEMA and Broward County plus grants not originally budgeted from the Florida Departments of Agriculture and Transportation. Sales tax receipts also came in stronger than originally anticipated. Fines and forfeitures revenues were conservatively budgeted at the outset and more revenue came in during the year. The budget for other sources was increased for a lease purchase of a new fire-rescue vehicle but the purchase and subsequent financing were not finalized until after fiscal year end.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
General government	\$ 1,347,267	\$ 1,349,353	\$ 2,086	0.15%
Public safety	8,078,473	8,317,830	239,357	2.96%
Physical environment	1,322,648	1,377,773	55,125	4.17%
Transportation	35,640	41,140	5,500	15.43%
Culture/Recreation	780,409	1,165,013	384,604	49.28%
Debt service	182,910	182,910	-	-
Transfers out	<u>(53,984)</u>	<u>(53,984)</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,693,363</u>	<u>\$ 12,380,035</u>	<u>\$ 686,672</u>	<u>5.87%</u>

Public safety appropriations were increased to cover the costs for the replacement fire-rescue vehicle (encumbered), termination pay for a retiring employee, and increased fuel costs. In public works, the increase in the budget was primarily encumbrances from fiscal year 2010 that were carried forward to complete work in the 2011 fiscal year. Culture/recreation had budgeted increases for athletic field lights, sports field turf resurfacing, and resurfacing of playground areas at Dan Witt Park.

Tennis Center:

The tennis center fund accounts for the activities of the City’s tennis facility. While it is considered a nonmajor fund, the tennis center fund is an annually appropriated operating fund. 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 2011</u>	<u>Fiscal Year 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 66,378	\$ 59,780	\$ 6,598	11.04%
Miscellaneous	1,533	3,091	(1,558)	-50.40%
Transfers in	<u>86,970</u>	<u>86,969</u>	<u>1</u>	<u>0.11%</u>
	<u>\$ 154,881</u>	<u>\$ 149,840</u>	<u>\$ 5,041</u>	<u>3.36%</u>
EXPENDITURES:				
Culture/Recreation	<u>\$ 159,556</u>	<u>\$ 167,114</u>	<u>\$ (7,558)</u>	<u>-4.52%</u>
	<u>\$ 159,556</u>	<u>\$ 167,114</u>	<u>\$ (7,558)</u>	<u>-4.52%</u>

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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 smaller deficit in fiscal year 2011 than anticipated in the previous year. The adopted fiscal year 2012 budget has increased the general fund transfer in to \$ 98,000.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 66,000	\$ 66,000	\$ -	-
Miscellaneous	500	500	-	-
Transfers in	<u>86,969</u>	<u>86,969</u>	<u>-</u>	<u>-</u>
	<u>\$ 153,469</u>	<u>\$ 153,469</u>	<u>\$ -</u>	<u>-</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
EXPENDITURES:				
Culture/recreation	<u>\$ 153,469</u>	<u>\$ 159,869</u>	<u>\$ 6,400</u>	4.17%
	<u>\$ 153,469</u>	<u>\$ 159,869</u>	<u>\$ 6,400</u>	4.17%

No change was made to the revenue side of the budget during the fiscal year. The tennis center fund did attain its revenue projection overall. One budget amendment was approved on the expenditures side to cover additional costs for watering the clay tennis courts and to repair a golf cart.

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 2011</u>	<u>Fiscal Year 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>
REVENUES:				
Charges for services	\$ 2,102,649	\$ 2,219,732	\$ (117,083)	-5.27%
Miscellaneous	<u>47,505</u>	<u>62,882</u>	<u>(15,377)</u>	-24.45%
	<u>\$ 2,150,154</u>	<u>\$ 2,282,614</u>	<u>\$ (132,460)</u>	-5.80%

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 lower in fiscal year 2011 primarily due to increased participation in the City's vacation rebate program. Garbage fees were not changed in fiscal year 2011 to reduce more than sufficient fund balance and keep resident costs stable.

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	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
EXPENDITURES:				
Physical environment	\$ 2,274,916	\$ 2,347,431	\$ (72,515)	-3.09%
Transfers out	<u>53,984</u>	<u>-</u>	<u>53,984</u>	100.00%
	<u>\$ 2,328,900</u>	<u>\$ 2,347,431</u>	<u>\$ (18,531)</u>	-0.79%

The expenditures decreased due to the rebate program participation. Budget appropriations were not amended during the fiscal year.

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 decreased in fiscal year 2011 because the general fund transferred funds to limit the millage rate. There were no changes in the budget for this fund.

	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
REVENUES:				
Ad valorem taxes	\$ 416,953	\$ 469,798	\$ (52,845)	-11.25%
Miscellaneous	168	648	(480)	-74.07%
Transfers in	<u>53,097</u>	<u>-</u>	<u>53,097</u>	100.00%
	<u>\$ 470,218</u>	<u>\$ 470,446</u>	<u>\$ (228)</u>	-0.05%
EXPENDITURES:				
Debt service	<u>\$ 463,950</u>	<u>\$ 463,670</u>	<u>\$ 280</u>	0.06%
	<u>\$ 463,950</u>	<u>\$ 463,670</u>	<u>\$ 280</u>	0.06%

Stormwater Fund

The stormwater fund was established in fiscal year 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 is now a non-ad valorem special assessment on the annual property tax bill. 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. The City is consciously building a fund balance for the inevitable major stormwater improvements in the future. The initial year reflected startup costs for the assessment. There were no changes in the original budget appropriations.

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	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
REVENUES:				
Stormwater fees	\$ 266,948	\$ 267,559	\$ (611)	-0.23%
Miscellaneous	<u>1,412</u>	<u>462</u>	<u>950</u>	205.63%
	<u>\$ 268,360</u>	<u>\$ 268,021</u>	<u>\$ 339</u>	0.13%
EXPENDITURES:				
Physical environment	<u>\$ 11,939</u>	<u>\$ 95,777</u>	<u>\$ (83,838)</u>	-87.53%

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 2011 saw a decrease in the receipt of fines and forfeitures. The most significant expenditures in fiscal year 2011 included the operation and maintenance of the license plate recognition system to capture information used in crime prevention. Additionally, funds were used for overtime for specific training and computer equipment including a new identification card machine.

	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
REVENUES:				
Fines and forfeitures	\$ 10,289	\$ 51,243	\$ (40,954)	-79.92%
Miscellaneous	<u>11,608</u>	<u>23,744</u>	<u>(12,136)</u>	-51.11%
	<u>\$ 21,897</u>	<u>\$ 74,987</u>	<u>\$ (53,090)</u>	-70.80%
EXPENDITURES:				
Public safety	\$ 70,024	\$ 231,266	\$ (161,242)	-69.72%
Capital outlay	<u>12,701</u>	<u>150,931</u>	<u>(138,230)</u>	-91.58%
	<u>\$ 82,725</u>	<u>\$ 382,197</u>	<u>\$ (299,472)</u>	-78.36%

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 2010/2011, no transfer from the general fund was budgeted or implemented. Miscellaneous revenue is interest earnings which have dropped as interest rates have generally decreased in the current economy.

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	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
REVENUES:				
Intergovernmental	\$ -	\$ 256,081	\$ (256,081)	100.00%
Miscellaneous	2,791	8,454	(5,663)	-66.99%
	<u>\$ 2,791</u>	<u>\$ 264,535</u>	<u>\$ (261,744)</u>	-98.94%

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. Because of the completion of grant projects in fiscal year 2010, overall expenditures were lower in fiscal year 2011 than the previous fiscal year.

	Fiscal Year 2011	Fiscal Year 2010	Dollar Change	Percent Change
EXPENDITURES:				
Physical environment	\$ 254,878	\$ 378,196	\$ (123,318)	-32.61%
Capital outlay	-	240,473	(240,473)	-100.00%
	<u>\$ 254,878</u>	<u>\$ 618,669</u>	<u>\$ (363,791)</u>	-58.80%

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, 2011 amounts to \$ 19,718,554 (net of accumulated depreciation). This investment includes land, construction in progress, buildings and improvements, equipment and fixtures, vehicles, and infrastructure. Major capital asset events during the fiscal year included resurfacing of sports fields (\$ 91,200) and the beginning of the Green Technology Sports Field Lighting Project (\$ 113,762). Major reductions included the auctioning of four police cars and the exchange of the police boat for a newer model. Capital assets for the year ended September 30, 2011 are summarized in the following table:

	2011	2010
Capital assets:		
Buildings and land improvements	\$ 9,935,301	\$ 9,934,138
Land	7,040,140	7,040,140
Infrastructure	5,136,446	5,121,485
Equipment and fixtures	2,250,242	2,248,974
Vehicles	1,833,654	1,939,533
Construction in progress	113,763	-
Total capital assets	<u>\$ 26,309,546</u>	<u>\$ 26,284,270</u>

Further data about the City’s capital assets can be found in Note H on pages 40-41.

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Long-Term Debt:

At the end of the fiscal year, the City had total debt outstanding of \$ 5,795,478. 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. The City assumed no new general obligation or capital lease debt during fiscal year 2011 which explains the reduction in debt outstanding.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
General obligation bonds	\$ 4,235,000	\$ -	\$ 280,000	\$ 3,955,000
Capital leases	537,755	-	166,369	371,386
Compensated absences	<u>1,432,165</u>	<u>57,379</u>	<u>20,452</u>	<u>1,469,092</u>
	<u>\$ 6,204,920</u>	<u>\$ 57,379</u>	<u>\$ 466,821</u>	<u>\$ 5,795,478</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a personal income tax and operates primarily through funds generated from sales, gasoline, and corporate income taxes. Local governments are not permitted to levy income taxes. 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 2011, 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 2012 was approved at the level of \$ 12,005,780, which represents a decrease of \$ 595,305 or 4.7% under the final budget of \$ 12,601,085 for fiscal year 2011. The operating millage rate has been set at 3.5893 mills which was equal to the “rolled back” rate 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, 2011

		Governmental Activities
ASSETS:		
Cash and cash equivalents	\$	3,131,968
Investments		8,095,310
Accounts receivable		383,121
Due from other governments		411,139
Prepays and other assets		89,064
Capital assets:		
Nondepreciable		7,153,903
Depreciable, net		12,564,651
Total assets		31,829,156
 LIABILITIES:		
Current liabilities:		
Accounts payable		538,079
Accrued payroll and related taxes		118,430
Accrued interest payable		28,840
Deposits		10,406
Licenses collected in advance		46,452
Unearned revenues		15,863
Other liabilities		4,906
Noncurrent liabilities:		
Due within one year		491,174
Due in more than one year		5,304,304
Litigation payable		75,000
Other postemployment benefit obligation liability		156,000
Total liabilities		6,789,454
 NET ASSETS:		
Invested in capital assets, net of related debt		15,392,168
Restricted for:		
Debt service		56,363
Law enforcement trust		2,925,378
Unrestricted		6,665,793
Total net assets	\$	25,039,702

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, 2011

	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	\$ 1,370,967	\$ 22,940	\$ -	\$ -	\$ (1,348,027)
Public safety	8,569,761	1,361,795	115,902	-	(7,092,064)
Physical environment	3,989,844	2,369,597	68,698	-	(1,551,549)
Transportation	40,474	-	-	-	(40,474)
Culture/recreation	1,201,806	142,928	37,771	102,386	(918,721)
Interest expense	197,849	-	-	-	(197,849)
	<u>\$ 15,370,701</u>	<u>\$ 3,897,260</u>	<u>\$ 222,371</u>	<u>\$ 102,386</u>	<u>(11,148,684)</u>
Total governmental activities					
General revenues:					
Taxes:					
Ad-valorem taxes					6,138,909
Franchise taxes					929,559
Utility service taxes					2,135,681
Intergovernmental revenues (unrestricted)					1,320,663
Miscellaneous					188,035
					<u>10,712,847</u>
					(435,837)
					<u>25,475,539</u>
					NET ASSETS AT BEGINNING OF YEAR
					<u>25,475,539</u>
					NET ASSETS AT END OF YEAR
					<u>\$ 25,039,702</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2011

	Major Governmental	
	General Fund	Garbage and Trash Fund
ASSETS:		
Cash and cash equivalents	\$ 122,164	\$ -
Investments	8,076,197	-
Due from other funds	-	792,330
Accounts receivable	372,429	-
Due from other governments	397,252	12,918
Prepaid expenditures	89,064	-
	<u>9,057,106</u>	<u>805,248</u>
Total assets	\$ <u>9,057,106</u>	\$ <u>805,248</u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts payable	\$ 343,182	\$ 187,419
Accrued payroll and related taxes	117,493	-
Due to other funds	1,925,992	-
Deposits	10,406	-
Licenses collected in advance	46,452	-
Deferred revenue	399,422	-
Other liabilities	4,382	-
	<u>2,847,329</u>	<u>187,419</u>
Total liabilities	<u>2,847,329</u>	<u>187,419</u>
 Fund balances:		
Nonspendable	89,064	-
Restricted	-	-
Committed	2,245,350	617,829
Assigned	3,750,000	-
Unassigned	125,363	-
	<u>6,209,777</u>	<u>617,829</u>
Total fund balances	<u>6,209,777</u>	<u>617,829</u>
Total liabilities and fund balances	\$ <u>9,057,106</u>	\$ <u>805,248</u>

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>
\$ 2,517,901	\$ 491,903	\$ 3,131,968
-	19,113	8,095,310
411,453	745,451	1,949,234
-	10,692	383,121
156	813	411,139
-	-	89,064
<u>2,929,510</u>	<u>1,267,972</u>	<u>14,059,836</u>
\$ 4,132	\$ 3,346	\$ 538,079
-	937	118,430
-	23,242	1,949,234
-	-	10,406
-	-	46,452
-	-	399,422
-	524	4,906
<u>4,132</u>	<u>28,049</u>	<u>3,066,929</u>
-	-	89,064
2,925,378	56,363	2,981,741
-	1,190,082	4,053,261
-	-	3,750,000
-	(6,522)	118,841
<u>2,925,378</u>	<u>1,239,923</u>	<u>10,992,907</u>
\$ <u>2,929,510</u>	\$ <u>1,267,972</u>	\$ <u>14,059,836</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, 2011

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS,
PAGE 18 \$ 10,992,907

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	\$	26,309,546	
Accumulated depreciation is		<u>(6,590,992)</u>	19,718,554

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	383,559
--------------------------------	---------

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		(4,326,386)	
Compensated absences payable		(1,469,092)	
Accrued interest payable		(28,840)	
Other postemployment benefit obligation liability		(156,000)	
Litigation payable		<u>(75,000)</u>	<u>(6,055,318)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 15 \$ 25,039,702

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, 2011

	Major Governmental	
	General Fund	Garbage and Trash Fund
REVENUES:		
Ad valorem taxes	\$ 5,721,956	\$ -
Franchise taxes	929,559	-
Utility service taxes	2,139,372	-
Licenses and permits	529,905	-
Intergovernmental revenues	1,398,147	-
Charges for services	925,538	2,102,649
Fines and forfeitures	236,984	-
Miscellaneous	36,430	47,505
	<u>11,917,891</u>	<u>2,150,154</u>
EXPENDITURES:		
Current:		
General government	1,291,841	-
Public safety	8,114,807	-
Physical environment	1,298,384	2,274,916
Transportation	40,365	-
Culture/recreation	824,582	-
Capital outlay	251,092	-
Debt service:		
Principal	166,369	-
Interest	15,625	-
	<u>12,003,065</u>	<u>2,274,916</u>
Total expenditures		
	<u>12,003,065</u>	<u>2,274,916</u>
Excess (deficiency) of revenues over expenditures	<u>(85,174)</u>	<u>(124,762)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	53,984	-
Transfers out	(167,067)	(53,984)
	<u>(113,083)</u>	<u>(53,984)</u>
Total other financing sources (uses)		
	<u>(113,083)</u>	<u>(53,984)</u>
Net change in fund balance	<u>(198,257)</u>	<u>(178,746)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>6,408,034</u>	<u>796,575</u>
FUND BALANCES AT ENDING OF YEAR	<u>\$ 6,209,777</u>	<u>\$ 617,829</u>

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

<u>Funds</u>		
Public Safety Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 416,953	\$ 6,138,909
-	-	929,559
-	-	2,139,372
-	-	529,905
-	-	1,398,147
-	339,168	3,367,355
10,289	-	247,273
11,608	100,776	196,319
<u>21,897</u>	<u>856,897</u>	<u>14,946,839</u>
-	-	1,291,841
70,024	-	8,184,831
-	272,027	3,845,327
-	-	40,365
-	237,137	1,061,719
12,701	20,499	284,292
-	280,000	446,369
-	183,950	199,575
<u>82,725</u>	<u>993,613</u>	<u>15,354,319</u>
<u>(60,828)</u>	<u>(136,716)</u>	<u>(407,480)</u>
-	167,067	221,051
-	-	(221,051)
<u>-</u>	<u>167,067</u>	<u>-</u>
(60,828)	30,351	(407,480)
<u>2,986,206</u>	<u>1,209,572</u>	<u>11,400,387</u>
\$ <u><u>2,925,378</u></u>	\$ <u><u>1,239,923</u></u>	\$ <u><u>10,992,907</u></u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011

NET CHANGES IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS, PAGE 21 \$ (407,480)

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	\$ 284,292	
Less current year provision for depreciation	<u>(696,842)</u>	(412,550)

The net effect of various miscellaneous transactions
involving capital assets (trade-ins, retirements) is
to decrease net assets. (8,284)

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

Miscellaneous revenues		(3,691)
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Repayment of debt principal is an expenditure in
the governmental funds, but the repayment reduces
long-term liabilities in the statement of net assets:

Principal payments	<u>446,369</u>	446,369
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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	1,726	
Change in compensated absences payable	(36,927)	
Change in other postemployment benefit obligation liability	<u>(15,000)</u>	<u>(50,201)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES, PAGE 16 \$ (435,837)

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, 2011

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 5,672,951	\$ 5,672,951	\$ 5,721,956	\$ 49,005
Franchise fees	975,000	975,000	929,559	(45,441)
Utility service taxes	1,852,500	1,852,500	2,139,372	286,872
Licenses and permits	399,000	434,254	529,905	95,651
Intergovernmental revenues	1,122,375	1,422,375	1,398,147	(24,228)
Charges for services	868,140	871,140	925,538	54,398
Fines and forfeitures	81,000	229,700	236,984	7,284
Miscellaneous	57,000	57,000	36,430	(20,570)
Allocation of fund balance	832,463	832,463	-	(832,463)
	<u>11,860,429</u>	<u>12,347,383</u>	<u>11,917,891</u>	<u>(429,492)</u>
EXPENDITURES:				
Current:				
General government	1,341,267	1,336,853	1,291,841	45,012
Public safety	8,078,473	8,156,701	8,114,807	41,894
Physical environment	1,322,648	1,362,219	1,298,384	63,835
Transportation	35,640	41,140	40,365	775
Culture/recreation	780,409	853,249	824,582	28,667
Capital outlay	6,000	500,947	251,092	249,855
Debt service:				
Principal	165,707	165,707	166,369	(662)
Interest	17,203	17,203	15,625	1,578
	<u>11,747,347</u>	<u>12,434,019</u>	<u>12,003,065</u>	<u>430,954</u>
Excess of revenues over expenditures	<u>113,082</u>	<u>(86,636)</u>	<u>(85,174)</u>	<u>1,462</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	53,984	53,984	53,984	-
Transfers out	(167,066)	(167,066)	(167,067)	(1)
Capital lease proceeds	-	126,675	-	(126,675)
	<u>(113,082)</u>	<u>13,593</u>	<u>(113,083)</u>	<u>(126,676)</u>
Net change in fund balance	-	(73,043)	(198,257)	(125,214)
FUND BALANCE AT BEGINNING OF YEAR	<u>6,408,034</u>	<u>6,408,034</u>	<u>6,408,034</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,408,034</u>	<u>\$ 6,334,991</u>	<u>\$ 6,209,777</u>	<u>\$ (125,214)</u>

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

CITY OF LIGHTHOUSE POINT, FLORIDA
SPECIAL REVENUE - GARBAGE AND TRASH FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2011

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Garbage/solid waste fees	\$ 2,253,000	\$ 2,253,000	\$ 2,102,649	\$ (150,351)
Miscellaneous:				
Recycling proceeds	60,000	60,000	44,768	(15,232)
Interest income	20,000	20,000	2,737	(17,263)
Total miscellaneous	80,000	80,000	47,505	(32,495)
Total revenues	2,333,000	2,333,000	2,150,154	(182,846)
EXPENDITURES:				
Physical environment:				
Trash collection:				
Operating expenditures	2,333,000	2,333,000	2,274,916	58,084
Total expenditures	2,333,000	2,333,000	2,274,916	58,084
OTHER FINANCING SOURCES (USES):				
Transfers out	(53,984)	(53,984)	(53,984)	-
Total other financing sources (uses)	(53,984)	(53,984)	(53,984)	-
Net change in fund balance	(53,984)	(53,984)	(178,746)	(124,762)
FUND BALANCE AT BEGINNING OF YEAR				
	796,575	796,575	796,575	-
FUND BALANCE AT END OF YEAR				
	\$ 742,591	\$ 742,591	\$ 617,829	\$ (124,762)

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, 2011

ASSETS:

Investments:

Money market funds	\$ 8,759,449
U.S. stock funds	7,597,105
Bond funds	5,042,611
Balanced funds	3,823,470
International stock funds	<u>1,109,576</u>

Total 26,332,211

Participant loans receivables 347,204

Total assets 26,679,415

LIABILITIES

-

NET ASSETS:

Held in trust for pension and other benefits \$ 26,679,415

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, 2011

ADDITIONS:

Contributions:

City	\$	1,112,285
Employees		<u>1,109,499</u>

Total contributions		<u>2,221,784</u>
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Investment earnings and expenses:

Interest, dividends and investment value changes	841,605
Investment expense	<u>(199,614)</u>

Net investment earnings	<u>641,991</u>
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Total additions	<u>2,863,775</u>
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DEDUCTIONS:

Benefits	1,576,036
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Refund of contributions:

City	23,863
Employees	<u>23,460</u>

Total deductions	<u>1,623,359</u>
------------------	------------------

Change in net assets	1,240,416
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NET ASSETS HELD IN TRUST FOR PENSION
AND OTHER BENEFITS:

At Beginning of the Year	<u>25,438,999</u>
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At End of the Year	\$ <u><u>26,679,415</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

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 (GAAP) in the United States 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 consist 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, 2011. 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 both levied by the City as well as those shared by the State of Florida.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

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, liabilities, fund equity, revenues, and expenditures. In accordance with GAAP, funds are organized into three major categories: governmental, proprietary, and fiduciary. As of September 30, 2011, the City had no proprietary funds.

The financial statements offer an emphasis upon the more significant sub funds within the governmental category and these are referred 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 nonmajor 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, 2011

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, 2011

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, construction in progress, 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 part of committed fund balance, except in the Public Safety Fund where the entire fund balance is presented as restricted fund balance, since they do not constitute expenditures or liabilities. At September 30, 2011, encumbrances outstanding are as follows:

General fund	\$ 325,925
Special purpose fund:	
Cultural support	519
Public safety fund	1,530
Total	\$ 327,974

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

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 absences 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 fund balance amounts in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is first effective with this financial report. The new GASB requirements seek to provide a clearer delineation of the fund balance. In the past reports, fund balance was presented as either reserved or unreserved. Under the new guidelines, the breakdown includes non-spendable or spendable balances. For the City, non-spendable for the reported fiscal year is comprised exclusively of prepaid insurance premiums.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Spendable balances are placed into four categories by GASB including restricted, committed, assigned or unassigned. To appropriately present these balances, the City Commission adopted a fund balance policy that has been implemented in this report. Restricted spendable fund balances include general obligation debt service and public safety fund balance that is comprised of Federal and State fines and forfeitures. Committed fund balances include all funds that have been determined by City Commission action including all encumbrances except for the public safety fund, minimum contingency amounts established by City Commission policy, fund balance designated for the following fiscal year's budget as part of budget adoption, and all balances non-general funds (except for restricted balances discussed earlier). Assigned fund balance is determined by the Mayor or his designee and, for this report, includes \$ 2.5 million for hurricane recovery and \$ 1.25 million for emergency bridge replacement. Any fund balance remaining after calculating the previous categories is considered unassigned under the new reporting requirements.

Subsequent events:

Subsequent events have been evaluated through March 13, 2012, which is the date the financial statements were available for issuance.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

The City uses 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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

5. The City prepares and adopts annual operating budgets for the general fund, tennis center fund, garbage and trash fund, stormwater 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 \$ 613,629 of supplemental appropriations in addition to the \$ 73,043 in encumbrances automatically added to the fiscal year 2010/2011 appropriations. The budget was increased to provide for costs associated with termination pay for retiring employees, upgrade of financial software, replacement of a fire-rescue vehicle, lighting and resurfacing of athletic fields, and increased staffing for code enforcement. Funding for the increased expenditures came from grants, building permit fees, code fines, lease purchase financing, and recreation fees.

NOTE C - PROPERTY TAX

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

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2010, upon which the 2010-2011 levy was based, was approximately \$ 1,643,289,427. 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, 2011 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. As of September 30, 2011, all non-interest bearing deposits are fully insured by the Federal Deposit Insurance Corporation and interest bearing deposits are insured 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 \$ 3,131,968 and the bank balance was \$ 3,166,635. The bank balances are considered to be insured for risk disclosure purposes.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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, 2011, the amount invested in these longer maturity securities was less than 1% of total investments. Total governmental fund investments at September 30, 2011 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>
Mutual funds	\$ 5,437,300	\$ 5,071,874	\$ 365,426	\$ -
Certificates of deposit	2,100,000	2,100,000	-	-
Money market funds	501,298	-	501,298	-
Local Government Investment pool	56,712	-	-	56,712
Total	\$ <u>8,095,310</u>	\$ <u>7,171,874</u>	\$ <u>866,724</u>	\$ <u>56,712</u>

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. At September 30, 2011, the City held \$ 3,297 in Fund A and \$ 53,415 in Fund B. The SBA will not invest in instruments of foreign banks unless they have capital, surplus, and undivided profits of over \$ 100,000,000. The City is seeking to minimize its exposure by reducing its investments with the SBA.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (continued)

- Fund A (Florida PRIME) is considered a SEC 2a7-like fund. The City owns a share of the pool not the underlying securities. The current Standard and Poor's rating is AAAM. The weighted average days to maturity are 31 days.
- 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, 2011 is estimated at 7.16 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 AAAf/S1 by Standard & Poor's with effective duration of 0.84 and weighted average maturity of 0.73 years. The 1-3 Year High Quality Bond Fund carries a Fitch Rating of AAA/V2 with effective duration of 1.57 and weighted average maturity of 1.64 years. The Intermediate High Quality Bond Fund is rated AAA/V3 by Fitch with effective duration of 3.40 and weighted average maturity of 3.59. At September 30, 2011, the total investment balance in the Florida Municipal Investment Trust was approximately \$ 1.4 million. There is no foreign currency risk with these funds.
- At September 30, 2011, 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, 2011, 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 million.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (continued)

At September 30, 2011, 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 1.0% interest and maturing February 16, 2012 and the \$ 1 million group earning a fixed 1.0% interest and maturing October 13, 2011. The latter \$ 1 million in CDARS was subsequently reinvested in one \$ 500,000 public depository CD at Florida Shores Bank at a fixed 1.0% interest to mature October 14, 2012 and one \$ 500,000 public depository CD at Bank United at a fixed 1.0% interest to mature November 2, 2012. Interest on the CDARS CD's was paid to the City monthly so as not to exceed the FDIC limit. Additionally, the City held a \$ 250,000 public funds certificate of deposit directly with Florida Shores Bank with a fixed interest rate of 1.0% annually with a maturity date of August 12, 2012 and a public depository CD of \$ 100,000 with a fixed interest rate of 1.0% maturing October 17, 2011, which was subsequently cashed and deposited in the City's operating bank account. The City also has a public depository money market account with Florida Shores Bank with an ending bank balance of \$ 41,051 at September 30, 2011. Interest rates fluctuate on the account based upon the market.

The City also held funds in two other public depository money market accounts at September 30, 2011 with \$ 455,247 in TD Bank and \$ 5,000 in Bank United.

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. All six of these plans are administered by the International City Management Association Retirement Corporation (ICMA-RC). 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, 2011 were as follows:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Money Market Funds	\$ 8,759,449	\$ 157,498	\$ 8,601,951	\$ -
U.S. Stock Funds	7,597,105	-	7,597,105	-
Bond Funds	5,042,611	-	1,271,405	3,771,206
Balanced Funds	3,823,470	-	3,823,470	-
International Stock Funds	1,109,576	-	1,109,576	-
Total	\$ 26,332,211	\$ 157,498	\$ 22,403,507	\$ 3,771,206

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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 6.74 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.

Foreign currency risk:

The ICMA-RC funds could be exposed to foreign currency risk to the extent a participant has chosen to invest in international stock funds. It is the employee who has made that choice and bears the risk based upon concentration in that particular investment.

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, 2011 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General fund	\$ -	\$ 1,925,992
Garbage and trash fund	792,330	-
Public safety fund	411,453	-
Nonmajor Funds:		
Debt service fund	7,153	-
Tennis center fund	-	13,520
Infrastructure fund	581,712	-
Special purpose fund	156,586	9,722
	<hr/>	<hr/>
Total	\$ 1,949,234	\$ 1,949,234
	<hr/> <hr/>	<hr/> <hr/>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2011

NOTE E - INTERFUND TRANSACTIONS (continued)

Interfund transfers during the year were as follows:

Fund	Transfer In	Transfer Out
Budgeted Funds:		
Major Funds:		
General fund	\$ 53,984	\$ 167,067
Garbage and trash fund	-	53,984
Nonmajor Funds:		
Tennis center fund	86,970	-
Debt service fund	53,097	-
Total budgeted funds	<u>194,051</u>	<u>221,051</u>
Nonbudgeted Funds:		
Nonmajor Funds:		
Special purpose fund	<u>27,000</u>	-
Total nonbudgeted funds	<u>27,000</u>	-
Total	<u>\$ 221,051</u>	<u>\$ 221,051</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 2011, the General Fund transferred \$ 167,067 to other funds including \$ 86,970 for the Tennis Center budgeted subsidy for facility operations; \$ 27,000 to the Special Purpose Fund for the City's Keeper Day and Lighthouse A'Glow celebrations; and \$ 53,097 to the Debt Service Fund to minimize the debt service millage rate.

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 provides for funding of stormwater management projects, is budgeted, and is funded by a special assessment to benefiting properties.

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2011

NOTE F - SPECIAL REVENUE FUNDS (continued) -

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. The special purpose fund maintains an internal allocation of the intended purposes of its fund balance. As of September 30, 2011, the allocation of fund balance for all of the individual special purpose sub funds is as follows:

Recreational Support:	
Sponsor fees for recreation programs	\$ 3,582
Playground 2007 for park development	2,220
Keeper Days for annual city anniversary	1,603
LHP A'Glow for annual holiday celebration	109
DeGross park	<u>30</u>
Total	<u>7,544</u>
Environmental:	
Beautification improvements in the City	16,639
Waterway cleanup and protection	<u>120,815</u>
Total	<u>137,454</u>
Cultural Support:	
Library	17,494
Senior outreach	1,542
Historical committee	<u>120</u>
Total	<u>19,156</u>
Bond fund	<u>11,387</u>
Capital projects fund	<u>4,164</u>
Total special purpose fund	<u>\$ 179,705</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. The balance reflects invested bond funds that are being held by the State Board of Administration in Fund B until maturity. Upon maturity, any remaining bond funds will be transferred to the Debt Service Fund to retire the bonded debt. 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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

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, 2011 was 0.2637

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011, was as follows:

	<u>Balance October 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2011</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 7,040,140	\$ -	\$ -	\$ -	\$ 7,040,140
Construction in progress	-	113,763	-	-	113,763
	<u>7,040,140</u>	<u>113,763</u>	<u>-</u>	<u>-</u>	<u>7,153,903</u>
Total capital assets, not being depreciated					
	<u>7,040,140</u>	<u>113,763</u>	<u>-</u>	<u>-</u>	<u>7,153,903</u>
Capital assets, being depreciated					
Buildings and land improvements	9,934,138	96,866	88,477	(7,226)	9,935,301
Equipment and fixtures	2,248,974	58,702	64,660	7,226	2,250,242
Infrastructure	5,121,485	14,961	-	-	5,136,446
Vehicles	1,939,533	-	105,879	-	1,833,654
	<u>19,244,130</u>	<u>170,529</u>	<u>259,016</u>	<u>-</u>	<u>19,155,643</u>
Total capital assets being depreciated					
	<u>19,244,130</u>	<u>170,529</u>	<u>259,016</u>	<u>-</u>	<u>19,155,643</u>
Total assets					
	<u>26,284,270</u>	<u>284,292</u>	<u>259,016</u>	<u>-</u>	<u>26,309,546</u>
Less accumulated depreciation for:					
Buildings and land improvements	3,003,579	253,158	80,773	-	3,175,964
Equipment and fixtures	1,561,335	246,290	64,080	-	1,743,545
Infrastructure	276,433	71,388	-	-	347,821
Vehicles	1,303,535	126,006	105,879	-	1,323,662
	<u>6,144,882</u>	<u>696,842</u>	<u>250,732</u>	<u>-</u>	<u>6,590,992</u>
Total accumulated depreciation					
	<u>6,144,882</u>	<u>696,842</u>	<u>250,732</u>	<u>-</u>	<u>6,590,992</u>
Total capital assets, being depreciated, net					
	<u>13,099,248</u>	<u>(526,313)</u>	<u>8,284</u>	<u>-</u>	<u>12,564,651</u>
Governmental activities, capital assets, net					
	<u>\$ 20,139,388</u>	<u>\$ (412,550)</u>	<u>\$ 8,284</u>	<u>\$ -</u>	<u>\$ 19,718,554</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE H - CAPITAL ASSETS (continued)

	<u>Balance October 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30, 2011</u>
Total governmental activities, capital assets, net	\$ 20,139,388	\$ (412,550)	\$ 8,284	\$ -	\$ 19,718,554
Related debt	<u>4,772,755</u>	<u>-</u>	<u>446,369</u>	<u>-</u>	<u>4,326,386</u>
Invested in capital assets, net of related debt	<u>\$ 15,366,633</u>	<u>\$ (412,550)</u>	<u>\$ (438,085)</u>	<u>\$ -</u>	<u>\$ 15,392,168</u>

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

Governmental activities:	
General government	\$ 79,252
Public safety	327,215
Physical environment	156,507
Transportation	45
Culture and recreation	<u>133,823</u>
 Total depreciation expense - governmental activities	 <u>\$ 696,842</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, 2011:

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2011</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 4,235,000	\$ -	\$ 280,000	\$ 3,955,000	\$ 290,000
Capital leases	537,755	-	166,369	371,386	146,512
Compensated absences	<u>1,432,165</u>	<u>57,379</u>	<u>20,452</u>	<u>1,469,092</u>	<u>54,662</u>
	<u>\$ 6,204,920</u>	<u>\$ 57,379</u>	<u>\$ 466,821</u>	<u>\$ 5,795,478</u>	<u>\$ 491,174</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:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE I - LONG-TERM DEBT (continued)

Year Ending September 30	Principal	Interest	Total
2012	\$ 290,000	\$ 173,040	\$ 463,040
2013	300,000	162,020	462,020
2014	315,000	150,320	465,320
2015	325,000	137,720	462,720
2016	340,000	124,314	464,314
2017-2021	1,940,000	383,546	2,323,546
2022	445,000	21,138	466,138
	<u>\$ 3,955,000</u>	<u>\$ 1,152,098</u>	<u>\$ 5,107,098</u>

Capital leases:

As of September 30, 2011, the City had obligations under four separate lease purchase agreements. 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 \$ 536,000. The following schedule presents the future minimum lease payments under these capital leases, and the present net minimum lease payments at September 30, 2011.

Year Ending September 30,	Series 2008	Series 2009	Series 2010	Total
2012	127,398	12,690	16,779	156,867
2013	110,469	9,477	16,779	136,725
2014	82,852	-	12,584	95,436
Total minimum lease payments	320,719	22,167	46,142	389,028
Less: amount representing interest	<u>15,251</u>	<u>736</u>	<u>1,655</u>	<u>17,642</u>
Present value of future minimum lease payments	<u>\$ 305,468</u>	<u>\$ 21,431</u>	<u>\$ 44,487</u>	<u>\$ 371,386</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2011

NOTE J - ACCOUNTS PAYABLE

Accounts payable at September 30, 2011 were as follows:

	Vendors	Subcontractor	Total Accounts Payable
Governmental activities:			
General fund	\$ 229,420	\$ 113,762	\$ 343,182
Garbage and trash fund	187,419	-	187,419
Public safety fund	4,132	-	4,132
Tennis center fund	2,333	-	2,333
Stormwater fund	85	-	85
Special purpose fund	928	-	928
	<u>424,317</u>	<u>113,762</u>	<u>538,079</u>
Total governmental activities	\$ <u>424,317</u>	\$ <u>113,762</u>	\$ <u>538,079</u>

NOTE K - PENSION PLAN

The City provides pension benefits for all its full-time employees through either a defined contribution or defined benefit plan. A summary of financial data can be found on pages 67-70.

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 2011, 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 2011 subject to pension contributions was \$ 2,936,839. The City made required contributions as follows:

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE K - PENSION PLAN (continued)

General employees	\$	181,018
Firefighters		40,852
Police officers		17,942
Management		<u>134,103</u>
	\$	<u><u>373,915</u></u>

The required contributions by employees were as follows:

General employees	\$	43,444
Firefighters		23,344
Police officers		7,690
Management		<u>57,473</u>
	\$	<u><u>131,951</u></u>

Defined contribution plan membership at September 30, 2011, consisted of the following:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	4	1	4	4
Terminated members entitled to, but not yet receiving benefits	11	3	2	5
Current employees:				
Fully vested	28	10	12	9
Partially vested	<u>3</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total current employees	<u>31</u>	<u>10</u>	<u>12</u>	<u>11</u>
Total membership	<u><u>46</u></u>	<u><u>14</u></u>	<u><u>18</u></u>	<u><u>20</u></u>

Investment summaries at September 30, 2011, are as follows:

<u>Investments</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
General employees:		
Money market funds	46%	
Balanced funds	36%	
U.S. stock funds	13%	
Bond funds	4%	
International stock funds	1%	
Total		\$ 2,611,532

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE K - PENSION PLAN (continued)

Investments	% of Portfolio	Fair Value
Firefighters:		
Money market funds	43%	
U.S. stock funds	33%	
Balanced funds	14%	
Bond funds	7%	
International stock funds	3%	
Total		\$ 2,637,300
Police Officers:		
Money market funds	61%	
Balanced funds	25%	
U.S. stock funds	13%	
Bond funds	1%	
Total		\$ 2,446,811
Management Employees:		
Money market funds	55%	
U.S. stock funds	19%	
Bond funds	12%	
Balanced funds	11%	
International stock funds	3%	
Total		\$ 4,527,234

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, 2011, participant loans outstanding amounted to \$ 347,204.

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 2011, the City contributed 20.44% of employee base salaries and employees contributed 14.63%. All investments, totaling \$ 8,749,897 at September 30, 2011, 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, 2011, the membership in the defined benefit pension plan consists of 52 active participants, three retirees, and one former employee who are either vested or entitled to a refund of their contributions. The plan provides for an annual 3% cost-of-living adjustment effective on the October 1 which follows the fifth anniversary of retirement. A retiree health supplement is included in the defined-benefit plan equal to \$ 3 per month for each year of service with a maximum monthly benefit of \$ 90. Healthcare cost trend does not affect this benefit. A separate audited GAAP-basis pension plan is completed annually and is available for review in the City's finance department.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE K - PENSION PLAN (continued)

An actuarial valuation was completed as of October 1, 2010 which reports a net pension obligation of \$ 138,116.

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	100%	\$ 486,135	100%

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 under 35; 6% per annum for participants between 35 and 45; 5% per annum for participants between 45 and 55; and 4% per annum for those age 55 and older

The funded status of the Plan as of October 1, 2010, the most recent actuarial valuation date is as follows:

<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a) / (c)</u>
\$ 7,008,924	\$ 7,146,306	\$ 137,382	98.1%	\$ 2,718,225	5.17%

CITY OF LIGHTHOUSE POINT, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2011

NOTE K - PENSION PLAN (continued)

Deferred Compensation Plan:

Employees may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 as amended by Congress. The 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 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 \$ 197,518 at September 30, 2011 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.

Pension costs and contributions:

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

Pension Plan	Required Contributions (Including Members)	Contributions Made (100%)	Covered Payroll	% of Contributions to Covered Payroll
General Employees - Defined Contribution				
2009	\$ 238,189	\$ 238,189	\$ 1,536,696	15.50%
2010	234,320	234,320	1,511,737	15.50%
2011	233,299	233,299	1,505,152	15.50%
Firefighter - Defined Contribution				
2009	58,770	58,770	267,135	22.00%
2010	61,608	61,608	280,036	22.00%
2011	66,594	66,594	302,698	22.00%

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE K - PENSION PLAN (continued)

<u>Pension Plan</u>	<u>Required Contributions (Including Members)</u>	<u>Contributions Made (100%)</u>	<u>Covered Payroll</u>	<u>% of Contributions to Covered Payroll</u>
Police Officer - Defined Contribution				
2009	41,280	41,280	206,401	20.00%
2010	33,603	33,603	168,011	20.00%
2011	26,771	26,771	133,857	20.00%
Management - Defined Contribution				
2009	165,141	165,141	825,701	20.00%
2010	192,617	192,617	963,087	20.00%
2011	199,027	199,027	995,132	20.00%
Police/Fire Defined Benefit				
2009	876,833	876,833	3,210,991	27.31%
2010	1,029,010	1,029,010	3,334,052	30.86%
2011	1,296,643	1,296,643	3,673,081	35.30%
Retirement Health Savings				
2009	14,865	14,865	615,941	2.41%
2010	23,134	23,134	966,499	2.39%
2011	47,215	47,215	971,079	4.86%

The City has contributed 100% of the required contributions. The increased percentage contribution for the defined benefit plans in 2011 was 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 recorded a \$ 75,000 contingent liability representing the potential payout as of September 30, 2011 in the Government-wide financial statements.

Risk management:

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

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

Grants compliance:

The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the Florida Single Audit Act, the City was not required to conduct a "single audit" for federal or state grants. The threshold for such audits is \$ 500,000 for either level of government. The City has included the expenditure of federal forfeitures under the federal grant section. The following summarizes grant activity for the year ended September 30, 2011:

<u>Grant</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Receivable</u>
Federal Grants:			
Federal Forfeitures	\$ 3,419	\$ 80,633	\$ -
Community Development Block Grant	29,596	29,596	9,016
Federal Emergency Management Agency	13,864	-	-
Total federal grants	\$ <u>46,879</u>	\$ <u>110,229</u>	\$ <u>9,016</u>
State Grants:			
Department of State - Library	\$ 8,175	\$ 8,175	\$ -
Department of Agriculture	120,386	120,386	102,386
Department of Transportation	50,698	50,698	-
Department of Law Enforcement	3,381	3,381	-
Total state grants	\$ <u>182,640</u>	\$ <u>182,640</u>	\$ <u>102,386</u>
Local Grants:			
Marine Law Enforcement	\$ 50,379	\$ 50,379	\$ 15,750
Urban Area Security Initiative	44,859	44,859	-
Total local grants	\$ <u>95,238</u>	\$ <u>95,238</u>	\$ <u>15,750</u>

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.

CITY OF LIGHTHOUSE POINT, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE M – OTHER POST EMPLOYMENT BENEFITS (continued)

At present, two former directors are receiving this benefit. Elected officials, who have served five years, are eligible to retain City health insurance at their own expense. All other employees may stay with the City’s health plan upon normal retirement but without any City contribution. An actuarial valuation was completed September 6, 2011 and reflects the most current estimate of the other postemployment benefit obligation liability. As of September 30, 2011, the net obligation was \$ 156,000. Consequently, the statement of net assets reflects this amount. The actuarial methods and assumptions are as follows:

Valuation date	June 1, 2011
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 2011/12 graded to 6.00% for fiscal year 2019/20
Ultimate rate	5.00% per annum

The net other postemployment benefit obligation outstanding as of September 30, 2011 is calculated as follows:

	As of September 30, 2011
Development of the Annual OPEB Cost	
1 ARC	\$ 46,000
2 Interest on the Net OPEB Obligation	6,000
3 Adjustment to the ARC	(12,000)
4 Total Annual OPEB Cost	<u>\$ 40,000</u>
Development of the Net OPEB Obligation	
1 Annual OPEB Cost	\$ 40,000
2 Employer Contributions	(25,000)
3 Interest on Employer Contributions	-
4 Increase in the Net OPEB Obligation	<u>15,000</u>
5 Net OPEB Obligation (beginning of year)	<u>141,000</u>
6 Net OPEB Obligation (end of year)	<u>\$ 156,000</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, 2011

NOTE M – OTHER POST EMPLOYMENT BENEFITS (continued)

Three Year Trend Information

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>	<u>Net Other Postemployment Benefit Obligation</u>
2008/2009	\$ 111,000	28%	\$ 80,000
2009/2010	\$ 115,000	43%	\$ 141,000
2010/2011	\$ 46,000	54%	\$ 156,000

The plan is not pre-funded and is therefore supported on a pay-as-you-go basis. For the latest actuarial valuation date of June 1, 2011, the actuarial accrued liability for benefits was \$ 295,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 295,000. The covered payroll was \$ 5,351,000 for fiscal year 2011, and the ratio of unfunded actuarial accrued liability to the covered payroll was 5.5%.

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. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations also reflect a long-term perspective.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LIGHTHOUSE POINT, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE LAST SIX FISCAL YEARS
 POLICE AND FIRE DEFINED BENEFIT PENSION PLAN

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded AAA (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/05	\$ 2,904,761	\$ 3,062,676	\$ 157,915	94.8%	\$ 2,296,730	6.9%
10/01/06	4,104,087	4,260,483	156,396	96.3%	2,269,045	6.9%
10/01/07	5,081,694	5,236,449	154,755	97.0%	2,782,471	5.6%
10/01/08	5,578,515	5,719,803	141,288	97.5%	2,441,440	5.8%
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 SIX 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%
09/30/2011	517,602	100%	738,370	100%

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

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded AAA (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
06/01/11	-	295,000	295,000	0.0%	5,351,000	5.5%

NOTE: There was no valuation performed in fiscal year 2009 and 2010 because it was not required.

**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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 5,672,951	\$ 5,672,951	\$ 5,532,010	\$ (140,941)
Delinquent	-	-	189,946	189,946
	<u>5,672,951</u>	<u>5,672,951</u>	5,721,956	49,005
Franchise taxes:				
Electricity	863,000	863,000	812,192	(50,808)
Solid waste	112,000	112,000	117,367	5,367
	<u>975,000</u>	<u>975,000</u>	929,559	(45,441)
Utility service taxes:				
Electricity	860,000	860,000	944,078	84,078
Water	355,000	355,000	477,545	122,545
Gas	2,500	2,500	2,163	(337)
Propane	35,000	35,000	41,697	6,697
Communications services	600,000	600,000	673,889	73,889
	<u>1,852,500</u>	<u>1,852,500</u>	2,139,372	286,872
Licenses and permits:				
Business license tax	67,000	67,000	62,429	(4,571)
Building permits	150,000	185,254	152,992	(32,262)
Plumbing permits	25,000	25,000	36,553	11,553
Electrical permits	45,000	45,000	57,321	12,321
Other	112,000	112,000	220,610	108,610
	<u>399,000</u>	<u>434,254</u>	529,905	95,651
Intergovernmental revenues:				
State revenue sharing	260,000	260,000	268,896	8,896
Alcoholic beverage license	8,000	8,000	7,191	(809)
Gasoline tax	200,000	200,000	193,594	(6,406)
Half cent sales tax	550,000	550,000	578,459	28,459
Firefighters supplemental	9,600	9,600	11,760	2,160
Motor fuel rebate	5,000	5,000	5,170	170
County occupational license	10,000	10,000	11,739	1,739
Federal grants	35,000	35,000	43,460	8,460
State grants	9,775	309,775	182,640	(127,135)
Local grants	35,000	35,000	95,238	60,238
	<u>1,122,375</u>	<u>1,422,375</u>	1,398,147	(24,228)

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued)				
Charges for services:				
Lien search fees	6,000	6,000	9,037	3,037
Zoning fees	1,000	1,000	11,155	10,155
Merchandise sales	40	40	18	(22)
Certification, copying, research	300	300	673	373
Accident reports	-	-	1,386	1,386
Fingerprinting fees	2,500	2,500	3,035	535
Alarm fees	6,000	6,000	6,550	550
Special detail fees	20,000	20,000	21,420	1,420
Fire inspection fees	20,000	20,000	22,195	2,195
Construction inspection fees	5,000	5,000	4,830	(170)
Other fees - fire	700	700	400	(300)
Ambulance fees	175,000	175,000	194,628	19,628
Special assessments - fire	568,000	568,000	577,446	9,446
Photostat and other fees	600	600	2,079	1,479
Registration - recreation	12,000	12,000	11,645	(355)
Summer recreation fees	45,000	48,000	48,146	146
Library registration	-	-	1,044	1,044
Recording fees	-	-	138	138
Commission appeals	-	-	375	375
Election fees	-	-	434	434
Other general fees	-	-	1,110	1,110
Other recreation fees	6,000	6,000	7,794	1,794
	<u>868,140</u>	<u>871,140</u>	<u>925,538</u>	<u>54,398</u>
Fines and forfeitures:				
Court fines	40,000	40,000	18,149	(21,851)
Library fines	1,000	1,000	1,254	254
Parking citations	5,000	5,000	2,770	(2,230)
Code enforcement fines	35,000	183,700	214,811	31,111
	<u>81,000</u>	<u>229,700</u>	<u>236,984</u>	<u>7,284</u>
Miscellaneous income:				
Interest income	30,000	30,000	21,043	(8,957)
Other	27,000	27,000	15,387	(11,613)
	<u>57,000</u>	<u>57,000</u>	<u>36,430</u>	<u>(20,570)</u>
Allocation of fund balance	<u>832,463</u>	<u>832,463</u>	<u>-</u>	<u>(832,463)</u>
Total revenues	<u>11,860,429</u>	<u>12,347,383</u>	<u>11,917,891</u>	<u>(429,492)</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
Legislative - commission				
Personal services	37,652	37,652	33,535	4,117
Operating expenditures	68,856	59,505	45,718	13,787
	<u>106,508</u>	<u>97,157</u>	<u>79,253</u>	<u>17,904</u>
Executive - Mayor:				
Personal services	25,913	25,913	25,403	510
Operating expenditures	18,057	23,251	17,987	5,264
	<u>43,970</u>	<u>49,164</u>	<u>43,390</u>	<u>5,774</u>
Administration/finance:				
Personal services	570,159	614,159	608,989	5,170
Operating expenditures	93,085	104,328	91,139	13,189
Capital outlay	6,000	12,500	12,183	317
	<u>669,244</u>	<u>730,987</u>	<u>712,311</u>	<u>18,676</u>
City attorney:				
Operating expenditures	127,845	115,345	112,483	2,862
Support services:				
Personal services	74,500	68,500	68,393	107
Operating expenditures	325,200	288,200	288,195	5
	<u>399,700</u>	<u>356,700</u>	<u>356,588</u>	<u>112</u>
Total general government	1,347,267	1,349,353	1,304,025	45,328
Public safety:				
Police department:				
Personal services	4,189,695	4,162,245	4,161,969	276
Operating expenditures	228,945	256,160	255,144	1,016
Capital outlay	-	30,000	3,381	26,619
	<u>4,418,640</u>	<u>4,448,405</u>	<u>4,420,494</u>	<u>27,911</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety (continued)				
Fire department:				
Personal services	2,858,780	2,874,280	2,865,985	8,295
Operating expenditures	168,227	183,290	173,620	9,670
Capital outlay	-	129,375	1,700	127,675
	<u>3,027,007</u>	<u>3,186,945</u>	<u>3,041,305</u>	<u>145,640</u>
Building department:				
Personal services	189,515	179,515	170,243	9,272
Operating expenditures	247,650	285,750	280,223	5,527
Capital outlay	-	754	754	-
	<u>437,165</u>	<u>466,019</u>	<u>451,220</u>	<u>14,799</u>
Code enforcement:				
Personal services	179,486	185,500	183,243	2,257
Operating expenditures	16,175	29,961	24,380	5,581
Capital outlay	-	1,000	832	168
	<u>195,661</u>	<u>216,461</u>	<u>208,455</u>	<u>8,006</u>
Total public safety	8,078,473	8,317,830	8,121,474	196,356
Physical environment:				
Public works:				
Personal services	1,023,673	956,173	925,135	31,038
Operating expenditures	298,975	406,046	373,249	32,797
Capital outlay	-	15,554	15,554	-
	<u>1,322,648</u>	<u>1,377,773</u>	<u>1,313,938</u>	<u>63,835</u>
Transportation:				
Community bus:				
Personal services	27,415	29,415	29,360	55
Operating expenditures	8,225	11,725	11,005	720
	<u>35,640</u>	<u>41,140</u>	<u>40,365</u>	<u>775</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture/recreation:				
Library:				
Personal services	311,915	319,115	319,034	81
Operating expenditures	81,570	87,266	79,951	7,315
Capital outlay	-	6,500	6,058	442
	<u>393,485</u>	<u>412,881</u>	<u>405,043</u>	<u>7,838</u>
Recreation department:				
Personal services	241,849	255,599	250,523	5,076
Operating expenditures	145,075	191,169	175,075	16,094
Capital outlay	-	305,364	210,628	94,736
	<u>386,924</u>	<u>752,132</u>	<u>636,226</u>	<u>115,906</u>
Total culture/recreation	780,409	1,165,013	1,041,269	123,744
Debt service:				
Principal	165,707	165,707	166,553	(846)
Interest	17,203	17,203	15,441	1,762
Total debt service	182,910	182,910	181,994	916
Total expenditures	<u>11,747,347</u>	<u>12,434,019</u>	<u>12,003,065</u>	<u>430,954</u>
Excess of revenues over expenditures	113,082	(86,636)	(85,174)	1,462
Other financing sources (uses):				
Transfers in	53,984	53,984	53,984	-
Transfers out	(167,066)	(167,066)	(167,067)	(1)
Capital lease proceeds	-	126,675	-	(126,675)
Total other financing sources (uses)	<u>(113,082)</u>	<u>13,593</u>	<u>(113,083)</u>	<u>(126,676)</u>
Net change in fund balance	-	(73,043)	(198,257)	(125,214)
FUND BALANCE AT BEGINNING OF YEAR	<u>6,408,034</u>	<u>6,408,034</u>	<u>6,408,034</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,408,034</u>	<u>\$ 6,334,991</u>	<u>\$ 6,209,777</u>	<u>\$ (125,214)</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services:				
Membership fees	\$ 50,000	50,000	\$ 54,822	\$ 4,822
Daily use fees	12,000	12,000	14,567	2,567
Revenue sharing	2,000	2,000	(3,959)	(5,959)
Lighting fees	2,000	2,000	948	(1,052)
	<u>66,000</u>	<u>66,000</u>	<u>66,378</u>	<u>378</u>
Miscellaneous:				
Interest income	500	500	(59)	(559)
Other	-	-	1,592	1,592
	<u>500</u>	<u>500</u>	<u>1,533</u>	<u>1,033</u>
Total revenues	<u>66,500</u>	<u>66,500</u>	<u>67,911</u>	<u>1,411</u>
EXPENDITURES:				
Culture/recreation:				
Personal services	134,569	134,569	134,390	179
Operating expenditures	18,900	25,300	25,166	134
Total expenditures	<u>153,469</u>	<u>159,869</u>	<u>159,556</u>	<u>313</u>
Excess (deficiency) of revenues over expenditures	(86,969)	(93,369)	(91,645)	1,724
OTHER FINANCING SOURCES:				
Transfers in	86,969	86,969	86,970	1
Total other financing sources	<u>86,969</u>	<u>86,969</u>	<u>86,970</u>	<u>1</u>
Net change in fund balance	-	(6,400)	(4,675)	1,725
FUND BALANCE AT BEGINNING OF YEAR	<u>(1,847)</u>	<u>(1,847)</u>	<u>(1,847)</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (1,847)</u>	<u>\$ (8,247)</u>	<u>\$ (6,522)</u>	<u>\$ 1,725</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services:				
Stormwater fees	\$ 300,000	300,000	\$ 266,948	\$ (33,052)
	<u>300,000</u>	<u>300,000</u>	<u>266,948</u>	<u>(33,052)</u>
Miscellaneous:				
Interest income	400	400	1,412	1,012
	<u>400</u>	<u>400</u>	<u>1,412</u>	<u>1,012</u>
Total revenues	<u>300,400</u>	<u>300,400</u>	<u>268,360</u>	<u>(32,040)</u>
EXPENDITURES:				
Physical environment:				
Operating expenditures	300,400	300,400	11,939	288,461
Total expenditures	<u>300,400</u>	<u>300,400</u>	<u>11,939</u>	<u>288,461</u>
Net change in fund balance	-	-	256,421	256,421
FUND BALANCE AT BEGINNING OF YEAR	<u>172,244</u>	<u>172,244</u>	<u>172,244</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 172,244</u>	<u>\$ 172,244</u>	<u>\$ 428,665</u>	<u>\$ 256,421</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 410,331	\$ 410,331	\$ 416,953	\$ 6,622
Miscellaneous:				
Interest income	<u>3,000</u>	<u>3,000</u>	<u>168</u>	<u>(2,832)</u>
Total revenues	<u>413,331</u>	<u>413,331</u>	<u>417,121</u>	<u>3,790</u>
EXPENDITURES:				
Debt service:				
Principal	280,000	280,000	280,000	-
Interest	183,400	183,400	183,400	-
Other	<u>2,500</u>	<u>2,500</u>	<u>550</u>	<u>1,950</u>
Total expenditures	<u>465,900</u>	<u>465,900</u>	<u>463,950</u>	<u>1,950</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>53,097</u>	<u>53,097</u>	<u>53,097</u>	<u>-</u>
Total other financing sources	<u>53,097</u>	<u>53,097</u>	<u>53,097</u>	<u>-</u>
Net change in fund balance	528	528	6,268	5,740
FUND BALANCE AT BEGINNING OF YEAR	<u>50,095</u>	<u>50,095</u>	<u>50,095</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 50,623</u></u>	<u><u>\$ 50,623</u></u>	<u><u>\$ 56,363</u></u>	<u><u>\$ 5,740</u></u>

**OTHER
FINANCIAL INFORMATION**

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Stormwater Fund - This fund was 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 - This fund 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.

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, 2011

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
ASSETS:			
Cash	\$ 100	\$ -	\$ 428,178
Investments	-	-	-
Due from other funds	-	581,712	-
Accounts receivable	10,692	-	-
Due from other governments	-	-	572
	<u>10,792</u>	<u>581,712</u>	<u>428,750</u>
Total assets	\$ <u>10,792</u>	\$ <u>581,712</u>	\$ <u>428,750</u>
 LIABILITIES AND FUND BALANCES:			
Accounts payable	\$ 2,333	\$ -	\$ 85
Accrued payroll and related taxes	937	-	-
Due to other funds	13,520	-	-
Other liabilities	524	-	-
	<u>17,314</u>	<u>-</u>	<u>85</u>
Total liabilities	17,314	-	85
 Fund balances:			
Restricted	-	-	-
Committed	-	581,712	428,665
Unassigned	(6,522)	-	-
	<u>(6,522)</u>	<u>581,712</u>	<u>428,665</u>
Total fund balances	(6,522)	581,712	428,665
Total liabilities and fund balances	\$ <u>10,792</u>	\$ <u>581,712</u>	\$ <u>428,750</u>

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 15,229	\$ 443,507	\$ 48,396	\$ 491,903
18,540	18,540	573	19,113
156,586	738,298	7,153	745,451
-	10,692	-	10,692
-	572	241	813
<u>\$ 190,355</u>	<u>\$ 1,211,609</u>	<u>\$ 56,363</u>	<u>\$ 1,267,972</u>
\$ 928	\$ 3,346	\$ -	\$ 3,346
-	937	-	937
9,722	23,242	-	23,242
-	524	-	524
<u>10,650</u>	<u>28,049</u>	<u>-</u>	<u>28,049</u>
-	-	56,363	56,363
179,705	1,190,082	-	1,190,082
-	(6,522)	-	(6,522)
<u>179,705</u>	<u>1,183,560</u>	<u>56,363</u>	<u>1,239,923</u>
\$ <u>190,355</u>	\$ <u>1,211,609</u>	\$ <u>56,363</u>	\$ <u>1,267,972</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2011

	Special Revenue		
	Tennis Center Fund	Infrastructure Fund	Stormwater Fund
REVENUES:			
Ad valorem taxes	\$ -	\$ -	\$ -
Charges for services	66,378	-	266,948
Miscellaneous	1,533	2,791	1,412
Total revenues	67,911	2,791	268,360
 EXPENDITURES:			
Current:			
Physical environment	-	254,878	11,939
Culture/recreation	159,056	-	-
Capital outlay	500	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	159,556	254,878	11,939
Excess (deficiency) of revenues over expenditures	(91,645)	(252,087)	256,421
 OTHER FINANCING SOURCES:			
Transfers in	86,970	-	-
Total other financing sources	86,970	-	-
Net change in fund balance	(4,675)	(252,087)	256,421
 FUND BALANCE AT BEGINNING OF YEAR			
	(1,847)	833,799	172,244
 FUND BALANCE (DEFICIT) AT END OF YEAR			
	\$ (6,522)	\$ 581,712	\$ 428,665

<u>Special Purpose Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 416,953	\$ 416,953
5,842	339,168	-	339,168
<u>94,872</u>	<u>100,608</u>	<u>168</u>	<u>100,776</u>
<u>100,714</u>	<u>439,776</u>	<u>417,121</u>	<u>856,897</u>
5,210	272,027	-	272,027
78,081	237,137	-	237,137
19,999	20,499	-	20,499
-	-	280,000	280,000
<u>-</u>	<u>-</u>	<u>183,950</u>	<u>183,950</u>
<u>103,290</u>	<u>529,663</u>	<u>463,950</u>	<u>993,613</u>
<u>(2,576)</u>	<u>(89,887)</u>	<u>(46,829)</u>	<u>(136,716)</u>
<u>27,000</u>	<u>113,970</u>	<u>53,097</u>	<u>167,067</u>
<u>27,000</u>	<u>113,970</u>	<u>53,097</u>	<u>167,067</u>
24,424	24,083	6,268	30,351
<u>155,281</u>	<u>1,159,477</u>	<u>50,095</u>	<u>1,209,572</u>
\$ <u><u>179,705</u></u>	\$ <u><u>1,183,560</u></u>	\$ <u><u>56,363</u></u>	\$ <u><u>1,239,923</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2011

	Defined Contribution Pension Plans				Total
	General	Fire	Police	Management	
ASSETS:					
Investments	\$ 2,611,532	\$ 2,637,300	\$ 2,446,811	\$ 4,527,234	\$ 12,222,877
Participant loans receivable	<u>142,743</u>	<u>67,122</u>	<u>95,568</u>	<u>41,771</u>	<u>347,204</u>
Total assets	2,754,275	\$ 2,704,422	2,542,379	4,569,005	12,570,081
LIABILITIES					
	<u>-</u>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS:					
Held in trust for pension and other benefits	<u>\$ 2,754,275</u>	<u>\$ 2,704,422</u>	<u>\$ 2,542,379</u>	<u>\$ 4,569,005</u>	<u>\$ 12,570,081</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 8,749,897	\$ 5,161,919	\$ 197,518	\$ 26,332,211
<u>-</u>	<u>-</u>	<u>-</u>	<u>347,204</u>
8,749,897	5,161,919	197,518	26,679,415
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,749,897</u>	<u>\$ 5,161,919</u>	<u>\$ 197,518</u>	<u>\$ 26,679,415</u>

CITY OF LIGHTHOUSE POINT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal year Ended September 30, 2011

	Defined Contribution Pension Plans				
	General	Fire	Police	Management	Total
ADDITIONS:					
Contributions					
City	\$ 181,018	\$ 40,852	\$ 17,942	\$ 134,103	\$ 373,915
Employees	<u>43,444</u>	<u>23,344</u>	<u>7,690</u>	<u>57,473</u>	<u>131,951</u>
Total contributions	<u>224,462</u>	<u>64,196</u>	<u>25,632</u>	<u>191,576</u>	<u>505,866</u>
Investment earnings (loss):					
Interest, dividend and investment value changes	(2,724)	41,608	449,492	88,640	577,016
Less investment expense	<u>25,778</u>	<u>26,320</u>	<u>24,268</u>	<u>44,816</u>	<u>121,182</u>
Net investment earnings (loss)	<u>(28,502)</u>	<u>15,288</u>	<u>425,224</u>	<u>43,824</u>	<u>455,834</u>
Total additions	<u>195,960</u>	<u>79,484</u>	<u>450,856</u>	<u>235,400</u>	<u>961,700</u>
DEDUCTIONS:					
Benefits	139,169	34,605	778,395	109,983	1,062,152
Refund of contributions:					
City	7,619	-	-	16,244	23,863
Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>146,788</u>	<u>34,605</u>	<u>778,395</u>	<u>126,227</u>	<u>1,086,015</u>
Change in net assets	49,172	44,879	(327,539)	109,173	(124,315)
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER BENEFITS:					
BEGINNING 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>
END OF YEAR	<u>\$ 2,754,275</u>	<u>\$ 2,704,422</u>	<u>\$ 2,542,379</u>	<u>\$ 4,569,005</u>	<u>\$ 12,570,081</u>

<u>Police and Fire Defined Benefit</u>	<u>Deferred Compensation</u>	<u>Retirement Health Savings Plan</u>	<u>Total</u>
\$ 738,370	\$ -	\$ -	\$ 1,112,285
<u>517,602</u>	<u>413,623</u>	<u>46,323</u>	<u>1,109,499</u>
<u>1,255,972</u>	<u>413,623</u>	<u>46,323</u>	<u>2,221,784</u>
35,171	233,833	(4,415)	841,605
<u>26,920</u>	<u>49,756</u>	<u>1,756</u>	<u>199,614</u>
<u>8,251</u>	<u>184,077</u>	<u>(6,171)</u>	<u>641,991</u>
<u>1,264,223</u>	<u>597,700</u>	<u>40,152</u>	<u>2,863,775</u>
272,328	225,059	16,497	1,576,036
-	-	-	23,863
<u>23,460</u>	<u>-</u>	<u>-</u>	<u>23,460</u>
<u>295,788</u>	<u>225,059</u>	<u>16,497</u>	<u>1,623,359</u>
968,435	372,641	23,655	1,240,416
<u>7,781,462</u>	<u>4,789,278</u>	<u>173,863</u>	<u>25,438,999</u>
\$ <u><u>8,749,897</u></u>	\$ <u><u>5,161,919</u></u>	\$ <u><u>197,518</u></u>	\$ <u><u>26,679,415</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Governmental funds capital assets:		
Land	\$ 7,040,140	\$ 7,040,140
Buildings and land improvements	9,935,301	9,934,138
Equipment and fixtures	2,250,242	2,248,974
Vehicles	1,833,654	1,939,533
Infrastructure	5,136,446	-
Construction in Progress	<u>113,763</u>	<u>-</u>
Total governmental funds capital assets	\$ <u><u>26,309,546</u></u>	\$ <u><u>21,162,785</u></u>
Investment in governmental funds capital assets by source:		
General revenues	\$ 13,761,638	\$ 13,882,552
Special revenues	3,914,318	3,914,318
County grants	3,956,039	3,956,039
State grants	405,467	276,744
Federal grants	746,545	741,722
Donations	2,971,844	2,971,344
Confiscated	<u>553,695</u>	<u>541,551</u>
Total governmental funds capital assets	\$ <u><u>26,309,546</u></u>	\$ <u><u>26,284,270</u></u>

CITY OF LIGHTHOUSE POINT, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
September 30, 2011

	Land	Buildings and Land Improvements
General government:		
Legislative	\$ -	\$ -
Executive	-	-
Finance and administration	-	-
Other general government	15,087	2,169,797
Total general government	15,087	2,169,797
Public safety:		
Law enforcement	-	3,897,728
Fire control	6,215	574,952
Building department	-	-
Code enforcement	-	-
Total public safety	6,215	4,472,680
Physical environment:		
Maintenance	2,956,880	485,759
Transportation:		
Community bus	-	-
Culture/recreation:		
Library	-	1,200,867
Recreation	4,061,958	1,606,198
Total culture/recreation	4,061,958	2,807,065
Total governmental funds capital assets	\$ 7,040,140	\$ 9,935,301

<u>Equipment and Fixtures</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 24,469	\$ -	\$ -	\$ -	\$ 24,469
1,521	-	-	-	1,521
160,293	19,080	-	-	179,373
55,306	-	-	-	2,240,190
<u>241,589</u>	<u>19,080</u>	<u>-</u>	<u>-</u>	<u>2,445,553</u>
931,953	533,374	-	-	5,363,055
356,329	894,100	-	-	1,831,596
35,024	-	-	-	35,024
21,798	26,011	-	-	47,809
<u>1,345,104</u>	<u>1,453,485</u>	<u>-</u>	<u>-</u>	<u>7,277,484</u>
189,555	318,672	5,136,446	-	9,087,312
453	-	-	-	453
182,672	-	-	-	1,383,539
290,869	42,417	-	113,763	6,115,205
<u>473,541</u>	<u>42,417</u>	<u>-</u>	<u>113,763</u>	<u>7,498,744</u>
<u>\$ 2,250,242</u>	<u>\$ 1,833,654</u>	<u>\$ 5,136,446</u>	<u>\$ 113,763</u>	<u>\$ 26,309,546</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, 2011

	Balance October 1, 2010	Additions	Deductions	Transfers	Balance September 30, 2011
FUNCTION AND ACTIVITY:					
General government:					
Legislative	\$ 24,469	\$ -	\$ -	\$ -	\$ 24,469
Executive	1,521	-	-	-	1,521
Finance and administration	184,356	12,183	14,702	(2,464)	179,373
Other general government	2,240,190	-	-	-	2,240,190
Total general government	2,450,536	12,183	14,702	(2,464)	2,445,553
Public safety:					
Law enforcement	5,479,483	16,069	132,497	-	5,363,055
Fire control	1,842,511	2,700	11,857	(1,758)	1,831,596
Building department	34,270	754	-	-	35,024
Code enforcement	47,765	44	-	-	47,809
Total public safety	7,404,029	19,567	144,354	(1,758)	7,277,484
Physical environment:					
Maintenance	9,071,084	15,556	1,550	2,222	9,087,312
Transportation:					
Community bus	453	-	-	-	453
Culture/recreation:					
Library	1,385,708	6,058	8,227	-	1,383,539
Recreation	5,972,460	230,928	90,183	2,000	6,115,205
Total cultural/recreation	7,358,168	236,986	98,410	2,000	7,498,744
Total	\$ 26,284,270	\$ 284,292	\$ 259,016	\$ -	\$ 26,309,546

CITY OF LIGHTHOUSE POINT, FLORIDA
 COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
 September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Amount available in debt service fund	\$ 56,363	\$ 50,095
Amount to be provided for the retirement of general long-term debt	<u>5,739,115</u>	<u>6,154,825</u>
Total	<u>\$ 5,795,478</u>	<u>\$ 6,204,920</u>
General long-term debt payable:		
General obligation bonds	\$ 3,955,000	\$ 4,235,000
Capital leases	371,386	537,755
Accrued compensated absences	<u>1,469,092</u>	<u>1,432,165</u>
Total	<u>\$ 5,795,478</u>	<u>\$ 6,204,920</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF LIGHTHOUSE POINT, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2011

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.

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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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

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

* The City has no business-type activities.

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

Table 1

		Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	
\$ 10,101,398	\$ 13,755,926	\$ 14,713,746	\$ 14,921,902	\$ 15,316,538	\$ 15,392,168	
1,701,725	1,021,484	5,112,882	4,529,846	3,876,033	2,981,741	
<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>6,665,793</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>	<u>\$ 25,039,702</u>	

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

	Fiscal	
	2004	2005
Expenses:		
Governmental activities:		
General government	\$ 1,259,380	\$ 1,171,742
Public safety	6,307,172	6,725,610
Physical environment	2,807,414	3,186,329
Transportation	50,684	51,022
Culture/recreation	1,027,757	1,091,936
Interest expense	247,274	253,352
	<u>\$ 11,699,681</u>	<u>\$ 12,479,991</u>
Total governmental activities expenses		
	<u>\$ 11,699,681</u>	<u>\$ 12,479,991</u>
Program Revenues:		
Charges for services:		
General government	\$ 92,604	\$ 94,712
Public safety	1,034,492	1,456,603
Physical environment	1,282,860	1,297,520
Culture/recreation	133,723	134,621
Operating grants and contributions	391,655	336,822
Capital grants and contributions	55,029	291,877
	<u>\$ 2,990,363</u>	<u>\$ 3,612,155</u>
Total governmental activities program revenues		
	<u>\$ 2,990,363</u>	<u>\$ 3,612,155</u>
Net Expense over Revenue	<u>\$ 8,709,318</u>	<u>\$ 8,867,836</u>
General Revenues:		
Taxes:		
Ad valorem taxes	\$ 5,259,301	\$ 5,762,042
Franchise taxes	792,957	838,136
Utility service taxes	1,756,771	1,783,890
Intergovernmental revenues	1,132,499	1,235,660
Miscellaneous	954,180	975,494
Special item, donation of park land	3,578,070	-
	<u>\$ 13,473,778</u>	<u>\$ 10,595,222</u>
Total general revenues		
	<u>\$ 13,473,778</u>	<u>\$ 10,595,222</u>
Change in net assets	<u>\$ 4,764,460</u>	<u>\$ 1,727,386</u>

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

Table 2

		Year									
		2006	2007	2008	2009	2010	2011				
\$	1,107,630	\$	1,140,397	\$	1,491,969	\$	1,440,339	\$	1,363,611	\$	1,370,967
	7,028,043		7,454,524		8,078,961		8,161,594		8,428,182		8,569,761
	5,948,269		3,909,260		4,007,031		4,776,528		4,413,816		3,989,844
	45,563		46,492		53,925		40,852		39,679		40,474
	1,048,900		1,138,481		1,258,251		1,141,223		1,166,238		1,201,806
	238,762		216,500		212,550		229,439		215,231		197,849
\$	<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>	\$	<u>15,370,701</u>
\$	148,617.00	\$	150,626	\$	84,577	\$	11,479	\$	13,861	\$	22,940
	1,592,243		1,759,972		1,392,705		1,256,534		1,363,035		1,361,795
	1,502,879		2,526,006		2,055,722		1,901,360		2,487,291		2,369,597
	139,381		151,540		146,133		142,078		139,700		142,928
	2,569,879		223,088		4,025,992		214,979		188,259		222,371
	222,861		1,327,828		349,741		369,768		261,156		102,386
\$	<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>4,222,017</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>	\$	<u>11,148,684</u>
\$	6,580,068	\$	7,422,102	\$	6,950,839	\$	7,080,510	\$	6,945,061	\$	6,138,909
	961,067		1,058,761		1,015,706		1,011,721		970,558		929,559
	1,764,945		1,748,164		1,768,345		1,930,017		2,116,737		2,135,681
	1,256,336		1,204,632		1,143,836		1,276,444		1,352,185		1,320,663
	1,184,453		536,918		541,360		669,478		404,863		188,035
	-		-		-		-		-		-
\$	<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>10,712,847</u>
\$	<u>2,505,562</u>	\$	<u>4,203,983</u>	\$	<u>4,372,269</u>	\$	<u>74,393</u>	\$	<u>615,949</u>	\$	<u>(435,837)</u>

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

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	1,173,485	1,099,157	1,127,986	1,229,257
Assigned	437,413	43,273	210,341	465,897
Unassigned	361,326	1,185,458	1,444,863	1,026,411
Total general fund	\$ 1,972,224	\$ 2,327,888	\$ 2,783,190	\$ 2,721,565
All Other Governmental Funds:				
Garbage and trash fund:				
Committed	\$ 170,565	\$ 198,433	\$ 312,818	\$ 432,996
Public safety fund:				
Restricted	268,068	339,716	506,944	66,483
Committed	5,957	6,748	7,918	10,084
Debt service fund:				
Restricted	30	13,836	22,253	24,731
Capital projects fund:				
Committed	6,032,738	5,084,759	1,854,691	2,672,033
Nonmajor funds:				
Committed	300,176	563,942	677,335	1,260,978
Unassigned	-	-	-	-
Total all other governmental funds	\$ 6,777,534	\$ 6,207,434	\$ 3,381,959	\$ 4,467,305

Table 3

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 67,943	\$ 66,154	\$ 393,116	\$ 363,675	\$ 414,244	\$ 89,064
-	-	-	-	-	-
1,395,358	1,310,452	1,258,087	1,208,392	2,028,184	2,245,350
709,956	2,136,490	2,569,115	3,794,819	3,823,043	3,750,000
<u>796,400</u>	<u>75,902</u>	<u>344,758</u>	<u>183,131</u>	<u>142,563</u>	<u>125,363</u>
\$ <u><u>2,969,657</u></u>	\$ <u><u>3,588,998</u></u>	\$ <u><u>4,565,076</u></u>	\$ <u><u>5,550,017</u></u>	\$ <u><u>6,408,034</u></u>	\$ <u><u>6,209,777</u></u>
\$ 432,996	\$ 1,047,626	\$ 1,121,534	\$ 861,392	\$ 796,675	\$ 617,829
53,274	144,927	3,269,697	3,290,715	2,984,981	2,925,378
12,663	12,151	132,081	-	1,225	-
51,716	78,022	45,163	43,319	50,095	56,363
1,429,294	786,384	10,903	-	-	-
1,813,308	1,813,554	1,790,913	1,318,266	1,161,324	1,190,082
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,847)</u>	<u>(6,522)</u>
\$ <u><u>3,793,251</u></u>	\$ <u><u>3,882,664</u></u>	\$ <u><u>6,370,291</u></u>	\$ <u><u>5,513,692</u></u>	\$ <u><u>4,992,453</u></u>	\$ <u><u>4,783,130</u></u>

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

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Ad valorem taxes	\$ 4,034,953	\$ 4,812,054	\$ 5,259,301	\$ 5,762,042
Franchise fees	765,128	718,263	787,205	788,445
Utility service taxes	1,744,035	1,748,939	1,757,313	1,785,206
Licenses and permits	513,472	577,195	652,083	814,855
Intergovernmental revenues	1,220,693	1,569,825	1,584,915	1,857,598
Charges for services	1,519,491	1,555,750	1,689,303	1,731,541
Fines and forfeitures	152,066	197,636	202,293	437,059
Interest income	88,441	149,746	111,222	211,407
Miscellaneous	587,566	628,338	853,609	785,674
Total revenues	10,625,845	11,957,746	12,897,244	14,173,827
Expenditures:				
General government	978,389	1,166,165	1,190,309	1,112,111
Public safety	5,338,832	5,587,354	6,044,963	6,380,681
Physical environment	2,039,742	2,084,729	2,426,329	2,477,986
Transportation	48,175	50,015	50,595	52,573
Culture/recreation	739,810	783,114	796,813	875,005
Capital outlay	620,899	2,095,126	4,242,804	1,724,411
Debt service:				
Interest	16,035	242,102	248,797	239,503
Principal	126,627	375,615	424,957	386,950
Other	142,289	2,962	2,850	2,550
Total expenditures	10,050,798	12,387,182	15,428,417	13,251,770
Excess of revenues over (under) expenditures	575,047	(429,436)	(2,531,173)	922,057
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	-
Capital leases	110,000	215,000	161,000	101,664
Net proceeds of general obligation bonds	6,169,635	-	-	-
Transfers in	256,351	375,565	335,331	2,327,284
Transfers out	(256,351)	(375,565)	(335,331)	(2,327,284)
Total other financing sources (uses)	6,279,635	215,000	161,000	101,664
Net change in fund balances	\$ 6,854,682	\$ (214,436)	\$ (2,370,173)	\$ 1,023,721
Debt service as a % of noncapital expenditures	1.5%	6.0%	6.0%	5.4%

Table 4

		Fiscal year									
		2006	2007	2008	2009	2010	2011				
\$	6,580,068	\$	7,422,102	\$	6,950,839	\$	7,080,510	\$	6,945,061	\$	6,138,909
	940,568		1,039,813		1,015,706		1,011,721		970,558		929,559
	1,761,194		1,747,964		1,763,939		1,932,024		2,120,424		2,139,372
	896,506		774,232		517,443		417,812		530,797		529,905
	4,051,484		2,762,796		2,249,872		1,587,770		1,455,493		1,398,147
	2,349,084		3,399,212		3,003,878		2,893,639		3,473,090		3,367,355
	137,530		414,700		3,427,513		273,421		346,107		247,273
	379,691		474,058		158,098		123,842		117,250		42,643
	851,267		541,190		424,998		606,343		294,943		153,676
	<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>		<u>14,946,839</u>
	1,189,441		1,375,913		1,186,532		1,285,048		1,284,206		1,291,841
	6,757,601		7,059,064		7,428,115		7,656,733		7,943,944		8,184,831
	5,116,482		3,831,248		4,233,546		4,579,722		4,254,355		3,845,327
	45,172		46,345		53,719		43,198		39,662		40,365
	973,317		1,027,277		1,016,718		1,009,842		1,013,857		1,061,719
	4,401,549		4,320,003		2,513,393		590,233		769,111		284,292
	231,707		217,256		222,993		229,641		217,673		199,025
	387,533		392,747		389,098		451,335		457,481		446,369
	813		300		5,300		550		550		550
	<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>		<u>15,354,319</u>
	<u>(1,156,223)</u>		<u>305,914</u>		<u>2,462,872</u>		<u>80,780</u>		<u>272,884</u>		<u>(407,480)</u>
	626,021		300,000		300,000		-		-		-
	104,240		102,840		700,833		47,562		63,795		-
	-		-		-		-		-		-
	1,242,569		1,015,020		481,463		306,017		118,564		221,051
	<u>(1,242,569)</u>		<u>(1,015,020)</u>		<u>(481,463)</u>		<u>(306,017)</u>		<u>(118,564)</u>		<u>(221,051)</u>
	<u>730,261</u>		<u>402,840</u>		<u>1,000,833</u>		<u>47,562</u>		<u>63,795</u>		<u>-</u>
\$	<u>(425,962)</u>	\$	<u>708,754</u>	\$	<u>3,463,705</u>	\$	<u>128,342</u>	\$	<u>336,679</u>	\$	<u>(407,480)</u>
	4.2%		4.4%		4.2%		4.5%		4.4%		4.3%

**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>
2001/02	**	**	**	**
2002/03	**	**	**	**
2003/04	**	**	**	**
2004/05	**	**	**	**
2005/06	2,414,459,670	119,103,800	43,223,817	2,576,787,287
2006/07	2,977,383,250	133,053,330	42,351,847	3,152,788,427
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
2010/11	1,853,179,980	151,485,930	42,008,397	2,046,674,307

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>
**	1,047,099,497	3.8984	**
**	1,213,593,931	4.1308	**
**	1,370,906,078	3.9669	**
**	1,536,602,273	3.8860	**
806,983,481	1,769,803,806	3.8387	68.68%
1,126,197,254	2,026,591,173	3.7823	64.28%
1,153,203,768	2,187,108,778	3.2934	65.48%
953,629,731	2,076,613,016	3.5142	68.53%
629,182,953	1,843,382,439	3.8825	74.55%
414,772,921	1,631,901,386	3.8825	79.73%

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		
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
2010/11	2010	3.6188	0.2637	3.8825	5.5530	7.6310

SOURCE: Broward County Property Appraiser's Office

Table 6

Overlapping Rates					
<u>Child Services Council</u>	<u>South Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>North Broward Hospital District</u>	<u>Hillsboro Inlet</u>	<u>Total City and Overlapping Rate</u>
0.3055	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
0.4696	0.6240	0.0345	1.8750	0.0860	20.1556

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

Taxpayer	Fiscal Year 2011			Fiscal Year 2002		
	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	\$ 20,347,620	1	1.25%	\$ 13,237,890	1	1.26%
Beacon Light Partners LTD	9,443,440	2	0.58%	4,536,310	5	0.43%
James and Suzanne Acheson	7,653,630	3	0.47%	2,929,920	9	0.28%
Sheehan Buick Pontiac GMC	7,562,110	4	0.46%	-		-
Silver Seas Hotel, Inc.	6,921,370	5	0.42%	5,616,560	2	0.54%
RPHH LLC	5,991,130	6	0.37%	-		-
Grove Gateway LLC	5,259,200	7	0.32%	-		-
J.H. and T.M. Verillo	5,041,150	8	0.31%	3,208,680	8	0.31%
Jay Lighter	4,925,810	9	0.30%	-		-
First States Investors	4,264,440	10	0.26%	-		-
Sherwood Sheehan TR	-		-	5,558,370	3	0.53%
Vernon Scott Motors	-		-	4,619,060	4	0.44%
Hollywood Pines, Inc.	-		-	4,317,300	6	0.41%
King Motor Company	-		-	4,212,750	7	0.40%
Bank of America	-		-	2,724,510	10	0.26%
Total	\$ 77,409,900		4.74%	\$ 50,961,350		4.86%

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
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
2010/11	6,380,071	273,740	6,106,331

- * Florida Statutes provide for up to a 4% discount for timely payment of property taxes.
- ** Collections in subsequent years include 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

Collected within the Fiscal Year of the Levy		Collections In Subsequent Year **	Total Collections to Date	
Amount	Percentage of Levy		Amount	Percentage of Levy
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%
6,358,133	93.53%	257,066	6,615,199	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%	212,441	7,059,103	97.93%
5,926,606	92.89%	-	5,926,606	92.89%

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

Fiscal Year	Governmental Activities		Total Primary Government
	General Obligation Bonds	Capital Leases	
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
2010/11	3,955,000	371,386	4,326,386

* 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>
33,438	1.81%	10,829	604
33,945	1.73%	10,857	587
36,337	1.55%	10,836	564
38,692	1.39%	10,836	539
41,863	1.22%	10,857	512
43,600	1.11%	10,899	485
44,515	1.14%	10,964	508
42,764	1.10%	11,020	469
**	1.02%	10,955	436
**	0.98%	10,344	418

**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>
2001/02	6,190,000	1,047,099,497	0.59%
2002/03	5,970,000	1,213,593,931	0.49%
2003/04	5,740,000	1,370,906,078	0.42%
2004/05	5,505,000	1,536,602,273	0.36%
2005/06	5,265,000	1,769,803,806	0.30%
2006/07	5,020,000	2,026,591,173	0.25%
2007/08	4,765,000	2,187,108,778	0.22%
2008/09	4,505,000	2,076,613,016	0.22%
2009/10	4,235,000	1,843,382,439	0.23%
2010/11	3,955,000	1,631,901,386	0.24%

* Source: Broward County Property Appraiser's Office

CITY OF LIGHTHOUSE POINT, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2011

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	\$ 4,326,386	100.00%	\$ 4,326,386
Broward County	355,915,000	1.27%	4,520,121
Broward District Schools	-	1.27%	-
		Total	\$ <u>8,846,507</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, 2011

The City Charter does not set a debt margin.

CITY OF LIGHTHOUSE POINT, FLORIDA
PLEGGED REVENUE COVERAGE
September 30, 2011

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
2002	10,829	260,892	6.1%	362,100,102	33,438
2003	10,857	266,272	6.0%	368,540,865	33,945
2004	10,836	271,339	5.8%	393,747,732	36,337
2005	10,836	272,691	5.1%	419,266,512	38,692
2006	10,857	270,935	4.2%	454,506,591	41,863
2007	10,899	262,616	3.6%	475,196,400	43,600
2008	10,964	258,905	4.1%	488,062,460	44,515
2009	11,020	255,738	6.0%	471,259,280	42,764
2010	10,955	255,203	10.0%	****	****
2011	10,344	256,872	11.5%	****	****

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, 2011

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 of 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 FISCAL YEARS

Function/Program	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	-
Subtotal	7	-	7	-	7	-	7	-
Public Safety:								
Police	41	4	41	5	41	5	42	4
Fire	27	-	27	-	27	-	27	-
Building	4	-	4	-	4	-	3	-
Code Enforcement	2	1	2	-	2	2	2	2
Subtotal	74	5	74	5	74	7	74	6
Public Works	16	-	16	-	16	-	16	-
Transportation	-	2	-	2	-	2	-	2
Culture/Recreation:								
Library	4	4	4	3	4	3	4	4
Recreation	5	22	4	22	4	22	4	23
Subtotal	9	26	8	25	8	25	8	27
Total authorized employees	106	33	105	32	105	34	105	35

Source: City of Lighthouse Point Adopted Budget Documents

Table 16

2006		2007		2008		2009		2010		2011	
Full-Time	Part-Time										
7	-	6	-	6	-	5	-	5	-	5	-
7	-	6	-	6	-	5	-	5	-	5	-
42	4	43	4	43	4	42	3	42	4	41	3
27	-	27	-	27	-	27	-	27	-	27	-
3	-	3	-	3	-	3	-	3	-	3	-
2	2	3	1	2	2	2	2	2	2	2	1
74	6	76	5	75	6	74	5	74	6	73	4
16	-	17	-	17	-	15	-	15	-	14	-
-	2	-	3	-	3	-	2	-	2	-	3
4	4	4	4	3	5	3	1	3	1	4	1
4	23	4	23	4	23	4	23	4	23	4	23
8	27	8	27	7	28	7	24	7	24	8	24
105	35	107	35	105	37	101	31	101	32	100	31

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

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General government:				
Square miles	2.49	2.49	2.49	2.49
Elections				
Registered voters	8,007	8,222	8,222	8,353
Votes cast in last election	1,936	3,274	3,274	2,614
Lien searches processed	*	*	*	*
Business licenses issued	*	*	*	*
Ordinances prepared and adopted	*	*	*	*
Resolutions prepared and adopted	*	*	*	*
Commission minutes prepared adopted	*	*	*	29
Agenda packets prepared	*	*	*	29
Public safety:				
Police				
Stations	1	1	1	1
Uniformed employees	32	32	33	34
Calls-for-service handled	**	**	**	**
Traffic accidents handled	**	**	**	**
Traffic citations/warnings issued	**	**	**	**
Fire				
Stations	1	1	1	1
Uniformed employees	26	26	26	26
Incidents responded to	1,769	1,587	1,196	1,454
Building				
Permits issued	1,548	1,580	1,497	1,535
Value of construction	\$ 32,054,548	\$ 35,965,191	\$ 35,664,875	\$ 37,657,625
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	44,525	47,125	42,485	44,056
Circulation	53,903	53,442	58,171	57,875
Volunteer hours	8,500	8,200	8,500	8,500
Recreation				
Facilities				
Al Fletcher Park acreage	0.50	0.50	0.50	0.50
Dan Witt Park acreage	6.00	6.00	6.00	6.00
DeGroff Park acreage	4.60	4.60	4.60	4.60
Exchange Club park acreage	14.00	14.00	14.00	14.00
Frank McDonough Park acreage	6.10	6.10	6.10	6.10
Tennis Center	1	1	1	1

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

** Data for prior years not available from Police Department

*** Circulation dropped when the City changed to a fee-for-service library for non-residents (adults over the age of 14 years) as of July 1, 2011.

**** Library was closed for expansion

Table 17

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2.49	2.49	2.49	2.49	2.49	2.49
7,841	7,317	7,540	7,578	7,771	7,622
2,614	2,614	2,614	2,614	2,614	2,614
278	263	207	246	361	346
546	522	502	509	500	481
8	10	6	5	4	8
73	61	59	60	61	50
27	27	31	28	24	28
27	28	28	24	24	24
1	1	1	1	1	1
34	33	35	35	33	33
8,251	8,806	9,122	8,387	7,925	7,986
414	422	384	314	339	362
3,768	4,248	4,485	4,308	2,086	2,530
1	1	1	1	1	1
26	26	26	26	26	26
1,226	1,241	1,246	1,202	1,242	1,293
1,945	1,667	1,444	1,801	2,288	2,322
\$ 43,886,924 \$	\$ 36,002,643 \$	\$ 22,612,828 \$	\$ 14,663,933 \$	\$ 18,457,987 \$	\$ 19,231,270
41.12	41.12	41.12	41.12	41.12	41.12
18.00	18.00	18.00	18.00	18.00	18.00
46,223	42,220	36,507	38,756	37,721	41,662
50,691	****	57,996	70,693	71,910	59,759 ***
8,672	****	8,600	8,600	8,250	8,600
0.50	0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00	6.00
4.60	4.60	4.60	4.60	4.60	4.60
14.00	14.00	14.00	14.00	14.00	14.00
6.10	6.10	6.10	6.10	6.10	6.10
1	1	1	1	1	1

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

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:				
General government				
Miles of streets	41.12	41.12	41.12	41.12
Square feet of buildings	*	*	*	*
Public safety:				
Number of police stations	1	1	1	1
Number of fire stations	1	1	1	1
Culture/Recreation:				
Libraries	1	1	1	1
Acres of parks	31	31	31	31
Number of parks	5	5	5	5

* Data not available from City departments

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

Table 18

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
41.12 55,208	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, 2011, and have issued our report thereon dated March 13, 2012. 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 13, 2012



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, 2011, and have issued our report thereon dated March 13, 2012.

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 13, 2012, 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.

City of Lighthouse Point, Florida

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, 2011, 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, 2011. 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 and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 13, 2012