

# City of Tamarac, Florida Comprehensive Annual Financial Report

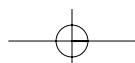
Fiscal Year Ended  
September 30, 2004

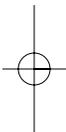
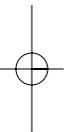
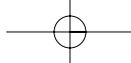


*Architect's Rendering  
New Tamarac Fire Station and Administrative Headquarters*

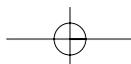


***“Committed to Excellence... Always”***





*Cover rendering provided courtesy of Miller Construction Company and Hanson Professional Services, Inc.*





**2004**  
**COMPREHENSIVE**  
**ANNUAL FINANCIAL**  
**REPORT**

OF THE  
**CITY OF TAMARAC,**  
**FLORIDA**

Fiscal Year Ended  
September 30, 2004

Prepared by the  
FINANCE DEPARTMENT

Michael C. Cernech, Interim Director of Finance  
William L. Nealon, Jr., CPA, CGFO, CIA, Controller





# **CITY OF TAMARAC, FLORIDA**

COMMISSION – MANAGER FORM OF GOVERNMENT

## **CITY COMMISSION**

**JOE SCHREIBER**, Mayor

**MARC L. SULTANOF**, Vice Mayor

**BETH FLANSBAUM-TALABISCO**, Commissioner

**KAREN L. ROBERTS**, Commissioner

**EDWARD C. PORTNER**, Commissioner

### **ADMINISTRATIVE STAFF**

Jeffrey L. Miller  
City Manager

Mitchell S. Kraft  
City Attorney

Michael C. Cernech  
Interim Director of Finance



# Our Mission



*“Committed  
to Excellence...  
Always”*

**We Are “Committed to  
Excellence...Always”**

**It is our job to foster and  
create an environment that:**

*Responds to the customer*

*Works as a team*

*Creates and innovates*

*Achieves results*

*Makes a difference*

*As stewards of the public  
trust, we value:*

*Vision*

*Integrity*

*Efficiency*

*Quality Service*

**City of Tamarac, Florida**



**CITY OF TAMARAC, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **INTRODUCTORY SECTION**

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# City of Tamarac

*"Committed to Excellence...Always"*

**Jeffrey L. Miller**  
City Manager

March 10, 2005

The Honorable Mayor, City Commissioners, and Citizens of the  
City of Tamarac:

The Comprehensive Annual Financial Report (CAFR) of the City of Tamarac, Florida, (the City), for the fiscal year ended September 30, 2004 is hereby submitted as mandated by both local ordinances and state statutes. The Florida Statutes require that all local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants.

This report consists of management's representations concerning the finances of the City of Tamarac. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Tamarac's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City, on a Government-wide and a Fund basis.

Grau & Company, P.A., a licensed certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Tamarac's financial statements for the fiscal year ended September 30, 2004, are fairly presented in conformity with GAAP.

## **CAFR Presentation**

The CAFR is presented in the following four sections:

**Introductory** – includes the table of contents, this letter of transmittal which is designed to complement the management’s discussion and analysis (MD&A) and should be read in conjunction with it, the Government Finance Officers’ Association (GFOA) Certificate of Achievement, the City’s organization chart, and the list of City principal officials.

**Financial** – includes the independent auditors’ reports, MD&A, basic financial statements, required supplemental information, and combining and individual fund statements and schedules. Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. The MD&A can be found immediately following the independent auditors’ report.

**Statistical** – includes selected financial and general information presented on a multiyear comparative basis. This information is designed to reflect social and economic data, financial trends, and the fiscal capacity of the City.

**Compliance** – includes required reports in order for the City to be in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General *Compliance Supplements*, relating to federal awards and state financial assistance. The reports included in this section are the Schedules of Expenditures of Federal and State Awards, and the auditors’ reports’ on internal controls and compliance with applicable laws and regulations. These reports disclose no instances of material weaknesses in internal control over financial reporting or significant violations of applicable laws and regulations.

## **City Profile and Governmental Structure**

Created in 1963 by the Legislature of the State of Florida, the City of Tamarac occupies approximately twelve square miles in the northwestern portion of Broward County, the second most populated county in the State. With its population of 57,726 people, the City ranks thirteenth in population among the 30 municipalities in the County. The City has been developed primarily for residential purposes, with the majority of the population consisting of retirees, although the demographics are changing as more young families move into the City.

The City is located on the semi-tropical coastal ridge between the Everglades and the Atlantic Ocean. The terrain is generally flat, with developed land elevations varying from approximately 4 to 22 feet above mean sea level. The sub-tropical climate provides comfortable living year round.

The City operates under the Commission-Manager form of government. Policy-making and legislative authority is vested in the governing commission, which consists of a Mayor and a four member Commission. The City Commission is vested with policy-setting authority, adopting the annual budget, approving purchases and services of the governmental operations, appointing committees and hiring the City’s Manager and Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the heads of the City’s departments with the concurrence of the City Commission, submission of a proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.

The City is divided into four districts with one Commissioner required to reside in each district. Electors residing within the Commission district may only vote for the City Commissioner from that district and are not entitled to vote for candidates for Commission from any other Commission district. The Mayor, who runs "at large," may live in any district. Commission members from odd-numbered districts are elected every three years, which began with the March 1993 municipal election. Commission members from even-numbered districts and the Mayor are elected every three years, which began with the March 1994 municipal election.

Prior to October 1, the City's annual budget is legally enacted through passage of an ordinance. The level of control at which expenditures may not exceed budget is at the department level. The City Commission approves these levels by annual ordinance. Appropriations lapse at year end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year. For additional budgetary information please refer to the Note to the Budgetary Comparison Schedule in the Required Supplementary Information Section.

**Local economy.** The City of Tamarac continues to experience growth in residential and commercial development. Additional revenue has been generated due to the increased number of building permits, inspections and increased property values generating higher ad valorem taxes. This is evident by a constant level of residential construction activity from 1996 that has continued into 2004. A favorable economic climate has been a magnet in attracting businesses and employees' families. The growth in new businesses also adds to the economic diversity of the area.

While much of Florida was devastated last year from four major hurricanes, South Florida managed to escape with only minor damage. Tamarac experienced some downed electrical lines, overturned trees and a fair amount of debris, but was fortunate enough to have no major structural damages.

The economy continues to improve at a slow but steady pace, although job creation has been less than anticipated. Rising oil prices and the weak dollar also contribute to the slow recovery.

South Florida has experienced major increases in the housing market. In 2004 Broward County surpassed the \$300,000 mark for the average cost of a home. This past year alone showed market value gains of greater than 20%. In Tamarac new building permits were issued for 417 multi-family units and 12 permits for commercial construction during 2004 fiscal year.

The City made significant accomplishments in supporting its mission to promote and enhance the City's economic vitality by attracting new businesses and providing a positive business environment. Occupational licenses provide a snapshot of new business activity in the City. In FY2004 there were 405 new licenses issued for new businesses. Grand openings and ground breakings for the past year include Diamante's Restaurant, Bealls Outlet Big Al's Aquarium Super Center, Big Apple Card Company Keyes Coverage, Inc. and First East Side Savings Bank. Tamarac Commerce Park continues to actively lease completed space and construction continues at Westpointe Centre.

The City continues to market itself in local, regional and national events and publications, including Outlook Magazine, which is a prominent resource for business site selections. The Economic Development promotional display was used in trade shows and other business events. The City provides support to low to moderate income Tamarac residents through housing rehabilitation and first time homebuyer assistance programs funded by the major housing and community development grants programs including the State Housing Initiative Partnership (SHIP), Community Development Block Grants (CDBG) and the Home Investments Partnership

(HOME). The City's SHIP program continues and is now in its fifth year of funding. In 2004, the City received approximately \$422,000 and assisted approximately 35 residents with either purchasing a home or assistance with minor home repair. Under the CDBG program, funding totaling \$509,000 was used to continue to assist residents with repairs. The CDBG program also provides a program whereby new businesses moving into Tamarac are eligible for a \$50,000 matching grant to make necessary repairs and modifications to existing buildings to open a new business. The HOME Investment Partnerships Program Consortium in Broward County was funded in 2004 with approximately \$140,000 for assistance to seven residents with home repairs.

**Long-term financial planning.** Of special note regarding long term financial planning; in 2004 the City achieved an upgraded credit rating. Tamarac, now has a general obligation indicator credit rating of AA- from Fitch Ratings Limited and AA from Moody's Investor Services. This improved rating will allow the City to receive better interest rates for any future long term financing.

The improved credit rating has already allowed the City to take advantage of more favorable rates when, in April of 2004, the City of Tamarac issued a Capital Improvement Revenue Bond in the amount of \$9.5 million. The proceeds of the bond are being used to finance the rehabilitation of several stormwater pump stations and for construction of a two million gallon water storage tank.

The City's new fire station, the third for the City was completed in 2004 using proceeds from the Series 2002 Sales Tax Revenue Bond. The new fire station allows the City to keep pace with the increased demand in emergency response calls and provides better service to the newly developed western area of the City. Completion of the new station also required hiring thirteen new firefighters, requiring an increase in the annual operations budget for the Fire Department.

Other projects financed by the sales tax revenue bond include the Tamarac Aquatic Center, land acquisition for additional park development and the recently completed Public Works complex. The new complex provides a one-stop-shopping location for residents and businesses to handle all of their Building Department and Public Works business with the City.

The City of Tamarac is continuing to make progress toward the creation of a Main Street project on NW 57<sup>th</sup> Street between University Drive and Nob Hill Road, which encompasses the existing community center and the newly completed Broward County library. This project will allow the City to maximize the development potential for this area, which will significantly increase its tax value and level of development. Through the application of a master plan, the City will be able to ensure the successful development of a variety of uses including residential, commercial, parks and recreation and open space. The location of the NW 57<sup>th</sup> Street Main Street Program is such that, when developed, the area will become a destination for City residents as well as residents of neighboring cities to work, shop and play. These activities will have a significant positive economic impact on the City. Construction and full development of the area is projected for completion by 2013, which will provide revenue to the City of Tamarac in the form of building permits, development agreements and increased tax revenues.

One of the major infrastructure challenges facing the City is the replacement of three stormwater pump stations located along Southgate Boulevard which provide flood protection to two-thirds of the City of Tamarac. The existing stormwater pump stations, originally built in 1972 are obsolete and are no longer able to discharge the design volume of water due to wear and tear suffered over thirty years of operation. The new pumping station, currently under construction, will have more efficient electrical pumps, reconstructed retaining walls, emergency back-up generators to provide continuous service during power outages, and a telemetry system to monitor and control the operation of the pump station as well checking the current canal level information. The cost

of this project is estimated at \$4.5 million dollars and the Stormwater Fund will partially finance \$1.4 million of the total project costs. The remaining balance of \$3.1 million is provided by the proceeds of the \$9.5 million Capital Improvement Revenue Bond and a state grant of \$500,000. Phase I of the project is planned for completion in September 2005. Phase II, which requires some land acquisition through eminent domain, is scheduled to start in Summer 2005 and completed in 2006.

Several major infrastructure projects are underway to provide sufficient potable water and fire protection and to provide adequate transport and treatment of wastewater for the residences and businesses within Tamarac. A review of the wastewater flow to Broward County for treatment indicates that there is excessive infiltration and inflow (I&I) within the wastewater collection system. The City contracts with Broward County and the City of Fort Lauderdale for wastewater treatment. There is a contractual treatment capacity of 8.01 million gallons per day of wastewater, which was increased by one million gallons per day in early 2000 that Broward County would accept from the City of Tamarac. Due to the age and type of material in some areas of the City's wastewater system, and the high water table, there is a significant contribution of groundwater and rainwater that is being transported to Broward County for treatment. Reductions in the amount of I&I in the wastewater system will increase the capacity available for actual wastewater. The cost of reducing the I&I and rehabilitating our underground sanitary sewer system is estimated at \$2.5 million dollars over the next five years. Much progress has been made in this project to date. However, this projected is expected to continue for several years into the future.

The U.S. Environmental Protection Agency (EPA) is currently setting parameters that will impact the City's water treatment process. Based on a 2002 optimization treatment study, the existing disinfection system should be abandoned and another system will need to be constructed. The EPA is establishing the criteria and methods of treatment that will be acceptable. The cost of the disinfection alternative system at the Water Treatment Plant, which is well underway, is estimated at \$1.5 million. Another new facility at the plant is needed to comply with fire flow reserve mandates as well as potable water and emergency reserve supply requirements. The construction of a two million gallon water storage tank and high service pump station is essential to maintain water supply capacity for both present and future customers. The estimated cost for this project is \$2.4 million. The project is about 60% complete and is expected to be finished in July 2005. The 2004 Series Capital Improvement Revenue Bonds will fund both of these capital projects.

Additional information on future projects can be found in the *City of Tamarac Fiscal Year 2005 Adopted Budget* under the "Capital Improvement Program" section.

### **Relevant financial policies**

To increase financial stability and to ensure the City maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures, the City of Tamarac has established a fund balance policy that sets specific ranges for fund balances as a percentage of the budget. This policy also provides for appropriation of surplus balances as well as rebuilding shortfalls.

The capital improvement plan policy was implemented in 2004 with the objectives of implementing the City's strategic plan, linking capital needs to funding, acquiring and maintaining City assets, providing orderly replacement of equipment, identifying, prioritizing, documenting funding and implementing capital projects, reducing fluctuation in demands on the City's

revenues, providing information to assist in managing the City's investment portfolio and demonstrating sound financial management to the public and financial markets.

The debt management policy is used to manage the issuance of the City's debt obligations and maintain the City's ability to incur debt and other long-term obligation at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services. This policy outlines the City's authority to issue bonds, establishes criteria that will be considered prior to the issuance of debt and states that the City will maintain a conservative debt position based on that criteria. It further states that pay-as-you-go and replacement programs will be utilized whenever feasible to avoid financing costs and the debt will only be issued if the benefits outweigh the costs of the debt. The debt management policy also addresses types of debt, structural features of debt, investment of bond proceeds, refinancing, credit objectives, disclosure, methods of sale, assembly of a financing team and arbitrage.

Another City policy that affects the budget process is the Parks and Recreation Fees and Charges Policy which sets how various fees and charges for programs and park facilities shall be set.

In addition to the policies noted, the City of Tamarac passed an ordinance of May 2004 establishing a public art program. The ordinance defines artists and artwork, establishes a Public Art Committee and establishes a separate Public Art Fund. The ordinance specifies that a public art fee will be assessed equal to 1% of construction value of improvements to real property in the City of Tamarac including all nonresidential construction or alteration for which a building permit is required, all new residential construction or redevelopment for which a building permit is required and all new public construction for which a building permit is required. It provides exceptions for non-facility infrastructure projects, remodeling, repair or reconstruction of structures damaged by fire, flood, wind, earthquake or other calamity and for affordable housing construction, remodeling, repairs or reconstruction projects, as defined by Federal, State and local programs.

## **Major Initiatives**

The City Commission reviews and updates the City's strategic plan on an annual basis. The process prioritizes major issues and provides a framework for developing work plans, schedules and resource allocation for strategic initiatives and major projects. The updated strategic plan, *Tamarac 2004: A Strategic Focus for the City of Tamarac*, builds on the strategic planning documents issued in prior years. Each focus area is defined by a strategic objective. The strategic objective identifies the purpose for the focus area and defines the scope of projects included in the strategic plan. The City's four focus areas and strategic objectives include the following:

- City and community facilities – “to provide the highest quality of infrastructure, buildings, and parks in a welcoming environment to our community.”
- Economic development and redevelopment – “to enhance the business climate to provide for the changing needs of Tamarac's citizenry and to maintain a strong tax base.”
- Management practices – “to utilize our resources efficiently and effectively to provide the highest level of services to the community.
- Enhancing City visibility – “to strengthen public awareness of the value of living, working or doing business in Tamarac.”

The City's staff is charged with the daily operations and involved in a variety of projects which are in accordance with the City's strategic plan. The City Commission determined the City's top priorities to meet the changing needs of Tamarac. The following future projects concentrate on improving infrastructure and streamlining City processes:

- Acquire and develop park land
- Develop an aquatic center
- Complete the Citywide road resurfacing program
- Continue with the stormwater enhancement projects
- Continue updating the City Code
- Create a plan for the 57<sup>th</sup> Street/Main Street project

## **Awards and Acknowledgements**

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 of Tamarac for its Comprehensive Annual Financial Report for the year ended September 30, 2003. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the sixteenth consecutive year that the City of Tamarac has received this prestigious award. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

In addition, the City received from GFOA, the "Distinguished Budget Presentation Award" for 2004 for publishing a budget document that meets the program criteria as a policy document, an operations guide, a financial plan and a communications device. This is the seventh consecutive year Tamarac received the "Distinguished Budget Presentation Award."

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report but in particular, the Accounting Division. The division is capably headed by William Nealon, Jr., CPA, CGFO, Controller, who was assisted in this year's process by Tessie Gross, Senior Accountant, Angie LoSasso, Accountant, Nathan Buchanan, Accountant, and Ricky Spencer, Accounting and Revenue Specialist. Recognition and appreciation is also given for the significant contributions made by various operating departments to the writing of this report.

In closing, credit should also be given to the Mayor and the Commission for their interest and support in planning and conducting the operations of the City of Tamarac in a responsible and progressive manner.

Sincerely,



Jeffrey L. Miller  
City Manager



Michael C. Cernech  
Deputy City Manager/  
Interim Director of Finance

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Tamarac,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

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.



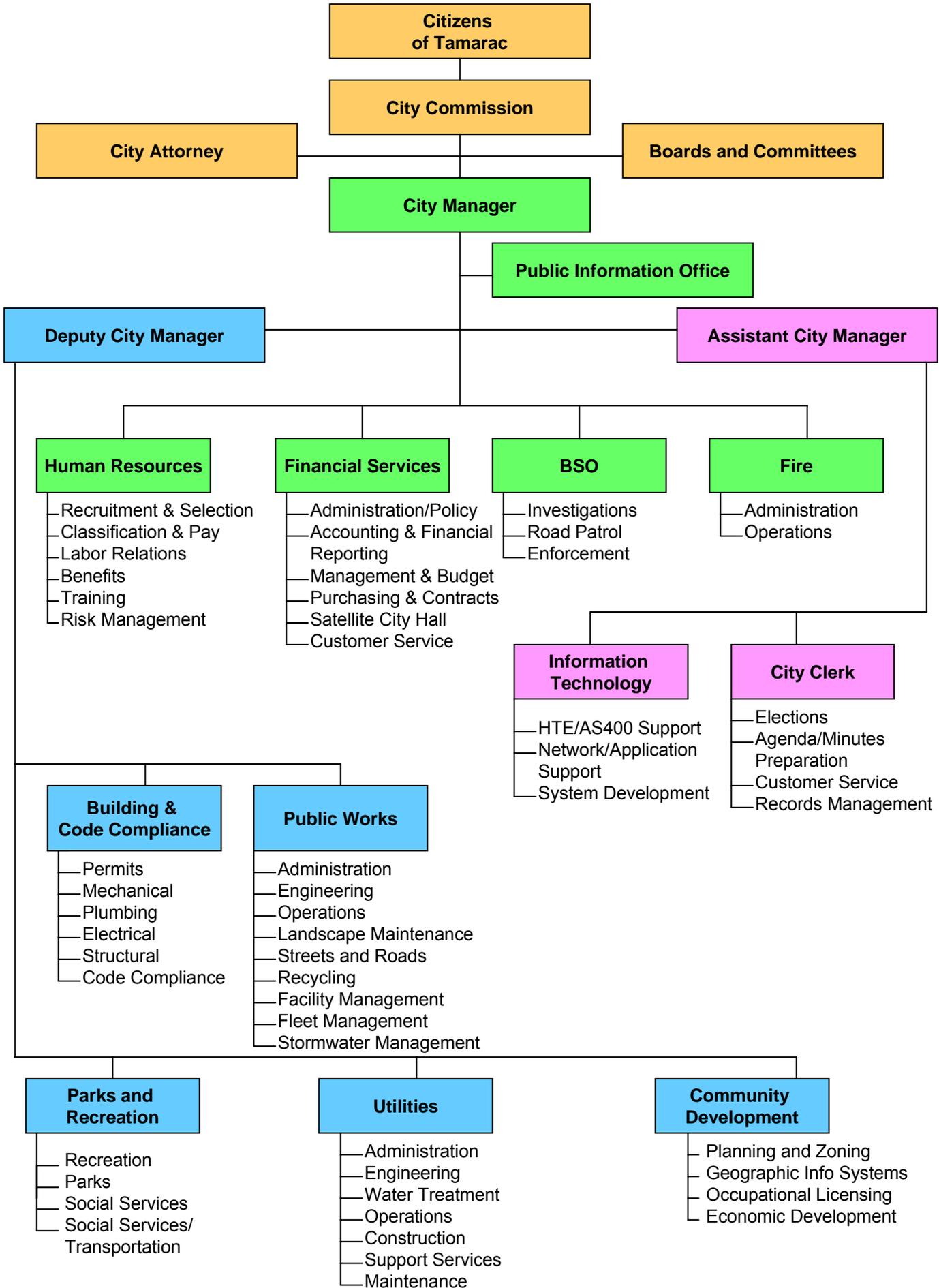
*Nancy L. Zielle*

President

*Jeffrey R. Egan*

Executive Director

# City of Tamarac Organization Chart



**City of Tamarac, Florida**  
**List of Principal Officers**  
September 30, 2004

**ELECTED OFFICIALS**

Mayor	Joe Schreiber
Vice-Mayor	Marc L. Sultanof
Commissioner	Beth Flansbaum-Talabisco
Commissioner	Karen L. Roberts
Commissioner	Edward C. Portner

**APPOINTED OFFICIALS**

City Manager	Jeffrey L. Miller
City Attorney	Mitchell S. Kraft
Assistant City Attorney	Vanessa Steinerts
Deputy City Manager	Michael C. Cernech
Assistant City Manager	Diane Phillips
Chief Building Official	Gary B. Jones
City Clerk	Marion Swenson
Director of Community Development	J. Christopher King
Interim Director of Finance	Michael C. Cernech
Director of Information Technology	Levent Sucuoglu
Director of Parks and Recreation	Kathleen Margoles
Director of Human Resources	Maria Swanson
Director of Public Works	Jack Strain
Director of Utilities	Raymond Gagnon
Fire Chief	James Budzinski
Risk & Safety Manager	Patty Tomaszewski

**FINANCE OFFICIALS**

Interim Director of Finance	Michael C. Cernech
Controller	William L. Nealon, Jr.
Purchasing and Contracts Manager	Keith Glatz
Management and Budget Officer	Chris Sammartino
Revenue Officer	Michael Cox

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager  
City of Tamarac, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tamarac, Florida (the City) as of and for the year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 100% of the assets, revenues and deductions of the fiduciary fund totals. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds are based solely on the reports of the other independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tamarac, Florida as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

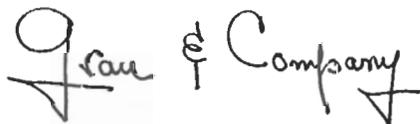
In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2005 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain laws, regulations, grants and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Honorable Mayor, City Commission and City Manager  
City of Tamarac, Florida  
Page 2

The Management's Discussion and Analysis on pages 3 through 16 and the Required Supplementary Information on pages 64 through 68, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Tamarac's basic financial statements taken as a whole. The accompanying information identified in the table of contents as combining financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards programs and state financial assistance projects is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



January 28, 2005

Except for Notes 13 and 15, as to  
which the date is March 1, 2005



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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Tamarac, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2004. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, the City's financial statements and the other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only as a part of a greater whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Tamarac exceeded its liabilities at the close of the most recent fiscal year by \$143.8 million (net assets). Of this amount, \$38.3 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$8.0 million during the current fiscal year. The City's net assets increased as a result of this year's operations. While net assets of our business-type activities increased by \$2.7 million, or nearly 4.7 percent, net assets of our governmental activities increased by \$5.3 million, or 6.7 percent.
- During the year, the City had expenses that were \$8.6 million less than the \$49.7 million generated in taxes and other revenues for governmental programs, excluding transfers and the claim settlement of \$3.7 million. This is more than last year, when revenues exceeded expenses by \$5.7 million.
- In the City's business-type activities, revenues increased by \$2.4 million (or 11.8 percent) while expenses increased by \$1.0 million or 5.3 percent.
- Total cost of all of the City's programs increased by \$3.5 million, or 9.3 percent with no new major programs added this year.
- The General Fund's fund balance increased by \$3,486,000 for the year ended September 30, 2004.
- At the end of the current year, fund balance for the General Fund was \$13.7 million, or 38.0 percent of total general fund expenditures and operating transfers. Of this amount, \$5.3 million is *designated* for economic stabilization, capital project and subsequent year's rollovers, as well as the first quarter of fiscal year 2005 budget amendment. The remaining reserved fund balance of \$3.4 million is restricted for encumbrances, police training and the lawsuit settlement of \$3.2 million. These unreserved designations are in compliance with the City's fund balance policy.
- The City's total debt increased by \$7.2 million or 18.4 percent with the issuance of the Series 2004 Capital Improvement Revenue Bonds.

## OVERVIEW OF THE FINANCIAL STATEMENTS

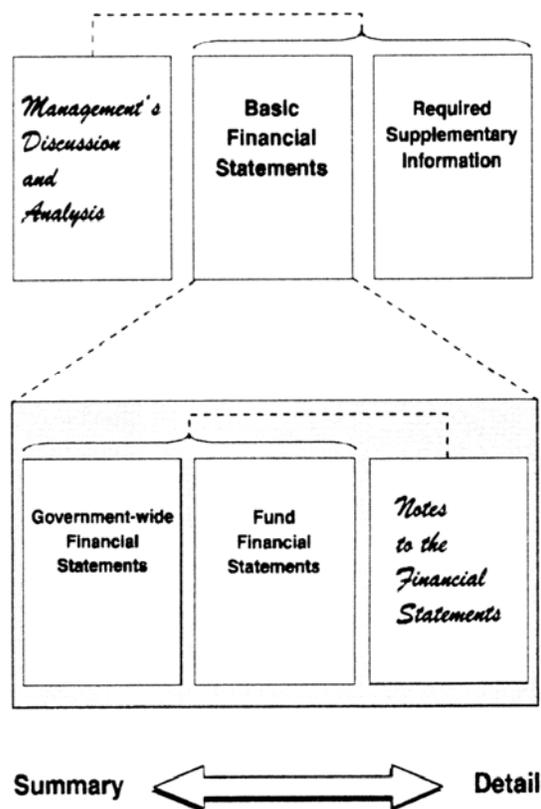
This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements, required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- Within the government wide financial statements, the first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements.
- The *governmental funds* statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the stormwater operations, the water and wastewater systems.
- *Fiduciary funds* statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of those parties outside of the government.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another. In addition to these required elements, we have included a section with combining statements that provides details about our nonmajor governmental funds and internal service fund, each of which is added together and presented in single columns in the basic financial statements. Combining statements are also presented for the fiduciary funds. The individual internal service fund is also included, reflecting balances prior to their elimination from the government wide financial statements, to avoid a “doubling-up” effect within the governmental and business-type activities columns of said statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Tamarac’s finances, in a manner similar to a private-sector business.

Figure A-1  
Required Components of  
City’s Annual Financial Report



The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Tamarac is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Tamarac include fire and rescue, police services provided by Broward's Sheriff Office, public works, parks and recreation, bus transportation, code compliance, planning and zoning, economic development and general administration services. The business-type activities of the City include the water and wastewater systems and the stormwater operations.

In addition, the City has three separate single-employer defined benefit plans and three defined contribution plans for the City Manager, City Attorney, executive and managerial/professional employees under contract with the International City Management Association Retirement Corporation for which the City acts as an agent for participants. The pension plans are reported as Fiduciary Funds in the fund financial statements of this report, but are not included in the government-wide statements.

The government-wide financial statements can be found on pages 17 to 18 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tamarac, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Tamarac can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Tamarac maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire & Rescue Special Revenue Fund, Public Service Facilities and Capital Project Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund, the Special Revenue Fire Rescue Fund and the nonmajor funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19 to 22 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and stormwater operations.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its risk management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities and stormwater operations, both of which are considered to be major funds of the City. Conversely, both enterprise and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 23 to 25 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Tamarac's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 26 to 27 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 to 63 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Tamarac's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on beginning on pages 69 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Summary of net assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's net assets exceeded liabilities by \$143.8 million, which is an improvement in overall financial position from last year of 5.9%. There are six basic transactions that will affect the comparability of the Statement of Net Assets summary presentation as reflected below:

- 1) **Net results of activities** will impact (increase/decrease) current assets and unrestricted net assets.
- 2) **Borrowing for capital** will increase current assets and long-term debt.
- 3) **Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. There is a second impact: an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.
- 4) **Spending of non-borrowed current assets on new capital** will reduce current assets, increase capital assets, reduce unrestricted net assets, and increase invested in capital assets, net of debt.
- 5) **Principal payment on debt** will reduce current assets, reduce long-term debt, reduce unrestricted net assets, and increase invested in capital assets, net of debt.
- 6) **Reduction of capital assets through depreciation** will reduce capital assets and invested in capital asset, net of debt.

The City's combined net assets were increased to \$143.8 million between fiscal years 2003 and 2004—(see Table 1). Looking at the net assets and net expenses of governmental and business-type activities separately, two very different stories emerge. Net assets of the City's governmental activities increased by \$5.3 million or 6.7 percent to \$84.8 million. However, the largest portion of the net assets (61 percent) is restricted as to the purpose they can be used for or are invested in capital assets (land, buildings, streets, sidewalks, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1**  
**City of Tamarac's Net Assets**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2003-2004
	2003	2004	2003	2004	2003	2004	
Current and other assets	\$ 38.3	\$ 34.1	\$ 26.3	37.4	\$ 64.6	\$ 71.3	10.4%
Capital assets	75.6	87.1	47.5	48.1	123.1	135.4	10.0%
<b>Total assets</b>	<b>113.9</b>	<b>121.2</b>	<b>73.8</b>	<b>85.5</b>	<b>187.7</b>	<b>206.7</b>	<b>10.1%</b>
Long-term debt outstanding	29.4	26.4	14.0	21.7	43.4	48.1	10.8%
Other liabilities	5.0	10.0	3.4	4.8	8.4	14.8	76.2%
<b>Total liabilities</b>	<b>34.4</b>	<b>36.4</b>	<b>17.4</b>	<b>26.5</b>	<b>51.8</b>	<b>62.9</b>	<b>21.4%</b>
Net assets							
Invested in capital assets, Net of related debt	48.8	62.2	33.3	26.0	82.1	88.2	7.4%
Restricted	11.3	12.9	3.1	4.4	14.4	17.3	20.1%
Unrestricted	19.4	9.7	19.9	28.6	39.3	38.3	(2.5)%
<b>Total net assets</b>	<b>\$ 79.5</b>	<b>\$ 84.8</b>	<b>\$56.3</b>	<b>\$59.0</b>	<b>\$135.8</b>	<b>\$143.8</b>	<b>5.9%</b>

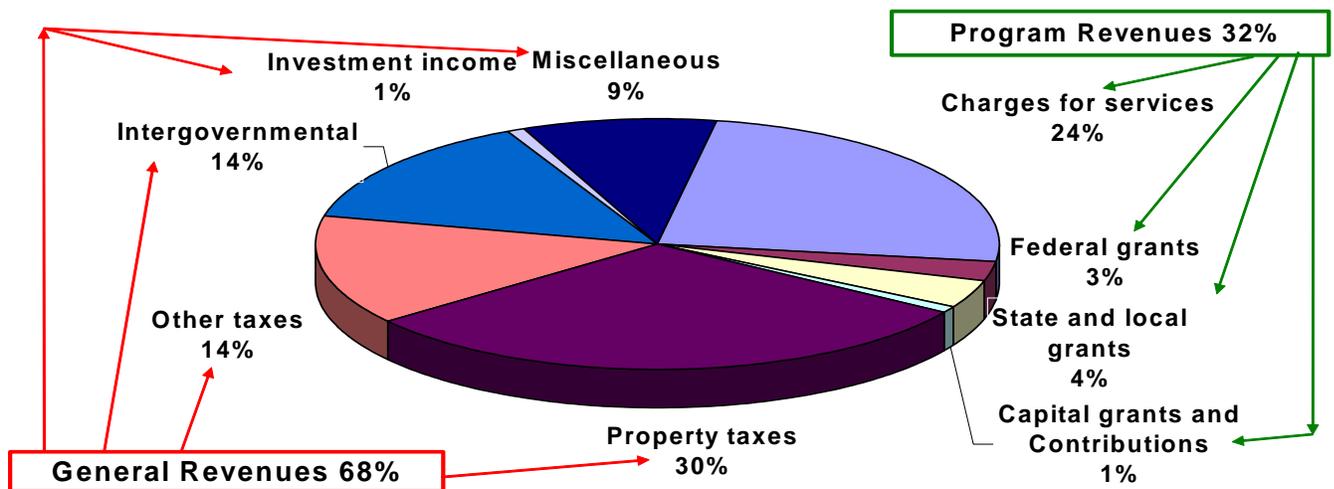
An additional portion of the City's net assets (\$17.3 million or 12.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$38.3 million) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Tamarac is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$8.7 million in *unrestricted net assets* reported in connection with the City's business-type activities. Most of this increase came from the additional water and wastewater revenues resulting from an increase in fees. The City's business-type total net assets increased by \$2.7 million, or 4.7 percent during the current fiscal year. This increase represents the degree to which increases in ongoing revenues have outpaced the ongoing expenses. Other factors attributable to the increase of resources include water and wastewater impact fees and a continued growth in operating and capital grants.

Consequently, unrestricted net assets of governmental activities showed a \$9.7 million decrease at the end of the fiscal year. Even though, there were additional franchise revenues totaling \$2.4 million, the primary reason for a decrease in unrestricted governmental net assets was from a \$3.7 million judgment against the City and a reduction of \$6.6 million in the Public Service Facilities Capital Project Fund.

**Figure A-2  
Revenues By Source - Governmental Activities**



The City's total revenues increased by 13.8 percent to \$72.5 million (see Table 2). Nearly one third of the City's revenues come from property taxes, and 44 cents of every dollar raised comes from some type of tax (see Figure A-2). Another quarter comes from fees charged for services, and most of the rest is federal, state and local aid.

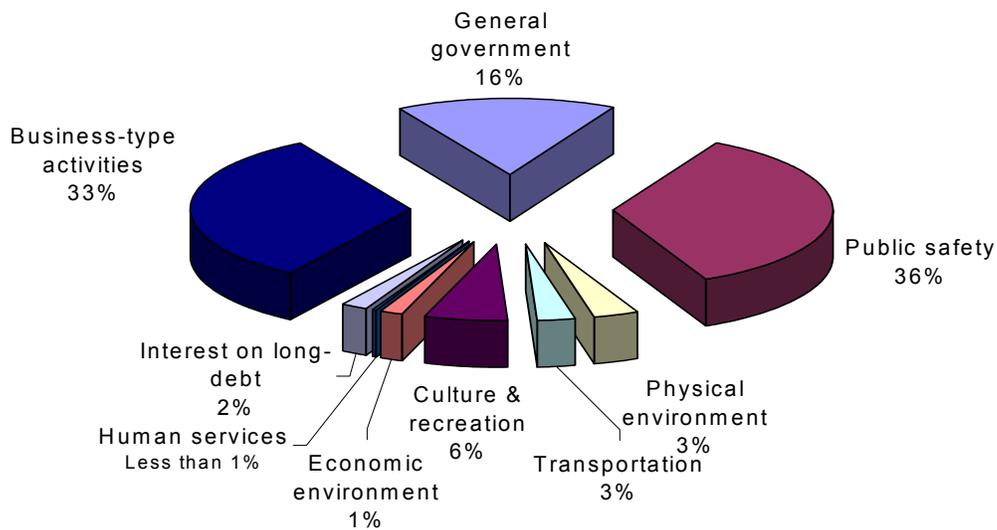
**Summary of changes in net assets.** The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) **Economic condition** can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) The City Commission has significant authority to set **increases or decreases in City's rates** (water, wastewater, stormwater, permitting, impact fees, user fees, etc.).
- 3) **Changing patterns in intergovernmental and grant revenues** (both recurring and non-recurring) can significantly change and impact the annual comparisons.
- 4) **Market impacts on investment income** may cause investment revenues to fluctuate from the prior year.

Some other basic impacts on expenses are reflected below:

- 1) **Introduction of new programs** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent 70% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses may experience unusual commodity specific increases.

**Figure A-3  
Functional Expenses for Fiscal Year 2004**



The City's expenses cover a range of services, with about two-thirds related to public safety and business-type activities (see Figure A-3). For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

## Governmental Activities

Revenues for the City's governmental activities increased 14.7 percent (from \$43.3 million to \$49.7 million), while the expenses increased 9.3 percent (\$37.6 million to \$41.1 million). The increase in net assets for governmental activities was expanded to \$5.2 million in 2004. This compares to a \$6.0 million increase in 2003.

The following functional activities that had expense increases compared to last fiscal year were: public safety (increased by \$2.4 million), general government (increased by \$900,000), culture/recreation (increased by \$200,000) and physical environment (increased by \$100,000). Compared to last year, the expenses for human services decreased by \$100,000 and interest expense decreased by \$100,000. The City recognized a \$3.7 million special charge as a result of unfavorable lawsuit decision (see Note 13 on page 61 for additional information).

**Table 2**  
**Changes in City of Tamarac's Net Assets**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2003	2004	2003	2004	2003	2004	2003-2004
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 9.4	\$ 12.1	\$18.0	\$19.8	\$27.4	\$31.9	16.4%
Federal grants	0.5	1.3	--	--	0.5	1.3	160.0%
State and local grants	1.7	1.8	--	--	1.7	1.8	5.9%
Capital grants and contributions	2.9	4	2.0	2.6	4.9	3.0	(38.8)%
<b>General revenues</b>							
Property taxes	13.8	15.0	--	--	13.8	15.0	8.7%
Other taxes	6.2	7.1	--	--	6.2	7.1	14.5%
Intergovernmental	4.9	7.0	--	--	4.9	7.0	42.9%
Investment income	0.7	0.5	0.4	0.4	1.1	.9	(18.2)%
Miscellaneous	3.2	4.5	--	--	3.2	4.5	40.6%
<b>Total revenues</b>	<b>43.3</b>	<b>49.7</b>	<b>20.4</b>	<b>22.8</b>	<b>63.7</b>	<b>72.5</b>	<b>13.8%</b>
<b>Expenses</b>							
General government	8.9	9.8	--	--	8.9	9.8	10.1%
Public safety	19.1	21.5	--	--	19.1	21.5	12.6%
Physical Environment	1.9	2.0	--	--	1.9	2.0	5.3%
Transportation	1.7	1.7	--	--	1.7	1.7	0.0%
Culture and recreation	3.6	3.8	--	--	3.6	3.8	5.6%
Economic environment	0.8	0.9	--	--	0.8	0.9	12.5%
Human services	0.3	0.2	--	--	0.3	0.2	(33.3)%
Interest on long-debt	1.3	1.2	--	--	1.3	1.2	(7.7)%
Utilities	--	--	15.6	16.7	15.6	16.7	7.1%
Stormwater	--	--	3.2	3.1	3.2	3.1	(3.1)%
<b>Total expenses</b>	<b>37.6</b>	<b>41.1</b>	<b>18.8</b>	<b>19.8</b>	<b>56.4</b>	<b>60.9</b>	<b>8.0%</b>
Excess before transfers and special item	5.7	8.6	1.6	3.0	7.3	11.6	58.9%
Special Item – claim settlement	--	(3.7)	--	--	--	(3.7)	--
Transfers	0.3	0.3	(0.2)	(0.3)	.1	--	--
<b>Increase in net assets</b>	<b>\$ 6.0</b>	<b>\$ 5.2</b>	<b>\$ 1.4</b>	<b>\$ 2.7</b>	<b>\$ 7.4</b>	<b>\$ 7.9</b>	<b>6.8%</b>

*Note: Totals may not add due to rounding.*

## Governmental Activities

The City's management took major actions this year to maintain current revenues and to control expenses:

In fiscal year 2004, the City did not have a millage increase. Most of the City's revenue sources were above the final budget estimates. The actual revenues collected from the

electric and solid waste franchise fees exceeded the revenue estimates by approximately \$1.0 million. Operating and capital grants totaled \$3.5 million for public safety, parks and recreation and hurricane preparation and clean-up costs. The City's total expenditures were less than budgeted by \$3.1 million due to staff vacancies and unused departmental expenditures. The total cost of all programs and services increased by \$3.5 million or 9.3 percent (see Table 2).

Table 3 presents the cost of each of the City's four largest services—public safety, general administration, parks and recreation, and physical environment—as well as each service's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these services.

- The cost of all *governmental* activities this year was \$41.1 million. Some of that cost was financed by:
  - Those who directly benefited from the programs through charges for services (\$12.1 million), or
  - Other governments and organizations that subsidized certain programs from operating and capital grants and contributions (\$3.5 million).
- The City financed the remaining \$25.5 million “public benefit” portion of governmental activities with \$22.1 million in taxes, and with other revenues such as interest and unrestricted state aid.

**Table 3**  
**Net Cost of City's Governmental Activities**  
*(in millions of dollars)*

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2003	2004	2003-2004	2003	2004	2003-2004
Public safety	\$ 19.1	\$21.5	12.6%	\$12.2	\$11.3	(7.4)%
General government	8.9	9.8	10.1%	7.6	8.3	9.2%
Parks and recreation	3.6	3.8	5.6%	0.2	2.7	1250.0%
Physical environment	1.9	2.0	5.3%	0.0	0.0	0.0%
Transportation	1.7	1.7	0.0%	1.7	1.7	0.0%
Other	2.4	2.3	(4.2)%	1.4	1.5	7.1%
<b>Total</b>	<b>\$37.6</b>	<b>\$41.1</b>	<b>9.3%</b>	<b>\$23.1</b>	<b>\$25.5</b>	<b>10.4%</b>

### Business-type activities

Revenues of the City's business-type activities increased 11.8 percent to \$22.8 million and expenses increased 5.6 percent to \$19.8 million (see Table 2). Factors contributing to these results included:

- Water and wastewater fees were increased resulting in additional operating revenues of \$1.9 million or 11.2 percent from the prior year. Operating expenses including depreciation increased by \$1.3 million or 8.7 percent.
- Stormwater operating revenues decreased slightly by \$50,000 from the prior fiscal year. Operating expenses including depreciation decreased by \$350,000.
- There was no change of investment income from the prior year as a result of the low market interest rates.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed the year, its governmental funds reported combined fund balances of \$25.1 million, or a decrease of \$3.5 million compared to last year's combined fund balances of \$28.6 million. Included in this year's total change in fund balances is a \$10.6 million excess of revenues over expenditures in the City's General Fund. The primary reasons for the General Fund's excess mirror those highlighted in the analysis of governmental activities. In addition, these other changes in fund balances should be noted:

- The franchise fees and utility taxes totaled \$6.2 million and exceeded the annual budget by \$1.7 million.
- The City incurred \$3.3 million of expenditures this year on the Street Resurfacing Project, reducing the fund balance in the capital projects funds. Although these and other capital expenditures reduce the available fund balances, they create new assets for the City in the Statement of Net Assets (see the notes in the financial statements).
- In the same way, the fund balance of the Public Service Facilities Capital Fund decreased by \$6.5 million with the purchase of various land parcels and the opening of Sunset Point Park, a new fire station and the development services building.

### **General Fund Budgetary Highlights**

Over the course of the year, the City amended the General Fund budget three times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to capital improvement projects and prior year encumbrances; and (2) supplemental appropriations made at quarterly amendments to recognize and appropriate grant revenues which were received after the Adopted Budget, and to provide appropriations for various other needs which have arisen since the adoption of the budget. Even with these adjustments, actual disbursements were \$3.9 million below final budgeted amounts. Of this amount, \$2.7 million is designated for future projects and prior year's encumbrances. The most significant contributor to this variance was a significant decrease of police service costs and various departmental savings due to staff vacancies and turnover.

The fiscal year 2004 amended final budget \$40,150,914 increased by 9.7 percent over the original General Fund budget of \$36,590,200 primarily for the purposes of carrying over expenditures not completed during the previous fiscal year. Correspondingly, the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers South Urban area for the past year was 3.1 %. Beyond base revenues of \$35,969,700 and \$256,600 in operating transfers from the Enterprise Funds, the Adopted Budget is balanced using fund balance of \$363,900. The original General Fund budget consists of \$29,646,400 base expenditures and \$6,943,800 in operating transfers to the other funds. The difference between the final amended budget and actual operating transfers was \$1,677,780. As a result of the closure of the two internal services funds, the transfers increased by \$1,421,180.

Differences between the original budget and the final amended budget increased appropriations by \$3,560,714 and can be briefly summarized as follows:

- ◆ \$1,797,275 in operating transfer increases to other funds to fund costs of the recently negotiated contract with the firefighters union, to purchase property for park expansion, and to eliminate the deficit in the general obligation debt service fund.
- ◆ \$32,000 in miscellaneous increases in general government activities
- ◆ \$205,000 in increases allocated to parks and recreation
- ◆ \$282,300 in increases allocated to physical environment

- ◆ \$1,526,439 in carry forward of prior year commitments and capital projects for all departments.

Of this increase, \$261,275 was to be funded from additional one-time sanitation revenues and the remaining \$3,299,439 was to be budgeted from available fund balance. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon the unreserved fund balance.

The difference between the estimated revenues and the actual revenues in the General Fund was approximately \$1.65 million for FY 2004. The primary reasons for this variance were one-time increases in franchise revenues, increased state revenues driven by the expanding economy, and increased building permit, plan review, and engineering revenues driven by the strong real estate and building market.

The difference between the appropriations and the actual expenditures in the General Fund was approximately \$3.9 million for fiscal year 2004. These variances are explained below:

- Approximately \$1,000,000 in salary and benefits costs was under budget due to vacant positions during the fiscal year.
- Cost reductions totaling \$296,000 from the contract with the Broward Sheriff's Office for police protection resulting from vacant positions during the fiscal year.
- Professional services (engineering, legal, consultant and other contractual services) and miscellaneous operating expenses were below budget estimates by \$532,000.
- Contingency funding totaling \$281,000 in the general government activities was not expended during the fiscal year.
- Operating transfers totaling \$177,000 to the Grants Fund was not needed for cash match requirements.
- Various capital projects of \$848,000 for all departments were not completed during the fiscal year and will be carried forward to the next fiscal year.
- Various expenditures of \$434,000 for all departments were not completed during the fiscal year and will be carried forward to next fiscal year.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets** (See Table 4). The City of Tamarac's investment in capital assets for its governmental and business type activities as of September 30, 2004, amounts increased by \$12.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements, park facilities, and stormwater infrastructure. The total increase in the City of Tamarac's investment in capital assets for the current fiscal year was 10.5 percent.

**Table 4**  
**City of Tamarac's Capital Assets**  
*(net of depreciation, in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003-2004</b>
Land	\$ 7.3	\$ 11.7	\$ 0.5	\$ 0.5	\$ 7.8	\$ 12.2	56.4%
Buildings	13.3	19.8	0.9	1.0	14.2	20.8	46.5%
Improvements other than buildings	0.2	3.7	40.7	40.9	40.9	44.6	9.0%
Equipment	3.4	4.3	0.9	0.7	4.3	5.0	16.3%
Infrastructure	47.0	47.6	2.6	1.8	49.6	49.4	(0.4)%
Construction in progress	4.3	0.0	1.3	3.2	5.6	3.2	(42.9)%
<b>Total</b>	<b>\$ 75.5</b>	<b>\$ 87.1</b>	<b>\$ 46.9</b>	<b>\$ 48.1</b>	<b>\$ 122.4</b>	<b>\$ 135.2</b>	<b>10.5%</b>

For the governmental activities, this year's major capital asset additions before depreciation equaled \$18.2 million and include the following:

- The street resurfacing and median beautification project totaled \$3.3 million and is in the final stages of completion.
- Various parcels of land were purchased for \$4 million and will be used for the future Swim Central complex and other recreational open space purposes. The City is currently pursuing reimbursement from state and local grants.
- Twenty new vehicles including five new fire and rescue were purchased as well as replacement of equipment (safety, computers, radios, maintenance equipment, etc.).
- Sunset Point Park and Caporella Park were completed at a cost of \$1.5 million. These construction costs were funded through federal, state, and local grants.
- The new Public Service Complex and the third Fire Station were completed at a cost of \$6.3 million.

For the business-type activities, of the \$2.9 million increase in capital assets before depreciation and an increase of construction-in-progress projects totaling \$1.9 million, the majority was for equipment and improvements to the water and wastewater systems. Major capital assets events during the current fiscal year included the following:

- Construction began on the three stormwater pumping stations, two million gallon water storage tank and the alternative disinfection system; construction in progress as of close of the fiscal year had reached \$3.2 million.
- Various lift stations, stormwater drainage and water mains rehabilitation projects were completed at a cost of \$1.4 million.
- Developers contributed water distribution and wastewater systems an estimated cost of \$1.1 million.

The City's fiscal year 2005 capital budget calls for spending another \$6.8 million for capital projects, principally for the completion of the park development, aquatic center complex, new telephone system, water and wastewater improvements. The City will use the funding from General Capital Projects Fund and remaining bond proceeds from the Series 2002 Sales Tax Revenue Bonds and Series 2004 Capital Improvement Bonds as well as grant funding.

Additional information on the City's capital assets can be found in Note 5 on pages 43 and 44 of this report.

**Long-term debt.** At year-end the City had \$46.3 million in bonds outstanding— an increase of 18.4 percent over last year— as shown in Table 5. Of this amount, \$4.4 million comprises debt backed by the full faith and credit of the government and \$41.9 million is revenue bonds backed by specific taxes and fee revenues. The key factor in this increase was a \$9.5 million issuance. The debt position of the City is summarized below:

**Table 5**  
**City of Tamarac’s Debt**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2003	2004	2003	2004	2003	2004	2003-2004
General obligation bonds	\$ 5.0	\$ 4.4	\$ -	\$ -	\$ 5.0	\$ 4.4	(12.0)%
Revenue bonds and notes	20.5	19.8	13.6	22.1	34.1	41.9	22.9%
<b>Total</b>	<u>\$ 25.5</u>	<u>\$ 24.2</u>	<u>\$ 13.6</u>	<u>\$ 22.1</u>	<u>\$ 39.1</u>	<u>\$ 46.3</u>	18.4%

The City has achieved a general obligation indicator credit rating of AA- from Fitch and AA from Moody’s Investors, respectively. These ratings are reflective of the strong financial performance and credit position of the City. The underlying ratings helped produce lower cost of issuance for the recent 2004 Capital Improvement Revenue Bond issue. These new ratings provide a benchmark and will provide opportunities to achieve lower interest rates on future bonds. In April 2004, the City issued \$9.5 million of Capital Improvement Bonds to finance the acquisition and construction of certain capital improvements to the water and wastewater utility and stormwater utility system.

Additional information on the City of Tamarac’s long-term debt can be found in Note 7 beginning on page 47 of this report.

### **Economic Factors and Next Year’s Budgets and Ratios**

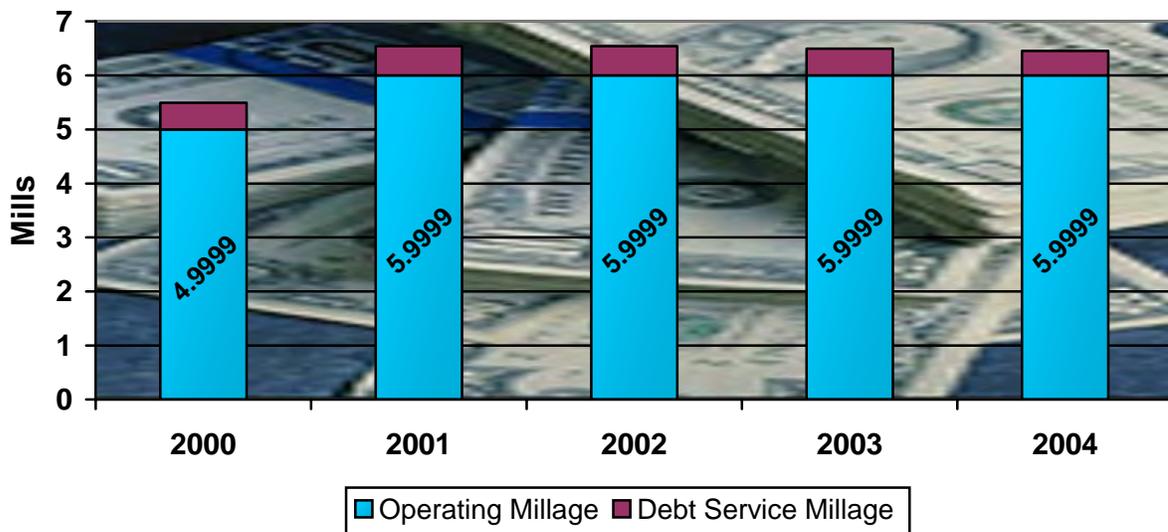
The Broward County labor force averaged 899,880 in 2004, an increase of 2.6% from 2003. According to the U.S. Bureau of Labor Statistics, the unemployment rate for the Fort Lauderdale area in September 2003 was 4.6 percent, which was down from 5.9 percent a year ago. The largest sector of employment in Tamarac continues to be in the education and health services sector with the retail and manufacturing industry. Together these industries account for almost one-third of the employment in the City.

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, communication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational license, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (building inspections, recreational programs, etc.) the user pays a related fee or charge associated with the service.

Revenues in fiscal year 2005 adopted General Fund budget are \$39.7 million, an increase of 9.7 percent from fiscal year 2004 total revenues \$36.2 million. Property taxes (benefiting from increases in assessed valuations), fire assessment fees, and grant revenues are expected to lead to this increase. The City will use these revenues to fund current services and the expected impact of inflation on salaries and benefits.

The forecasts of a strong national economy during 2005 will be good for the City of Tamarac and bring expectations of strong tourism, continued demand for housing, lower unemployment, and rising taxable sales. The City's growing population and shrinking vacant land available for development will keep upward pressure on housing prices. While price increases may not be as steep as in 2004, increase in housing prices are expected to drive up the City's property tax roll in FY2006.

**Figure A-4  
Total City Millage**



The operating millage for calendar year 2004—collected in fiscal year 2004 is 5.9999 per thousand dollars of taxable value, and this marks the fourth consecutive year that the millage has remained the same. Overall, the adopted budget is an economical and prudent financial plan that will ensure quality public services and needed capital improvements for both today and in the future.

Fiscal year 2005 budgeted expenditures and transfers are expected to be \$39.7 million, or 8.5 percent, over fiscal year 2004. The largest increments are increased salaries and cost-of-living adjustments based on labor agreements with the firefighters and general employees' unions. Higher costs for police services are also expected as a result of a new contract with the Broward Sheriff Office.

**Requests for Information**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact William Nealon, Jr., CPA, CGFO, Controller, City of Tamarac, 7525 NW. 88<sup>th</sup> Ave, Tamarac, Florida 33321 or send an e-mail to [billn@tamarac.org](mailto:billn@tamarac.org).

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF TAMARAC, FLORIDA

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2004

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$ 29,062,035	\$24,196,587	\$ 53,258,622
Investments	-	1,823	1,823
Accounts receivable - net	4,640,959	2,386,932	7,027,891
Due from pension fund	7,000	-	7,000
Due from other governments	-	109,704	109,704
Inventories	7,654	342,567	350,221
Restricted assets:			
Cash and equity in pooled cash and investments	-	9,048,366	9,048,366
Investments	-	1,238,635	1,238,635
Net pension asset	341,640	-	341,640
Land	11,726,791	488,883	12,215,674
Construction in progress - infrastructure	17,425	3,171,108	3,188,533
Infrastructure - net	47,583,270	1,790,412	49,373,682
Other capital assets - net	27,808,355	42,652,616	70,460,971
Unamortized costs/expenses	-	174,804	174,804
Total assets	<u>\$121,195,129</u>	<u>\$85,602,437</u>	<u>\$206,797,566</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,998,302	\$ 1,634,777	\$ 3,633,079
Accrued liabilities	1,020,469	677,560	1,698,029
Accrued bond and interest payable	517,541	583,182	1,100,723
Due to other governments	-	591	591
Customer deposits	-	1,615,851	1,615,851
Escrow deposits	81,519	-	81,519
Unearned revenue	1,554,190	359,589	1,913,779
Net pension obligation	219,305	-	219,305
Noncurrent liabilities:			
The amount due in one year	2,254,055	1,616,639	3,870,694
The amount due more than one year	<u>28,795,732</u>	<u>20,044,465</u>	<u>48,840,197</u>
Total liabilities	<u>36,441,113</u>	<u>26,532,654</u>	<u>62,973,767</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	62,168,884	25,984,601	88,153,485
Restricted for:			
Renewal and replacement	-	1,792,234	1,792,234
Police training	11,188	-	11,188
Claims settlement	3,217,360	-	3,217,360
Special revenue funds	5,202,588	-	5,202,588
Capital projects funds	4,440,942	-	4,440,942
Other purpose	-	2,661,816	2,661,816
Unrestricted	<u>9,713,054</u>	<u>28,631,132</u>	<u>38,344,186</u>
Total net assets	<u>\$ 84,754,016</u>	<u>\$59,069,783</u>	<u>\$143,823,799</u>

See notes to basic financial statements

# CITY OF TAMARAC, FLORIDA

## STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2004

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contribution</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Functions/programs</u>							
Primary government:							
Governmental activities:							
General government	\$ 9,792,447	\$ 1,433,280	\$ -	\$ -	\$ (8,359,167)	\$ -	\$ (8,359,167)
Public safety	21,529,131	9,114,697	913,424	200,000	(11,301,010)	-	(11,301,010)
Transportation	1,676,983	29,430	-	-	(1,647,553)	-	(1,647,553)
Culture/recreation	3,757,060	570,217	269,695	188,364	(2,728,784)	-	(2,728,784)
Physical environment	1,980,646	963,729	1,094,879	-	77,962	-	77,962
Economic environment	894,713	-	816,052	-	(78,661)	-	(78,661)
Human services	236,262	-	-	-	(236,262)	-	(236,262)
Interest on long-term debt	1,232,534	-	-	-	(1,232,534)	-	(1,232,534)
Total governmental activities	<u>41,099,776</u>	<u>12,111,353</u>	<u>3,094,050</u>	<u>388,364</u>	<u>(25,506,009)</u>	<u>-</u>	<u>(25,506,009)</u>
Business-type activities:							
Utilities	16,874,535	16,722,369	-	2,637,994	-	2,485,828	2,485,828
Stormwater	2,978,171	3,080,911	-	7,996	-	110,736	110,736
Total business activities	<u>19,852,706</u>	<u>19,803,280</u>	<u>-</u>	<u>2,645,990</u>	<u>-</u>	<u>2,596,564</u>	<u>2,596,564</u>
Total primary government	<u>\$ 60,952,482</u>	<u>\$ 31,914,633</u>	<u>\$ 3,094,050</u>	<u>\$ 3,034,354</u>	<u>\$ (25,506,009)</u>	<u>\$ 2,596,564</u>	<u>\$ (22,909,445)</u>
General revenues:							
Property taxes, levied for general purpose					\$ 13,956,061	\$ -	\$ 13,956,061
Property taxes, levied for debt service					1,058,410	-	1,058,410
Utility taxes					2,722,379	-	2,722,379
Franchise taxes					4,397,549	-	4,397,549
Intergovernmental					7,020,532	-	7,020,532
Investment income					478,187	414,853	893,040
Miscellaneous					4,418,024	-	4,418,024
Gain on sale of capital assets					101,200	25,300	126,500
Special item:							
Claims expense (See Note 13)					(3,717,360)	-	(3,717,360)
Transfers							
Total general revenues, transfer and special item					<u>30,691,582</u>	<u>183,553</u>	<u>30,875,135</u>
Change in net assets					5,185,573	2,780,117	7,965,690
Net assets, October 1					<u>79,568,443</u>	<u>56,289,666</u>	<u>135,858,109</u>
Net assets, September 30					<u>\$ 84,754,016</u>	<u>\$ 59,069,783</u>	<u>\$ 143,823,799</u>

See notes to basic financial statements

# CITY OF TAMARAC, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2004

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Rev. Fire Rescue</u>	<u>Public Service Facilities</u>	<u>Nonmajor Governmental Funds</u>	
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$10,683,566	\$2,450,290	\$ 2,212,835	\$ 7,185,983	\$22,532,674
Accounts receivable - net	922,330	770,713	-	1,270,127	2,963,170
Inventories	7,654	-	-	-	7,654
Due from other funds	3,560,361	-	-	-	3,560,361
Due from other governments	763,296	7,324	-	893,422	1,664,042
Total assets	<u>\$15,937,207</u>	<u>\$3,228,327</u>	<u>\$ 2,212,835</u>	<u>\$ 9,349,532</u>	<u>\$30,727,901</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Accounts payable	\$ 715,378	\$ 49,764	\$ 471,956	\$ 713,424	\$ 1,950,522
Accrued liabilities	572,773	448,896	-	2,442	1,024,111
Accrued bonds and interest payable	-	-	-	664,242	664,242
Due to other funds	-	-	-	336,001	336,001
Due to other governmental units	1,078	-	-	236	1,314
Escrow deposits	80,084	-	-	1,435	81,519
Unearned revenue	856,535	-	-	697,655	1,554,190
Total liabilities	<u>2,225,848</u>	<u>498,660</u>	<u>471,956</u>	<u>2,415,435</u>	<u>5,611,899</u>
<u>FUND BALANCES</u>					
Reserved for:					
Encumbrances	195,553	748,754	696,125	316,234	1,956,666
Police training	11,188	-	-	-	11,188
Claims settlement	3,217,360	-	-	-	3,217,360
Special revenue funds	-	1,980,913	-	3,184,445	5,165,358
Capital projects funds	-	-	1,044,754	3,396,188	4,440,942
Unreserved reported in:					
Debt service funds	-	-	-	37,230	37,230
General fund, designated	5,272,926	-	-	-	5,272,926
General fund, undesignated	5,014,332	-	-	-	5,014,332
Total fund balances	<u>13,711,359</u>	<u>2,729,667</u>	<u>1,740,879</u>	<u>6,934,097</u>	<u>25,116,002</u>
Total liabilities and fund balances	<u>\$15,937,207</u>	<u>\$3,228,327</u>	<u>\$ 2,212,835</u>	<u>\$ 9,349,532</u>	<u>\$30,727,901</u>

See notes to basic financial statements

**CITY OF TAMARAC, FLORIDA**  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2004

Fund balances - total government funds (Page 19)	\$25,116,002
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>	
Governmental capital assets	104,387,192
Less accumulated depreciation	(17,251,493)
<p>Net pension assets/obligations resulting from overfunding/underfunding of the police, fire, and general employees pension plans is not reported in the funds as they are not available to pay for current period expenditures.</p>	
Net pension asset	341,640
Net pension obligation	(219,305)
Bond interest payable not reported in the governmental funds	7,956
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>	
Governmental bonds payable	\$(23,883,081)
Capital leases	(839,053)
Parking lot	<u>(260,800)</u> (24,982,934)
Compensated absences	(1,432,210)
<p>Internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets</p>	
	<u>(1,212,832)</u>
Net assets of governmental activities (Page 18)	<u>\$84,754,016</u>

# CITY OF TAMARAC, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED SEPTEMBER 30, 2004

	<u>General</u>	<u>Special Rev. Fire Rescue</u>	<u>Public Service Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes and franchise fees	\$22,174,431	\$ -	\$ -	\$ 1,059,492	\$ 23,233,923
Charges for services	1,809,983	1,732,450	-	94,905	3,637,338
Payment in lieu of taxes	572,979	-	-	-	572,979
Intergovernmental	5,398,434	24,978	1,597,120	2,257,534	9,278,066
Licenses and permits	1,974,976	-	-	-	1,974,976
Fines and forfeitures	563,373	-	-	-	563,373
Investment income	243,603	45,017	35,871	107,106	431,597
Donations from private resources	-	-	-	146,583	146,583
Miscellaneous	5,143,791	93,715	-	39,965	5,277,471
Special assessments	-	5,123,843	-	308,397	5,432,240
Total revenues	<u>37,881,570</u>	<u>7,020,003</u>	<u>1,632,991</u>	<u>4,013,982</u>	<u>50,548,546</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	8,974,900	-	-	100,435	9,075,335
Public safety	10,206,373	11,050,831	-	1,154,299	22,411,503
Transportation	1,299,004	-	-	112,799	1,411,803
Culture / recreation	3,438,061	-	-	323,761	3,761,822
Physical environment	1,994,404	-	-	-	1,994,404
Economic environment	145,970	-	-	768,875	914,845
Human services	228,392	-	-	20,433	248,825
<b>Debt service:</b>					
Principal retirement	249,096	130,648	-	1,606,132	1,985,876
Interest and fiscal charges	44,299	-	-	1,185,565	1,229,864
<b>Capital outlay:</b>					
General government	335,871	-	2,980,555	35,595	3,352,021
Public safety	-	924,489	-	-	924,489
Transportation	236,574	-	1,399,196	2,374,163	4,009,933
Physical environment	-	-	111,700	-	111,700
Culture and recreation	151,276	-	3,735,051	542,970	4,429,297
Total expenditures	<u>27,304,220</u>	<u>12,105,968</u>	<u>8,226,502</u>	<u>8,225,027</u>	<u>55,861,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,577,350</u>	<u>(5,085,965)</u>	<u>(6,593,511)</u>	<u>(4,211,045)</u>	<u>(5,313,171)</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,677,780	5,513,500	-	7,616,803	14,808,083
Transfers out	(8,769,151)	-	-	(4,361,152)	(13,130,303)
Total other financing sources (uses)	<u>(7,091,371)</u>	<u>5,513,500</u>	<u>-</u>	<u>3,255,651</u>	<u>1,677,780</u>
Net change in fund balances	3,485,979	427,535	(6,593,511)	(955,394)	(3,635,391)
Fund balances - beginning	<u>10,225,380</u>	<u>2,302,132</u>	<u>8,334,390</u>	<u>7,889,491</u>	<u>28,751,393</u>
Fund balances - ending	<u>\$13,711,359</u>	<u>\$2,729,667</u>	<u>\$ 1,740,879</u>	<u>\$ 6,934,097</u>	<u>\$25,116,002</u>

See notes to basic financial statements

**CITY OF TAMARAC, FLORIDA**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2004

Amounts reported for governmental activities in the statement of activities (Page 18) are different because:

Net change in fund balances - total government funds (Page 21) \$ (3,635,391)

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 outlays	\$ 12,908,303	
Less current year depreciation	<u>(2,249,977)</u>	10,658,326

The effect of various miscellaneous transactions involving capital assets		
Sale of capital assets	(101,200)	
Donation of capital assets	<u>435,770</u>	334,570

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

<u>BONDS</u>		
Principal payments		1,606,132

<u>CAPITAL LEASES</u>		
Principal payments		379,744

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

Compensated absences	(160,823)	
Accrued interest on G.O. Bond 1992	3,136	
Amortization of bond discount	(5,805)	
Amortization of pension assets	<u>(103,939)</u>	(267,431)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in funds.		(14,646)
--	--	----------

The City closed the Information Technology and Fleet Management Internal Services Funds to the General Fund effective October 1, 2003. All assets were transferred to the General Fund and the net effect of the transfer of the Information Technology and Fleet Management Internal Services Funds' capital assets and long-term debt totaled \$338,839.		338,839
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net loss of certain activities in the internal service fund is reported with governmental activities.		<u>(4,214,570)</u>
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Change in net assets of governmental activities (Page 18)		<u>\$ 5,185,573</u>
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**CITY OF TAMARAC, FLORIDA**

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2004

<u>ASSETS</u>	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	Governmental Activities Internal Service
Current assets:				
Cash and equity in pooled cash and investments	\$ 15,471,315	\$ 8,725,272	\$ 24,196,587	\$ 6,529,362
Investments	1,823	-	1,823	13,747
Accounts receivable - net	2,089,637	234,118	2,323,755	-
Due from other governmental units	109,704	-	109,704	-
Inventories	339,875	2,692	342,567	-
Total current assets	<u>18,012,354</u>	<u>8,962,082</u>	<u>26,974,436</u>	<u>6,543,109</u>
Non-current assets:				
Restricted assets:				
Cash and equity in pooled cash and investments	8,848,211	200,155	9,048,366	-
Investments	1,238,635	-	1,238,635	-
Unamortized costs/expenses	24,813	149,991	174,804	-
Capital assets:				
Land	488,883	-	488,883	-
Construction in progress - infrastructure	2,275,591	895,517	3,171,108	-
Building	1,980,496	-	1,980,496	-
Equipment	2,720,389	1,196,639	3,917,028	26,589
Improvements other than building	70,501,222	389,944	70,891,166	-
Infrastructure	58,974	27,354,483	27,413,457	-
Total capital assets	78,025,555	29,836,583	107,862,138	26,589
Less accumulated depreciation	<u>(33,230,167)</u>	<u>(26,528,952)</u>	<u>(59,759,119)</u>	<u>(26,447)</u>
Total capital assets - net	44,795,388	3,307,631	48,103,019	142
Total non-current assets	<u>54,907,047</u>	<u>3,657,777</u>	<u>58,564,824</u>	<u>142</u>
Total assets	<u>72,919,401</u>	<u>12,619,859</u>	<u>85,539,260</u>	<u>6,543,251</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	1,485,861	148,916	1,634,777	46,466
Accrued liabilities	614,490	63,070	677,560	4,315
Accrued interest payable	481,087	102,095	583,182	-
Due to other funds	-	-	-	3,217,360
Due to other governments	591	-	591	-
Unearned revenue	270,527	89,062	359,589	-
Claims payable	-	-	-	4,475,360
Current portion of bonds payable	1,459,680	66,690	1,526,370	-
Customer deposits	1,603,448	12,403	1,615,851	-
Capital lease	-	33,418	33,418	-
Compensated absences	53,654	3,197	56,851	1,510
Total current liabilities	<u>5,969,338</u>	<u>518,851</u>	<u>6,488,189</u>	<u>7,745,011</u>
Non-current liabilities:				
Bonds payable	14,847,392	4,780,168	19,627,560	-
Compensated absences	393,460	23,445	416,905	11,072
Total noncurrent liabilities	<u>15,240,852</u>	<u>4,803,613</u>	<u>20,044,465</u>	<u>11,072</u>
Total liabilities	<u>21,210,190</u>	<u>5,322,464</u>	<u>26,532,654</u>	<u>7,756,083</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	28,488,316	(1,539,227)	26,949,089	26,589
Restricted for:				
Renewal and replacement	1,792,234	-	1,792,234	-
Working capital	2,166,138	-	2,166,138	-
State grant project replacement	495,678	-	495,678	-
Unrestricted	<u>18,766,845</u>	<u>8,836,622</u>	<u>27,603,467</u>	<u>(1,239,421)</u>
Total net assets (deficit)	<u>\$ 51,709,211</u>	<u>\$ 7,297,395</u>	<u>59,006,606</u>	<u>\$ (1,212,832)</u>

Explanation of difference between proprietary funds statement of net assets and the statement of net assets:

Internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The portion attributable to business-type activities is reflected here and the residual assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.

63,177  
\$59,069,783

**CITY OF TAMARAC, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND TYPES**  
**YEAR ENDED SEPTEMBER 30, 2004**

	Business-type Activities -			Governmental
	<u>Enterprise Funds</u>			Activities
	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	<u>Internal</u> <u>Service</u>
Operating revenues:				
Charges for services	\$ 16,658,975	\$ 3,080,912	\$ 19,739,887	\$ 1,486,800
Other	186,563	-	186,563	7,167
Total operating revenues	<u>16,845,538</u>	<u>3,080,912</u>	<u>19,926,450</u>	<u>1,493,967</u>
Operating expenses:				
Administrative costs	267,404	816,693	1,084,097	1,011,179
Operations and maintenance	8,959,349	1,003,778	9,963,127	-
Claims expense	-	-	-	(128,590)
Depreciation and amortization	3,245,042	986,730	4,231,772	1,600
Other services and charges	3,626,032	59,318	3,685,350	-
Total operating expenses	<u>16,097,827</u>	<u>2,866,519</u>	<u>18,964,346</u>	<u>884,189</u>
Operating income	<u>747,711</u>	<u>214,393</u>	<u>962,104</u>	<u>609,778</u>
Nonoperating revenues (expenses):				
Investment income	323,280	91,573	414,853	46,595
Interest expense and fees	(874,272)	(111,652)	(985,924)	-
Gain on disposal of fixed assets	19,491	5,809	25,300	-
Total nonoperating revenues (expenses)	<u>(531,501)</u>	<u>(14,270)</u>	<u>(545,771)</u>	<u>46,595</u>
Income before contributions and transfers	<u>216,210</u>	<u>200,123</u>	<u>416,333</u>	<u>656,373</u>
Capital contributions - impact fees	2,514,824	7,996	2,522,820	-
Transfer from other funds	2,596,780	-	2,596,780	-
Transfer to other funds	<u>(2,581,780)</u>	<u>(271,600)</u>	<u>(2,853,380)</u>	<u>(1,760,019)</u>
Net contributions and transfers	<u>2,529,824</u>	<u>(263,604)</u>	<u>2,266,220</u>	<u>(1,760,019)</u>
Special item:				
Claims expense- <i>Britt vs. City</i>	-	-	-	(3,717,360)
Change in net assets	2,746,034	(63,481)	2,682,553	(4,821,006)
Total net assets, October 1	<u>48,928,790</u>	<u>7,360,876</u>		<u>3,608,174</u>
Total net assets, September 30	<u>\$ 51,674,824</u>	<u>\$ 7,297,395</u>		<u>\$ (1,212,832)</u>

Explanation of difference between proprietary funds statement of revenues, expenses and changes in fund net assets and the statement of activities:

Internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The portion attributable to business-type activities is reflected here and the residual assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.

97,564  
\$ 2,780,117

See notes to basic financial statements.

**CITY OF TAMARAC, FLORIDA**

STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED SEPTEMBER 30, 2004

	Business-type Activities -			Governmental
	Enterprise Funds			Activities
	Utilities	Stormwater	Total	Internal Service
Cash flows from operating activities:				
Cash received from customers, governments and other funds	\$15,302,858	\$3,122,981	\$18,425,839	\$ 1,486,800
Other operating cash receipts	26,321	-	26,321	7,167
Cash paid to suppliers	(7,143,684)	(1,132,905)	(8,276,589)	(993,439)
Cash paid to employees	(4,274,780)	(681,625)	(4,956,405)	(177,288)
Net cash provided by operating activities	<u>3,910,715</u>	<u>1,308,451</u>	<u>5,219,166</u>	<u>323,240</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	15,000	-	15,000	3,217,360
Transfer to other funds	-	(271,600)	(271,600)	(1,390,180)
Net cash provided by (used in ) noncapital financing activities	<u>15,000</u>	<u>(271,600)</u>	<u>(256,600)</u>	<u>1,827,180</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of fixed assets	(3,015,285)	(241,922)	(3,257,207)	(1,294)
Proceeds from issuance of bonds	4,755,345	4,813,347	9,568,692	-
Proceeds from sale of fixed assets	17,612	9,815	27,427	-
Capital contributed by developers	1,191,620	-	1,191,620	-
Principal retirements of capital debt	(1,380,000)	(31,836)	(1,411,836)	-
Interest paid on capital debt	(531,238)	(20,224)	(551,462)	-
Net cash used in capital and related financing activities	<u>1,038,054</u>	<u>4,529,180</u>	<u>5,567,234</u>	<u>(1,294)</u>
Cash flows from investing activities:				
Purchases of investments	(116,752)	-	(116,752)	-
Interest on investments	323,280	91,573	414,853	46,595
Net cash provided by investing activities	<u>206,528</u>	<u>91,573</u>	<u>298,101</u>	<u>46,595</u>
Net decrease in pooled cash and cash equivalents	5,170,297	5,657,604	10,827,901	2,195,721
Pooled cash and cash equivalents, October 1	<u>19,149,229</u>	<u>3,267,823</u>	<u>22,417,052</u>	<u>4,333,641</u>
Pooled cash and cash equivalents, September 30	<u>\$24,319,526</u>	<u>\$8,925,427</u>	<u>\$33,244,953</u>	<u>\$ 6,529,362</u>
Pooled cash and cash equivalents per statement of net assets:				
Unrestricted	\$15,471,315	\$8,725,272	\$24,196,587	
Restricted	8,848,211	200,155	9,048,366	
Total, September 30	<u>\$24,319,526</u>	<u>\$8,925,427</u>	<u>\$33,244,953</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 747,711	\$ 214,393	\$ 962,104	\$ 609,778
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,559,377	986,730	3,546,107	1,600
Amortization	685,665	-	685,665	-
Revenue reduced for uncollectible accounts	13,894	-	13,894	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(342,191)	44,816	(297,375)	-
(Increase) in due from other governments	(109,204)	-	(109,204)	-
Decrease in inventories	2,177	8,634	10,811	-
Increase in accounts payable	1,255,051	44,298	1,299,349	42,193
Increase in accrued liabilities	13,683	8,343	22,026	(2,274)
Increase (decrease) in compensated absences	(8,363)	3,985	(4,378)	3,150
(Decrease) in customer deposits	(622,523)	(2,748)	(625,271)	-
(Decrease) in due to other funds and governments	(284,562)	-	(284,562)	-
(Decrease) in claims payable	-	-	-	(331,207)
Total adjustments	<u>3,163,004</u>	<u>1,094,058</u>	<u>4,257,062</u>	<u>(286,538)</u>
Net cash provided by operating activities	<u>\$ 3,910,715</u>	<u>\$1,308,451</u>	<u>\$ 5,219,166</u>	<u>\$ 323,240</u>
Non-cash investing, capital and financing activities:				
Contributions of capital assets from developers	<u>\$ 1,323,204</u>	<u>\$ 7,996</u>	<u>\$ 1,331,200</u>	<u>\$ -</u>
Decrease in fair value of investments	<u>52,112</u>	<u>9,369</u>	<u>61,481</u>	<u>14,190</u>

See notes to basic financial statements

**CITY OF TAMARAC, FLORIDA**  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2004

<u>ASSETS</u>		<u>Employees Retirement Funds</u>
Equity in pooled cash and investments		\$ 110,030
Interest and dividend receivables		117,643
Investments, at fair value		
Common stock	\$ 28,616,190	
Government securities	2,317,232	
Corporate bonds	6,618,811	
Mortgage backed securities	4,795,895	
Mutual funds-international growth	4,308,523	
Mutual funds-real estate investments	1,303,884	
Money market funds	<u>2,513,498</u>	<u>50,474,033</u>
 Total assets		 <u>\$ 50,701,706</u>
 <u>LIABILITIES</u>		
Accounts payable		63,199
Due to other funds		7,000
Unearned revenues/future benefits		<u>167,828</u>
Total liabilities		<u>238,027</u>
 <u>NET ASSETS</u>		
Held in trust for pension benefits		<u>50,463,679</u>
Total net assets		<u>\$ 50,463,679</u>

See notes to basic financial statements

**CITY OF TAMARAC, FLORIDA**  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Employees Retirement Funds</u>
<b>ADDITIONS</b>	
Contributions:	
City	\$ 2,332,623
Plan members	887,114
State revenue	<u>603,547</u>
Total contributions	<u>3,823,284</u>
Investment income:	
Net appreciation in fair value of investments	3,332,766
Interest and dividend income	<u>1,030,227</u>
Total investment income	<u>4,362,993</u>
Less investment expenses	<u>(249,947)</u>
Total additions	<u>7,936,330</u>
<b>DEDUCTIONS</b>	
Benefits paid	2,052,289
Administrative expenses	169,977
Refunds of contributions	<u>211,215</u>
Total deductions	<u>2,433,481</u>
Change in net assets	5,502,849
Net assets, October 1	<u>44,960,830</u>
Net assets, September 30	<u>\$ 50,463,679</u>



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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tamarac, Florida (the "City") was incorporated in 1963 and is a political subdivision of the State of Florida located in northwestern Broward County. The City operates under a Commission-Manager form of government, with the legislative function being vested in a five-member commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for establishment and adoption of policy. The City provides the following full range of municipal services authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture, recreation, bus transportation, public improvements, planning and zoning, water and sewer and general administrative services.

The accounting policies of the City conform to Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governments. In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement #34 "*Basic Financial Statements and Management Discussion and Analysis for the State and Local Governments*". This statement provides for significant changes in financial reporting. During the fiscal year ended September 30, 2002, the City implemented early the new financial reporting requirements of GASB Statement No. 34. The more significant of the City's accounting policies are described below.

#### A. The Reporting Entity

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting 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 reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based on the application of these criteria, there were no organizations which met the criteria described above.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Government-wide and Fund 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 6 months of the end of the current fiscal period, except for property taxes, for which the period is 60 days. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, sales 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

revenue items are considered to be measurable and available only when cash is received by the government.

The reporting practices of the Proprietary Fund Types and the Pension Trust Funds closely parallel comparable commercial financial reporting. Both recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the Enterprise Fund, depreciation on its exhaustible fixed assets. Earned, but unbilled service receivables have been accrued as revenue in the Enterprise Funds. The City has elected to follow all GASB pronouncements and all FASB pronouncements issued on or before November 30, 1989, except for those that contradict a GASB pronouncement.

The City reports the following major governmental funds:

The **general fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **special revenue fund (Fire rescue)** accounts for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

The **capital projects funds (Public service facilities)** accounts for the acquisition and construction of certain capital projects not being financed by proprietary funds. The Series 2002 Sales Tax Revenue Bonds deposited in this fund will be expended primarily to construct public buildings and park and street improvements.

The City reports the following major proprietary funds:

The **utilities fund** is used to account for the provision of water and sewer services to the residents and the commerce of the City.

The **stormwater management fund** is used to account for the provision of stormwater maintenance and capital improvements to the residents and commerce of the City.

Additionally, the government reports the following fund types:

The **internal service fund** is used to account for the financing of the insurance services provided to other funds of the City on a cost reimbursement basis.

#### FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the City:

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The ***pension trust funds*** include General employee's pension fund, Police officers' pension fund, and Firefighters' pension fund, which all account for the accumulation of resources to be used for retirement benefit payments to the City's general employees, police officers and firefighters.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utilities function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utilities and stormwater enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### **D. Assets, Liabilities, and Net Assets or Equity**

#### **1. Deposits and Investments**

Equity in pooled cash and cash equivalents includes cash on hand and investments with the State Board of Administration investment pool (2A-7 Pool) and investments with a maturity of three months or less.

Resources of all funds, with the exception of the pension trust funds, and certain other cash and investment accounts, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based upon equity balances of the respective funds.

For the purpose of the statement of cash flows for the proprietary fund types, cash and cash equivalent mean short term, highly liquid investments with an original maturity of three months or less.

In accordance with GASB Statement No. 31 *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*, all investments are reported at fair value. Fair value is determined by quoted market prices. The fair value of the investment pool is its position in the pool which is the same as the value of the pool shares. Income, including the change in fair value, from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in pooled cash and temporary investment accounts. Income earned from this pooling of investments is allocated monthly to the respective funds based upon average daily balances.

#### **2. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds. Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances”.

#### **3. Inventories, Prepaid Items and Unamortized Costs**

Inventories are valued at cost, which approximates market, using the average cost method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Unamortized costs in the Utilities Enterprise Fund are being amortized over a 24 year period.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### D. Assets, Liabilities, and Net Assets or Equity (Continued)

#### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, pump stations, stormwater lines, light poles, catch basins, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$750 for equipment and \$5,000 for infrastructure (amount not rounded) 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 on 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.

Major outlays for capital assets and improvements are capitalized as they are completed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Infrastructure street (Asphalt)	35-40
Sidewalks	30
Light Poles (Concrete)	40
Pump Stations	30
Stormwater Lines	30
Culverts	30
Catch Basins	30
Vehicles	4-20
Office equipment	5
Office furniture	10
Computer equipment	4-5

#### 5. Compensated Absences

It is the City's policy to permit eligible employees to accumulate earned but unused vacation and sick pay benefits. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The non-current portion for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **D. Assets, Liabilities, and Net Assets or Equity (Continued)**

#### **6. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bonds discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

Issuance costs not withheld from the actual debt proceeds received are reported as debt service expenditures.

#### **7. Property Taxes**

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the year ended September 30, 2004 was 5.9999 mills.

The tax levy of the City is established by the Commission prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the local tax levy, which includes Broward County, Broward County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1 each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the City.

Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### **D. Assets, Liabilities, and Net Assets or Equity (Continued)**

#### **7. Property Taxes (Continued)**

month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2004, therefore an allowance for uncollectible taxes has not been recorded.

#### **8. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific future purpose. The description of each reserve indicates the purpose for which each was intended.

Designations of fund balance represent tentative management plans that are subject to change. Unreserved undesignated fund balance is the portion of fund equity available for any lawful use.

#### **9. Contributions**

Contributions from private developers and customers representing “water and wastewater impact fees” for the future acquisition or expansion of capital improvements of City operated water and wastewater systems are recorded as non-operating revenues and reflected on the statement of activities.

#### **10. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements. Although these estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

### **NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

#### **1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference of \$26,415,144 are as follows:

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Bonds payable	\$ 23,981,770
Less: Deferred charge for issuance discount (to be Amortized as interest expense)	( 98,689)
Capital leases payable	839,053
Parking lot remediation	260,800
Compensated absences	<u>1,432,210</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 26,415,144</u>

#### 2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$10,658,326 difference are as follows:

Capital outlay	\$ 12,908,303
Depreciation expense	<u>( 2,249,977)</u>
Net adjustment to increase net changes in <i>fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 10,658,326</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$334,570 difference are as follows:

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold	\$(101,200)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	<u>435,770</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 334,570</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,985,876 difference are as follows:

Principal repayments:	
General obligation bonds	\$ 806,133
Revenue bonds	800,000
Capital leases	<u>379,743</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,985,876</u>

Another element of that reconciliation states that “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.” The details of this \$267,431 are as follows:

Compensated absences	\$ 160,823
Accrued interest	( 3,136)
Amortization of bond discount	5,805
Amortization of pension assets	<u>103,939</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 267,431</u>

Another element of that reconciliation states that “Internal service fund is used by management to charge the costs of insurance services to individual funds. The net loss of certain activities of internal service fund is reported with governmental activities.” The details of this (\$4,214,570) difference are as follows:

Change in net assets of the internal service fund	(\$ 4,821,006)
Less: Portion of claims expenses reported in in governmental fund	543,259
Add: Internal receivable representing charges in excess of costs to business-type activities-prior years	( 34,387)
Less: Internal receivable representing charges in excess of costs to business-type activities-current year	<u>97,564</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>(\$ 4,214,570)</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on relative month-end balances.

In addition, cash and investments are separately held by the City's Enterprise and Trust Funds and related investment income is recorded in these funds. Deposits consist of interest and non-interest bearing demand accounts and certificates of deposit. All of the City's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level. All City deposits are Category 1 credit risk as defined by GASB Statement No. 3, which are insured or collateralized with securities held by the City or by its agent in the City's name.

At year-end, the carrying amount of the City's deposits, which includes petty cash on hand of \$2,475, was \$2,798,031.

The City's investment policy is governed by local ordinances, resolutions and bond covenants. Allowable investments include United States government obligations, guaranteed United States agency short-term issues, Florida bank certificates of deposit, and investments authorized by City Commission. The investments held in the Pension Trust Funds may be invested within the authority of the trustees of the pension plans and Florida Statutes.

The City's investments, at September 30, 2004, are summarized below by type and level of risk assumed and are carried at fair value. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 includes uninsured and unregistered investments, with securities held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent, but not in the City's name.

The City's investments in the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. The City invested throughout the year in the SBA Investment Pool. The SBA is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The Local Government Surplus Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the

requirements for a 2A-7 fund. All SBA funds reported by the City are reported at fair value consistent with the valuation similar to a 2A-7 pool.

As of September 30, 2004, the city had the following Category 1 investments and maturities.

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Treasury securities	\$ 4,979,750	\$ 1,000,390	\$ 3,979,360	\$ -
U.S. Treasury securities Money Market Fund	4,312,262	4,312,262	-	-
Debt Service Forward Delivery Agreement				
Cash & Equivalents	390,584	390,584	-	-
Fixed Income Government Securities	3,037,000	3,037,000	-	-
U.S. Government agency securities-callable	31,140,769	2,006,880	29,133,889	-
U.S. Government agency securities	1,988,760	-	1,988,760	-
	<u>\$ 45,849,125</u>	<u>10,747,116</u>	<u>35,102,009</u>	<u>-</u>
Investments not subject to risk categorization:				
State board of administration	6,704,565	6,704,565	-	-
Total investments	<u>\$ 52,553,690</u>	<u>\$ 17,451,681</u>	<u>\$ 35,102,009</u>	<u>\$ -</u>

As of September 30, 2004, the city had the following Category 3 investments and maturities.

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Deposits - Transamerica Occidental Insurance Co. (AEGON Institutional Markets, Inc.)	\$ 10,993,756	\$ -	\$ 10,993,756	\$ -
Total investments	<u>\$ 10,993,756</u>	<u>\$ -</u>	<u>\$ 10,993,756</u>	<u>\$ -</u>

The Employee Pension Plan investments are held separately from those of other City funds. As prescribed by the plan documents, the plan administrator is authorized to invest plan assets in obligations of the U.S. Government and various mutual and money market funds, which are held by the plan administrators and not in the City's name. At September 30, 2004 and during the year, pension plan asset investments were as follows:

	Category			Fair Value
	1	2	3	
Common stock	\$ 28,616,190	\$ -	\$ -	\$ 28,616,190
Government securities	2,317,232	-	-	2,317,232
Corporate bonds	6,618,811	-	-	6,618,811
Mortgage backed securities	4,795,895	-	-	4,795,895
	<u>\$ 42,348,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>42,348,128</u>
Investments not subject to risk categorization:				
Mutual Funds: International growth				4,308,523
Mutual Funds: Real estate investments				1,303,884
Money market funds				2,513,498
Total investments				<u>\$ 50,474,033</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

A reconciliation of deposits and investments as shown on the balance sheet and the statement of net assets is as follows:

Deposits	\$ 6,704,565
Investments	<u>107,426,944</u>
Total	<u>\$ 114,131,509</u>
Pooled cash and cash equivalents	\$ 55,665,382
Investments	1,823
Restricted assets-pooled cash and cash equivalents	6,641,606
Restricted assets-Investments	<u>1,238,635</u>
Total	<u>63,547,446</u>
Pooled cash and cash equivalents, fiduciary funds	110,030
Investments, fiduciary funds	<u>50,474,033</u>
Total, fiduciary funds	<u>50,584,063</u>
Grand Total	<u>\$ 114,131,509</u>

The City does not participate in any securities lending transactions nor has it used, held, or written derivative financial instruments.

On April 29, 2004, the City of Tamarac entered into an agreement with Aegon Institutional Markets, Inc., a leading provider of guaranteed investment products, to provide a Guaranteed Investment Contract as an investment vehicle for ongoing capital projects financed by Series 2004 Revenue Bonds. These investments through Transamerica Occidental Life Insurance Company, which is owned by Aegon, and rated AA by Standard & Poor's Insurance Rating Services, AA+ by Fitch Credit Rating Company, and Aa3 by Moody's Investor Services. The City of Tamarac's initial investment was \$11,045,058. The City of Tamarac may withdraw, up to 4 times monthly, all or any portion of the principal balance on the specified withdrawal dates set forth in the Schedule Page of the contract. Withdrawals can only be made for the purposes specified in the Resolution. The investment has a guaranteed rate of return of 1.71% and will mature on October 1, 2006.

*Interest rate risk* is the risk that prevailing interest rates will rise significantly higher than the rate paid on investments or the City's investments will experience a decrease in fair values over time. In accordance with the City's investment policy governed by the City's ordinances and resolutions, the City minimizes interest risk by holding investments on a short-term basis of less than three years with a weighted average limit of 1.68 years maturity.

*Custodial credit risk* is the risk that in the event of a bank/custodian failure, the City of Tamarac deposits may not be returned to it. As of September 30, 2004, \$10,993,756 of the City of Tamarac investment balance was exposed to custodial credit risk, which is uninsured and uncollateralized. Transamerica Occidental Life Insurance Company has the right to control, manage, and administer such assets, and may commingle the assets in its possession.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

On April 30, 2004, the City of Tamarac entered into a “Debt Service Forward Delivery Agreement (DSFDA)” with J.P. Morgan Trust Company, N.A., as Custodian, and Wachovia Bank, N.A. The DSFDA covers the City of Tamarac’s: (1) Water and Sewer Utility Revenue Bonds, Series 1992, (2) Taxable Water and Sewer Utility Revenue Refunding Bonds, Series 1996, (3) Sales Tax Revenue Bonds, Series 1999, (4) Sales Tax Revenue Bonds, Series 2002, (5) and Capital Improvement Revenue Bonds, Series 2004. The City of Tamarac makes scheduled monthly deposits from revenues collected for debt service, to J.P. Morgan. J.P. Morgan will exchange the debt service funds for securities with Wachovia Bank. Debt service payments are made by J.P. Morgan from proceeds of maturing securities semi-annually to the bondholders. The City of Tamarac received an upfront fee of \$747,000 in exchange for the right to future investment earnings. This agreement will remain throughout the terms of the Revenue bond issues stated above, scheduled to end on October 1, 2024.

J.P. Morgan is only authorized to invest in 100% U.S. Treasury Securities Money Market Fund Agency Shares. As of September 30, 2004, the City of Tamarac has a balance of \$3,427,584 at J.P. Morgan, and is required to make scheduled deposits as follows:

Year ending September 30,	<u>Deposits</u>
2005	\$ 4,680,240
2006	4,681,824
2007	4,686,930
2008	4,690,374
2009	4,694,130
2010-2014	14,665,368
2015-2019	11,859,306
2020-2024	<u>6,100,458</u>
Total	<u>\$ 56,058,630</u>

### NOTE 4. RECEIVABLES AND PAYABLES

Receivables at year-end for the City’s governmental funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other</u>	<u>Due from other Governments</u>	<u>Total</u>
Governmental activities:					
General	\$ 898,690	\$ 41,626	\$ 2,500	\$ 763,296	\$ 1,706,112
Fire rescue	2,140,522	-	-	7,324	2,147,846
Other governmental	-	-	2,096,149	893,422	2,989,571
Internal service	<u>13,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,747</u>
Gross receivables	3,052,959	41,626	2,098,649	1,664,042	6,857,276
Less: Allowance for uncollectibles	<u>(1,390,295)</u>	<u>-</u>	<u>(826,022)</u>	<u>-</u>	<u>(2,216,317)</u>
Net total receivables	<u>\$ 1,662,664</u>	<u>\$ 41,626</u>	<u>\$ 1,272,627</u>	<u>\$ 1,664,042</u>	<u>\$ 4,640,959</u>
Amount not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,201</u>	<u>\$ -</u>	<u>\$ 22,201</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 4. RECEIVABLES AND PAYABLES (Continued)

Receivables at year-end for the City's business-type activities, including the applicable allowance for uncollectible accounts, are as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other</u>	<u>Due from other Governments</u>	<u>Total</u>
Business-type activities:					
Utilities	\$ 2,169,536	\$ -	\$ 87	\$ -	\$ 2,169,623
Stormwater	237,683	-	-	-	237,683
Gross receivables	2,407,219	-	87	-	2,407,306
Less: Allowance for uncollectibles	(20,374)	-	-	-	(20,374)
Net total receivables	\$ 2,386,845	\$ -	\$ 87	\$ -	\$ 2,386,932

The City reports revenues net of bad debt write-offs, total amounts written-off for the fiscal year are as follows:

Write-offs related to water revenues	\$ 4,331
Write-offs related to sewer revenues	9,563
Total write-offs for the fiscal year	\$13,894

Payables at September 30, 2004 were as follows:

	<u>Vendors</u>	<u>Due to other Governments</u>	<u>Total</u>
Governmental activities:			
General	\$ 715,378	\$ 1,078	\$ 716,456
Fire rescue	49,764	-	49,764
Capital projects	767,386	-	767,386
Nonmajor and other funds	464,460	236	464,696
Total governmental activities	\$1,996,988	\$ 1,314	\$1,998,302
Business-type activities:			
Utilities	\$ 1,485,861	\$ -	\$1,485,861
Stormwater	148,916	-	148,916
Total business-type activities	\$ 1,634,777	\$ -	\$1,634,777

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2004 was as follows:

Governmental Activities (Including Internal Service Fund)	Balance October 1, <u>2003</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2004</u>
Capital assets not being depreciated:				
Land	\$ 7,292,180	\$ 4,434,611	\$ -	\$ 11,726,791
Construction in progress	<u>4,296,405</u>	<u>17,425</u>	<u>(4,296,405)</u>	<u>17,425</u>
Total assets not being depreciated	<u>11,588,585</u>	<u>4,452,036</u>	<u>(4,296,405)</u>	<u>11,744,216</u>
Capital assets being depreciated:				
Building and improvements	18,747,454	6,962,604	-	25,710,058
Improvements other than building	612,936	3,494,880	-	4,107,816
Infrastructure	50,257,990	1,209,525	-	51,467,515
Equipment	<u>10,197,297</u>	<u>2,063,746</u>	<u>(903,315)</u>	<u>11,357,728</u>
Total capital assets being depreciated	<u>79,815,677</u>	<u>13,730,755</u>	<u>(903,315)</u>	<u>92,643,117</u>
Less accumulated depreciation for:				
Building	(5,386,007)	(522,301)	-	(5,908,308)
Improvements other than building	(348,742)	(76,890)	-	(425,632)
Infrastructure	(3,287,978)	(596,267)	-	(3,884,245)
Equipment	<u>(6,831,921)</u>	<u>(1,082,527)</u>	<u>881,140</u>	<u>(7,033,308)</u>
Total accumulated depreciation	<u>(15,854,648)</u>	<u>(2,277,985)</u>	<u>881,140</u>	<u>(17,251,493)</u>
Net capital asset being depreciated	<u>63,961,029</u>	<u>11,452,770</u>	<u>(22,175)</u>	<u>75,391,624</u>
Governmental activity capital assets, net	<u>\$ 75,549,614</u>	<u>\$ 15,904,806</u>	<u>\$ (4,318,580)</u>	<u>\$ 87,135,840</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 5. CAPITAL ASSETS (Continued)

The following is a summary of capital assets in the Enterprise Funds at September 30, 2004:

	Balance October 1, <u>2003</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2004</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 488,883	\$ -	\$ -	\$ 488,883
Construction in progress	<u>1,298,177</u>	<u>3,180,644</u>	<u>1,307,713</u>	<u>3,171,108</u>
Total assets not being depreciated	<u>1,787,060</u>	<u>3,180,644</u>	<u>1,307,713</u>	<u>3,659,991</u>
Capital assets being depreciated:				
Building	1,825,470	155,027	-	1,980,497
Improvements other than building	68,398,031	2,541,604	48,469	70,891,166
Infrastructure	27,354,483	58,974	-	27,413,457
Machinery and equipment	<u>4,061,857</u>	<u>138,263</u>	<u>283,093</u>	<u>3,917,027</u>
Total capital assets being depreciated	<u>101,639,841</u>	<u>2,893,868</u>	<u>331,562</u>	<u>104,202,147</u>
Less accumulated depreciation for:				
Building	(938,828)	(68,724)	-	(1,007,552)
Improvements other than building	(27,621,974)	(2,363,355)	48,469	(29,936,860)
Infrastructure	(24,767,706)	(855,339)	-	(25,623,045)
Equipment	<u>(3,221,660)</u>	<u>(234,548)</u>	<u>264,546</u>	<u>(3,191,662)</u>
Total accumulated depreciation	<u>(56,550,168)</u>	<u>(3,521,966)</u>	<u>313,015</u>	<u>(59,759,119)</u>
Net capital asset being depreciated	<u>45,089,673</u>	<u>(628,098)</u>	<u>644,577</u>	<u>44,443,028</u>
Business-type activity capital assets, net	<u>\$ 46,876,733</u>	<u>\$ 2,552,546</u>	<u>\$ 1,952,290</u>	<u>\$ 48,103,019</u>

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

General government	\$ 706,771
Public Safety-Fire	326,596
Public Safety-Police	90,903
Physical environment	17,779
Transportation	707,687
Culture/recreation	398,982
Human services	1,569
Economic environment	303
Capital assets held by the government's internal service fund are charged to the various functions based on the usage of the assets	<u>1,600</u>
Total depreciation expense - governmental activities	<u>\$ 2,252,190</u>
Business-type activities:	
Utilities	\$ 2,559,377
Stormwater	<u>979,230</u>
Total depreciation expense - business-type activities	<u>\$ 3,538,607</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

**NOTE 5. CAPITAL ASSETS** (Continued)

***Construction Commitments***

The City of Tamarac has active construction projects as of September 30, 2004. The citywide street resurfacing and median beautification project is close to completion. Other construction projects include Pine Island Gateway Park, Southgate Linear Park, three stormwater pump stations, drainage improvements in the Woodlands subdivision, water and wastewater utility improvements on the west system and the water treatment disinfection. Also, construction is continuing on a (2) million gallon water storage tank.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Streets & Median Improvements	\$ 3,563,784	\$ 3,153,956
Pine Island Gateway Park	3,225	73,379
Southgate Linear Park	1,752	210,948
Pump Stations (C-14 Canal)	380,743	4,563,902
Drainage Improvements-Woodlands	457,735	363,088
Tamarac West System Rehab	406,959	306,797
Water Storage Tank	91,919	1,832,331
Water Treatment Disinfection	<u>323,061</u>	<u>1,236,959</u>
Total	<u>\$ 5,229,178</u>	<u>\$ 11,741,360</u>

The Series 1999 and 2002 Sales Tax Revenue Bond issues are financing the streets and median beautification improvements. The Series 2004 Capital Improvement Revenue Bonds are funding the City's water and wastewater utility system and the stormwater projects.

**NOTE 6. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at September 30, 2004 consisted of the following:

<u>Due to</u>	<u>Due from other Governmental</u>
General fund	<u>\$ 3,560,361</u>

The balance of \$3,560,361 due to the General Fund resulted from loans to Grants Fund for \$207,981; to Community Development Block Grant fund for \$128,020; to Insurance Services fund for \$3,217,360; and to Pension Fund for \$7,000.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 6. INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund Transfers for the year ended September 30, 2004, consisted of the following:

<u>Transfer to</u>	Transfer from			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Enterprise Funds</u>	
General fund	\$ -	\$ -	\$ 256,600	\$ 256,600
Fire rescue fund	5,513,500	-	-	5,513,500
Nonmajor governmental funds	3,255,651	5,615,076	-	8,870,727
Enterprise funds	-	-	<u>2,596,780</u>	<u>2,596,780</u>
Total	<u>8,769,151</u>	<u>5,615,076</u>	<u>2,853,380</u>	17,237,607
Transfer in of Internal service funds' assets and liabilities to General Fund				<u>1,421,180</u>
Total transfers in				<u>\$ 18,658,787</u>

Transfers are used to (1) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various capital projects accounted for in other funds in accordance with budgetary authorizations. The following transfers are explained below:

- \$5,513,500 was transferred from General Fund to Fire Rescue Fund;
- \$256,600 was transferred from Stormwater Management Fund to General Fund;
- \$729,575 was transferred from General Fund to Capital Projects Fund;
- \$1,421,080 transferred from the Information Technology and Fleet Management funds to the General fund representing all of the current assets net of the current liabilities which were closed to the General Fund during the year;
- \$5,023,290 was transferred from Street Construction Fund to Street Improvement Fund;
- \$2,526,076, of which 2,503,000 was transferred from General Fund to Debt Service Fund and \$23,076 was transferred from General Fund to Grants Fund;
- \$591,786 was transferred from State Housing Initiative Partnership Fund to Affordable Housing Assistance Fund;
- \$2,586,780, of which \$15,000 was transferred from Stormwater Management Fund to Utilities Operating Fund and \$2,581,780, was transferred from Utilities Operating Fund to Utilities Renewal and Replacement Fund.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 7. LONG-TERM DEBT

#### General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

The General Obligation Bonds, Series 1992, were issued in the amount of \$8,185,000, bear interest at rates varying from 4.8% to 5.9% and mature in varying annual installments through 2007. The bonds will be repaid from property taxes earmarked for debt service. The bond indentures contain limitations and restrictions related to pledges, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. \$ 1,630,000

On December 10, 1998, the City of Tamarac issued \$3,250,000 of General Obligation Bonds, Series 1998 (Senior and Community Center Project). The 1998 General Obligation bonds bear an interest rate of 4.269% not to exceed the maximum legal rate and mature in varying annual installments through 2017. Bond proceeds were used to build the City of Tamarac Community Center, located on Commercial Boulevard. The bonds will be repaid from ad valorem taxes levied by the City upon the taxable real property within the City. 2,722,901  
\$ 4,352,901

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending September 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	846,132	208,591
2006	887,371	161,620
2007	353,875	111,611
2008	165,658	93,179
2009	172,730	85,957
2010-2014	980,756	310,174
2015-2017	946,379	82,912
Total	<u>\$ 4,352,901</u>	<u>\$ 1,054,044</u>

As of September 30, 2004, the City was in compliance with all general obligation bond covenants.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 7. LONG-TERM DEBT (Continued)

#### Revenue Bonds

The government also issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service.

#### **Governmental**

The City issued on August 5, 1999, the City of Tamarac, Florida Sales Tax Revenue Bonds, Series 1999 in the amount of \$8,740,000. The 1999 Revenue bonds bear interest rates from 3.55% to 5.125% and matures in varying annual installments through 2019. These bonds were issued in order to finance the repair and resurfacing of public roadways, median beautification and other improvements to such roadways within the City. The bonds will be repaid solely from and secured by a lien on and pledge of the half-cent sales tax revenues.

\$ 7,220,000

The City issued on May 1, 2002, Sales Tax Revenue Bonds, Series 2002 in the amount of \$13,410,000 in order to finance street improvements, construction of a fire station, construction of a development services building, construction of a public works storage building, construction of parks and recreation facilities and to acquire land. The revenue bonds bear interest from 3% to 4.8% and mature in varying annual installments through 2022. The bonds will be repaid solely from and secured by a lien on a pledge of the half-cent sales tax revenues on parity with the 1999 Sales Tax Revenue Bonds, Series 1999.

12,555,000

\$ 19,775,000

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### Business-type

The Water and Sewer Utility Revenue Refunding Bonds consist of two issues. The Series 1992 bonds issued in the amount of \$13,125,000 bear interest at rates varying from 4.7% to 5.9% and mature in varying annual installments through 2011 with bonds outstanding of \$9,025,000 included in long-term debt, net of unamortized discount and issuance costs of \$138,133. The taxable Series 1996 bonds issued in the amount of \$9,155,000 bear interest at rates varying from 5.3% to 6.5% and mature in varying annual installments through 2009 with bonds outstanding of \$4,940,000 included in long-term debt, net of unamortized discount, issuance costs, and deferred loss on refunding of \$176,792. The taxable Series 1996 bonds were issued on a parity with the 1992 Series. The bonds will be repaid from revenues derived from water and sewer service charges. The bond indentures contain rate covenant calculations and restrictions on maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various funds, types of investments to be held, and reporting requirements.

\$ 12,585,000

The City issued on April 1, 2004, the City of Tamarac, Capital Improvement Revenue Bonds, Series 2004 in the amount of \$9,500,000 included in long-term debt, net of unamortized discount and issuance costs of \$292,381. The 2004 Revenue bonds bear interest rates from 2.50% to 4.50% and matures in varying annual installments through 2024. These bonds were issued to finance the acquisition, construction and equipping of certain capital improvements to the City's water and wastewater utility and stormwater utility system and related capital expenditures. The bonds and the interest are secured by and payable solely from (1) Non Ad Valorem Revenues budgeted and appropriated by the City in accordance with the Resolution and deposited in the Debt Service Fund, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including the investments thereof, in the funds and accounts established under the Resolution, with the exception of the Rebate Fund.

9,500,000  
\$ 22,085,000

As of September 30, 2004, the City was in compliance with all revenue bond covenants.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 7. LONG-TERM DEBT (Continued)

Revenue bond debt service requirements to maturity are as follows:

Year ending September 30,	<u>Governmental Activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	830,000	919,980	1,600,000	946,555
2006	855,000	890,595	1,900,000	1,032,453
2007	890,000	859,225	2,005,000	929,410
2008	925,000	824,840	2,120,000	817,400
2009	965,000	785,500	2,240,000	700,207
2010-2014	5,500,000	3,242,150	6,255,000	1,923,233
2015-2019	6,940,000	1,798,310	2,385,000	1,080,590
2020-2023	2,870,000	291,750	2,915,000	548,030
2024	-	-	665,000	29,925
Total	<u>\$ 19,775,000</u>	<u>\$ 9,612,350</u>	<u>\$ 22,085,000</u>	<u>\$ 8,007,803</u>

All revenues from the City's Utilities Enterprise Fund are pledged as collateral for the Water and Sewer Utility Refunding Bonds.

#### Capital Leases

The City has entered into capital lease agreements through the use of a Master Lease Agreement for the purchase of various capital assets within the City. The Master Lease Agreement requires no down payment and interest rates are set at lease inception. Upon final payment of the lease, the capital asset title will revert to the City.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2004 were as follows:

Year ending September 30	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2005	\$ 438,907	\$ 35,079
2006	258,953	-
2007	158,693	-
2008	56,461	-
Total minimum lease payments	<u>913,014</u>	<u>35,079</u>
Less: amount representing interest (at rates ranging from 4.2% to 5.3%)	<u>(73,961)</u>	<u>(1,661)</u>
Present value of minimum lease payments	<u>\$ 839,053</u>	<u>\$ 33,418</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 7. LONG-TERM DEBT (Continued)

The assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Asset:		
Machinery and equipment	\$ 2,102,399	\$ 151,956
Less: accumulated depreciation	<u>(1,286,171)</u>	<u>(69,647)</u>
Total	<u>\$ 816,228</u>	<u>\$ 82,309</u>

#### Parking Lot Remediation

As of September 30, 2004, there is a liability for parking lot remediation of \$260,800 which was recorded based on the estimated amount necessary to remediate a municipal parking lot from environmental contamination. The City is awaiting instructions from the Florida Department of Environmental Protection before proceeding with clean up.

#### Defeased Issues

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2004, \$6,315,000 of water and sewer revenue bonds outstanding are considered defeased, and \$1,690,000 of general obligation bonds outstanding are considered defeased.

#### Conduit Debt Obligations

The City has issued Industrial Revenue Bonds to provide financial assistance to four private-sector entities for the acquisition and construction of warehouses and office facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2004, the City of Tamarac has issued \$18,100,000 worth of Industrial Revenue Bonds.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 7. LONG-TERM DEBT (Continued)

#### Debt Coverage - Water and Sewer Revenue Bonds

Bond covenants require the current operating income and interest earnings to be at 110%, or current operating income and other income, including contributed impact fees to be at 120%, of the current principal payments and interest expense on the bonds as defined in the bond indenture. The bond coverage computation follows:

	<u>110% Test</u>	<u>120% Test</u>
Operating revenues	\$ 16,845,538	\$ 16,845,538
Operating expenses before depreciation, amortization, and payment in lieu of taxes	<u>12,279,856</u>	<u>12,279,856</u>
Operating income	4,565,682	4,565,682
Other income:		
Interest earnings	323,280	323,280
Contributed impact fees	<u>-</u>	<u>2,514,824</u>
Amount available for debt coverage	<u>\$ 4,888,962</u>	<u>\$ 7,403,786</u>
Debt payments		
Principal	\$ 1,380,000	\$ 1,380,000
Interest	<u>531,238</u>	<u>531,238</u>
Amount to be covered	<u>\$ 1,911,238</u>	<u>\$ 1,911,238</u>
Debt coverage	256%	387%
Minimum coverage	<u>110%</u>	<u>120%</u>
Excess coverage	<u>146%</u>	<u>267%</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 7. LONG-TERM DEBT (Continued)

Long-term liability activity for the year ended September 30, 2004 was as follows:

	October 1, <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	September 30, <u>2004</u>	<u>Due within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 5,012,902	\$ -	\$ (660,000)	\$ 4,352,902	\$ 846,132
Revenue bonds	20,575,000	-	(800,000)	19,775,000	830,000
Capital leases	1,218,796	-	(379,742)	839,054	398,309
Less deferred amounts for issuance discounts	<u>(104,494)</u>	<u>-</u>	<u>5,805</u>	<u>(98,689)</u>	<u>-</u>
Total bonds and notes payable	<u>26,702,204</u>	<u>-</u>	<u>(1,833,937)</u>	<u>24,868,267</u>	<u>2,074,441</u>
Other liabilities:					
Compensated absences	1,379,544	230,019	(164,202)	1,445,361	179,614
Claims and judgments	1,089,206	3,717,360	(331,207)	4,475,359	-
Parking lot remediation	<u>260,800</u>	<u>-</u>	<u>-</u>	<u>260,800</u>	<u>-</u>
Total other liabilities	<u>2,729,550</u>	<u>3,947,379</u>	<u>(495,409)</u>	<u>6,181,520</u>	<u>179,614</u>
Governmental activity Long-term liabilities	<u>\$ 29,431,754</u>	<u>\$ 3,947,379</u>	<u>\$ (2,329,346)</u>	<u>\$ 31,049,787</u>	<u>\$ 2,254,055</u>
<b>Business-type Activities</b>					
Bonds and notes payable:					
Water and sewer revenue refunding bonds	\$ 13,965,000	\$ -	\$ (1,380,000)	\$ 12,585,000	\$ 1,470,000
Capital improvement revenue bonds	-	9,500,000	-	9,500,000	\$ 130,000
Capital leases	65,255	-	(31,837)	33,418	33,418
Less deferred amounts for issuance discounts	<u>(395,471)</u>	<u>(630,764)</u>	<u>(95,165)</u>	<u>(931,070)</u>	<u>(73,630)</u>
Total bonds and notes payable	13,634,784	8,869,236	(1,507,002)	21,187,348	1,559,788
Other liabilities:					
Compensated absences	<u>478,133</u>	<u>-</u>	<u>(4,377)</u>	<u>473,756</u>	<u>56,851</u>
Business-type activity Long-term liabilities	<u>\$ 14,112,917</u>	<u>\$ 8,869,236</u>	<u>\$ (1,511,379)</u>	<u>\$ 21,661,104</u>	<u>\$ 1,616,639</u>

Internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for the fund are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 8. RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds are as follows:

Customer deposits	\$ 1,615,851
Renewal and replacement	1,792,234
Debt service	1,168,125
Working capital	2,737,843
Revenue bond reserve	1,238,635
Capital improvement replacement	<u>495,678</u>
Total restricted assets	<u>\$ 9,048,366</u>

### NOTE 9. FUND BALANCE RESERVED/UNRESERVED

The Fund balance reserved/unreserved for governmental funds are as follows:

	General <u>Fund</u>	Fire rescue <u>Fund</u>	Capital projects <u>Fund</u>	Nonmajor <u>Governmental</u>	<u>Total</u>
Reserved for:					
Encumbrances	\$ 195,553	\$ 748,754	\$ 696,125	\$ 316,234	\$ 1,956,666
Police training	11,188	-	-	-	11,188
Subsequent year expenditures	-	860,788	-	-	860,788
Capital expenditures	-	1,120,125	1,044,754	3,396,188	5,561,067
Claims settlement (see note 13)	3,217,360	-	-	-	3,217,360
Special revenue expenditures	-	-	-	3,194,906	3,194,906
Sponsorship and donations	-	-	-	41	41
Public safety	-	-	-	6,873	6,873
Public safety/CERT program	-	-	-	4,156	4,156
Culture and recreation	-	-	-	7,210	7,210
United way campaign	-	-	-	658	658
Library	-	-	-	<u>7,831</u>	<u>7,831</u>
Total	<u>3,424,101</u>	<u>2,729,667</u>	<u>1,740,879</u>	<u>6,896,867</u>	<u>14,791,514</u>
Unreserved:					
Designated:					
Subsequent year expenditures	433,782	-	-	-	433,782
Capital expenditures	847,964	-	-	-	847,964
Debt Service	-	-	-	37,230	37,230
Economic stabilization	2,000,000	-	-	-	2,000,000
IT equipment replacement	761,514	-	-	-	761,514
Fleet equipment replacement	659,666	-	-	-	659,666
Budget amendments	<u>570,000</u>	-	-	-	<u>570,000</u>
Total	<u>5,272,926</u>	-	-	<u>37,230</u>	<u>5,310,156</u>
Undesignated	<u>5,014,332</u>	-	-	-	<u>5,014,332</u>
Total	<u>\$ 13,711,359</u>	<u>\$ 2,729,667</u>	<u>\$ 1,740,879</u>	<u>\$ 6,934,097</u>	<u>\$ 25,116,002</u>

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **NOTE 10. COMPLIANCE**

#### **Excess of expenditures over appropriations**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States. For the year ended September 30, 2004, expenditure exceeded appropriations in the Public Works Department-Custodial and building maintenance (the legal level of budgetary control) of the General Fund by \$4,048. This over expenditure was funded by greater than anticipated revenues.

### **NOTE 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

#### **Summary of Significant Accounting Policies**

##### ***Basis of Accounting***

The Pension Plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

##### ***Method Used to Value Investments***

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Net appreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Dividends and interest income are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis.

#### **A. GENERAL EMPLOYEES DEFINED CONTRIBUTION PENSION PLAN**

During the year ended September 30, 1996, by Resolution #R96-226 of the City Commission, the City adopted a money purchase retirement plan for the City Manager, City Attorney, and executive and managerial/professional employees of the City. The City has contracted with the International City Management Association Retirement Corporation (ICMA-RC) on behalf of its general employees for three defined contribution pension plans.

All three plans are established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. The assets of the Plans are owned by the employee; however, the City has a custodial responsibility to properly administer the Plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **NOTE 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

#### **A. GENERAL EMPLOYEES DEFINED CONTRIBUTION PENSION PLAN** (Continued)

The terms of the Plan agreement initially required the City to annually contribute 10% of each participant's earnings, and a mandatory contribution by each participant, of 5% of earnings with an option to contribute 10%. The City contributes 27% on behalf of the City Manager. The City contributes 15% on behalf of the City Attorney. The City's contribution rates are 11% for employees with up to five years of service, 13% for employees with five to ten years of service and 15% for employees with ten or more years of service. For the year ended September 30, 2004, the City's contribution to the Plan was \$659,300 and the plan members' contribution was \$333,825.

#### **B. EMPLOYEE PENSION SYSTEM**

##### (a) Plan Descriptions

All City full-time permanent employees, except for certain administrative employees and certain management employees, participate in one of three Employee Pension Plans, each of which is a single-employer contributory defined benefit pension plan. The Plans were established by the City in accordance with City ordinance and Florida Statutes and covers three employee groups (General Employees, Police Officers, and Firefighters). The Plans provide retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. The Plans provide that a cost-of-living adjustment of up to 2% shall be payable for any year in which the Plan has an actuarial gain. This provision has been interpreted by the Board and its attorney as applied on a group-by-group basis.

During fiscal year 2004, the Firefighters' Pension Fund implemented an annual cost-of-living adjustment (COLA) of 2% to those participants who retire on or after October 1, 2002, which replaces the cost-of-living adjustment described above for eligible retirees. The new COLA becomes effective annually three years after retirement. The Firefighters' Pension Fund also implemented a Deferred Retirement Option Plan (DROP) for participants attaining 25 years of service. Participation may be up to 36 months. DROP payments are held in the fund and earn interest until termination of employment, at which time the balance including interest is paid in a lump sum amount.

Each Plan issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to the City of Tamarac, Florida, Attn: Finance Department, 7525 NW 88th Avenue, Tamarac, Florida 33321-2401.

##### (b) Funding Policy

Each full-time regular employee of the City must participate in the Plan appropriate to his or her position starting on the first day of employment, except for the City Manager, City Attorney, and certain employees in an executive or managerial/professional position or certain administrative positions. All participants, except firefighters, are required to contribute 5% of pretax earnings; firefighters must contribute 9% of pretax earnings. The City is required to contribute an actuarially determined amount.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

#### B. EMPLOYEE PENSION SYSTEM (Continued)

Contribution requirements of the Plan members and the City are established and may be amended by City Ordinance. In addition, certain Broward Sheriff's Office employees are covered by the Police Officers' Pension Plan for which contributions are made by the Broward Sheriff's Office based on rates determined by Florida Statute. The current rate is 18.53%. The City's annual pension cost for the current year and related information for each plan is as follows:

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contribution rates:			
City	17.74%	18.53%	25.24%
State of Florida	0.00%	77.53%	16.91%
Plan Members	5.00%	5.00%	9.00%
Annual Pension cost	\$1,094,048	\$458,846	\$1,572,216
Contributions made	\$1,045,444	\$298,261	\$1,592,467
Actuarial valuation date	10/01/03	10/01/03	10/01/02
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open 3-year smoothed market	Level dollar, closed 4-year smoothed market	Level dollar, open 3-year smoothed market
Remaining amortization period	40 years	6-30 years	40 years
Actuarial assumptions:			
Investment rate of return*	7.00%	7.25%	7.00%
Projected salary increases	5.00%	7.00%	5.00%
Includes inflation at	3.50%	4.00%	3.00%
Cost-of-living adjustments*	None	None	2.00%

\*Each plan provides for a 2% cost-of-living adjustment for any year in which the Plan has an actuarial gain. The firefighters' plan provides a 2% annual cost-of-living adjustment for participants retiring on or after October 1, 2004 beginning three years after retirement.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

#### B. EMPLOYEE PENSION SYSTEM (Continued)

##### (c) Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for each Pension Plan for fiscal year ended September 30, 2004 is as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Annual required contribution	\$ 1,094,570	\$ 187,351	\$ 1,572,246
Interest on net pension obligation/(asset)	6,796	(45,369)	430
Adjustment to annual required contribution	<u>(7,282)</u>	<u>316,864</u>	<u>(460)</u>
Annual pension cost	1,094,084	458,846	1,572,216
Contributions made	<u>1,045,444</u>	<u>298,261</u>	<u>1,592,467</u>
Increase (decrease) in net pension obligation/(asset)	48,640	160,585	(20,251)
Net pension obligation/(asset) at beginning of year	<u>101,350</u>	<u>(502,225)</u>	<u>89,566</u>
Net pension obligation/(asset) at end of year	<u>\$ 149,990</u>	<u>\$ (341,640)</u>	<u>\$ 69,315</u>

##### (d) Three-Year Trend Information

#### General Employees' Pension Plan

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension (Asset)/ Obligation</u>
9/30/02	\$ 737,128	90%	\$ 47,732
9/30/03	961,352	94%	101,350
9/30/04	1,094,084	96%	149,990

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

#### B. EMPLOYEE PENSION SYSTEM (Continued)

##### (d) Three-Year Trend Information (Continued)

<u>Police Officers' Pension Plan</u>			
<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>(Asset)/</u> <u>Obligation</u>
9/30/02	\$ 183,862	155%	\$ (501,067)
9/30/03	257,395	100%	(502,225)
9/30/04	458,846	65%	(341,640)

<u>Firefighters' Pension Plan</u>			
<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>(Asset)/</u> <u>Obligation</u>
9/30/02	\$ 989,153	93%	\$ 56,991
9/30/03	1,378,346	98%	89,566
9/30/04	1,572,216	101%	69,315

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The risk management program is responsible for administering the City's insurance, self-insurance, general safety and loss prevention programs. The City purchases commercial insurance for all types of claims with nominal deductible amounts except for self-insurance risks discussed below.

Prior to October 1, 1996, the City established a self-insurance program for workers' compensation effective October 1, 1987 and for general and automobile liability effective October 1, 1989. The amount of risk retained by the City is limited through the purchase of excess insurance of \$2 million with a deductible per occurrence as follows:

Workers' compensation	\$ 350,000
General and auto liability	200,000
Public official liability	25,000

The Florida Legislature pursuant to Florida Statute §768.28, must approve liability awards in excess of \$100,000 per person, \$200,000 per occurrence against municipalities in the State of Florida.

These limits do not apply to action brought in federal courts or to claim relief bills approved by the Florida legislature.

For periods subsequent to October 1, 1996, the City continues to change their insurance program limits and deductibles to enhance and refine the protection afforded. Current deductible limits for the primary insurance lines per occurrence are as follows:

General and auto liability	\$ 25,000
Automobile physical damage	10,000
Property damage and workers' compensation	25,000
Crime	10,000

Liabilities are recorded when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. The claims liability of \$4,475,360 reported at September 30, 2004 in the Insurance Services Fund is based on GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 12. RISK MANAGEMENT (Continued)

Changes in the fund's claims liability during the past two fiscal years are as follows:

Year Ended <u>September 30</u>	Beginning of Year <u>Liability</u>	Year Claims and Changes in <u>Estimates</u>	Claim Payments <u>(Credits)</u>	End of Year <u>Liability</u>
2003	733,000	503,765	147,558	1,089,207
2004	1,089,207	3,257,563	(128,590)	4,475,360

The City has not had a significant reduction in insurance coverage from coverage in the prior year by major categories of risk, and settled claims have not exceeded the City's retention and excess coverage in force for each of the past three years.

### NOTE 13. COMMITMENTS AND CONTINGENCIES

#### A. Litigation

##### Britt vs. City of Tamarac

The Fire and Rescue Special Revenue Fund is partially funded by a fire assessment that is a consolidated fire rescue program, which includes fire suppression, first response medical stabilization and emergency medical transport. Plaintiff is seeking refund of all that portion of the assessment paid by residential property owners which funded emergency medical transport. The lawsuit sought to declare the assessments for fiscal year 1996 forward to be invalid and requested a refund of the amounts paid. The Court certified a class consisting of residential property owners with the City of Tamarac as part of this lawsuit.

On March 1, 2005, the City received an order from the Court to refund to the residents the assessment for the years 1997 through 1999 in the amount of \$3,717,360 and to pay the costs of the plaintiff's attorney. The City recorded as a special item a loss contingency accrual for the total amount of the refund. The management of the City will file an appeal in this matter and defend the order by the Court since, in their opinion, the fees were properly assessed to the residents during the years 1997 through 1999.

In the year 2000, the City modified its fire assessment to exclude any consideration of emergency medical transport costs from its special assessment and, therefore, it is our opinion that the assessment for the year 2000 is subsequently valid.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)**

#### **A. Litigation (Continued)**

The City is a defendant in other legal proceedings and claims arising in the ordinary course of operations. Management has instructed legal counsel to vigorously defend these actions and does not expect ultimate liability, if any, to have a material adverse effect on the financial statements of the City.

#### **B. Interlocal Agreement with Broward County Sheriff's Office**

A contract exists between Broward County Sheriff's Office and the City, whereby Broward County Sheriff's Office provides police officers to serve the City of Tamarac. These police officers are paid on Broward County Sheriff's Office payroll. The City of Tamarac pays Broward County for the police services based on the five-year contract ending September 30, 2004. The City recorded expenses of \$8,187,098 under this contract for the fiscal year ended September 30, 2004. The City is currently negotiating with the Broward Sheriff's Office on a new contract.

#### **C. Interlocal Agreement with Broward County, Florida**

In 1988, the City entered into an agreement with Broward County, Florida for the transmission, treatment and disposal of wastewater. The charges for service provided by the County include operating, maintenance and debt service charges for the facilities and the County Improvement, Repair, and Replacement Fund Surcharge. The charges are adjusted annually based upon actual costs incurred in the prior year.

For the fiscal year ended September 30, 2004, the City recorded expenses of \$3,104,363 under this agreement. The agreement will continue in existence and cannot be canceled on any condition except by mutual cancellation agreement between the City and Broward County. Management considers cancellation of this agreement as remote. In addition, future payments under this agreement are not estimable.

### **NOTE 14. OTHER POST-EMPLOYMENT BENEFITS**

The City provides certain healthcare and life insurance benefits for retired employees. All of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City.

The cost of retiree healthcare and life insurance benefits is the responsibility of the retirees with the exception of 30 retirees that qualified under the early retirement program, whereby the City contributes a portion of their healthcare costs on a "pay as you go" funding basis. The cost of healthcare benefits recognized for fiscal year ended September 30, 2004 was \$103,541.

# CITY OF TAMARAC, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### **NOTE 15. DEFICIT FUND EQUITY**

The Insurance Services Fund has a deficiency in net assets of approximately \$1,922,061 as a result of recording \$3,717,360 of claim expenses related to the case of Britt vs City of Tamarac (See Note 13 – Commitments and Contingencies). The General Fund advanced approximately \$3,217,360 to the fund in order to have the cash available to pay the claim in case the City does not succeed in the appeal process. Management has designated \$3,217,360 of the reserved fund balance available in the General Fund and will amend the budget for the year 2005 in order to permanently transfer the funds to cover the deficiency in net assets.

### **NOTE 16. CLOSING OF INTERNAL SERVICE FUNDS**

Effective October 1, 2003, in order to simplify the accounting reporting process, the management decided to close the Information Technology Fund and the Fleet Services Fund that were reported as part of the internal service funds and transfer approximately \$1,760,019 of the net assets of the funds. Approximately \$1,421,180 representing current assets were transferred to the General Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)**

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**CITY OF TAMARAC, FLORIDA**  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	Final Budget Positive (Negative)
Revenues:				
Taxes	\$21,453,300	\$21,453,300	\$22,174,431	\$ 721,131
Charges for services	1,589,200	1,589,200	1,809,983	220,783
Payment in lieu of taxes	560,000	560,000	572,979	12,979
Intergovernmental	4,841,300	5,102,575	5,398,434	295,859
Licenses and permits	1,808,100	1,808,100	1,974,976	166,876
Fines and forfeitures	460,500	460,500	563,373	102,873
Miscellaneous	4,944,300	4,944,300	5,143,791	199,491
Investment income	<u>313,000</u>	<u>313,000</u>	<u>243,603</u>	<u>(69,397)</u>
Total revenues	<u>35,969,700</u>	<u>36,230,975</u>	<u>37,881,570</u>	<u>1,650,595</u>
Expenditures:				
Current:				
General government:				
Commission	530,900	546,900	472,461	74,439
City manager	1,016,200	1,035,425	902,190	133,235
City attorney	690,500	690,500	633,849	56,651
City clerk	526,000	556,000	495,591	60,409
Human resources	850,200	893,800	768,625	125,175
Finance	1,652,300	1,664,926	1,541,780	123,146
Public works	974,400	977,124	975,073	2,051
Custodial and building maintenance	961,700	1,104,797	1,108,845	(4,048)
Boards and committees	101,900	101,900	95,849	6,051
Fleet management	1,132,300	1,715,733	891,332	824,401
Information technology	1,083,100	1,381,700	1,040,958	340,742
Non-departmental	<u>1,041,800</u>	<u>975,314</u>	<u>620,792</u>	<u>354,522</u>
Total general government	<u>10,561,300</u>	<u>11,644,119</u>	<u>9,547,345</u>	<u>2,096,774</u>
Public safety:				
Police	8,617,700	8,617,700	8,301,019	316,681
Building	1,395,500	1,474,035	1,385,041	88,994
Community development	<u>667,700</u>	<u>667,700</u>	<u>520,313</u>	<u>147,387</u>
Total public safety	<u>10,680,900</u>	<u>10,759,435</u>	<u>10,206,373</u>	<u>553,062</u>
Transportation	<u>1,254,100</u>	<u>1,336,100</u>	<u>1,299,004</u>	<u>37,096</u>
Culture / recreation:				
Recreation activities	2,189,200	2,248,039	1,993,382	254,657
Park facilities	1,231,100	1,246,446	1,083,218	163,228
Transport services	<u>624,000</u>	<u>623,824</u>	<u>512,737</u>	<u>111,087</u>
Total culture/recreation	<u>4,044,300</u>	<u>4,118,309</u>	<u>3,589,337</u>	<u>528,972</u>
Physical environment:				
Engineering	402,500	440,670	379,835	60,835
Landscape and irrigation	965,300	1,162,678	842,613	320,065
Planning	709,200	714,368	494,188	220,180
Recycling services	<u>306,900</u>	<u>306,900</u>	<u>277,768</u>	<u>29,132</u>
Total physical environment	<u>2,383,900</u>	<u>2,624,616</u>	<u>1,994,404</u>	<u>630,212</u>
Economic environment	<u>193,700</u>	<u>193,700</u>	<u>145,970</u>	<u>47,730</u>
Human services	<u>234,200</u>	<u>234,560</u>	<u>228,392</u>	<u>6,168</u>
Debt service:				
Principal retirement	251,000	251,000	249,096	1,904
Interest and fiscal charges	<u>43,000</u>	<u>43,000</u>	<u>44,299</u>	<u>(1,299)</u>
Total expenditures	<u>29,646,400</u>	<u>31,204,839</u>	<u>27,304,220</u>	<u>3,900,619</u>
Excess of revenues over expenditures	<u>6,323,300</u>	<u>5,026,136</u>	<u>10,577,350</u>	<u>5,551,214</u>
Other financing sources (uses):				
Operating transfer in	256,600	256,600	1,677,780	1,421,180
Operating transfer out	<u>(6,943,800)</u>	<u>(8,946,075)</u>	<u>(8,769,151)</u>	<u>176,924</u>
Total other financing sources (uses)	<u>(6,687,200)</u>	<u>(8,689,475)</u>	<u>(7,091,371)</u>	<u>1,598,104</u>
Net change in fund balance	(363,900)	(3,663,339)	3,485,979	7,149,318
Fund balances, October 1	<u>10,225,380</u>	<u>10,225,380</u>	<u>10,225,380</u>	-
Fund balances, September 30	<u>\$ 9,861,480</u>	<u>\$ 6,562,041</u>	<u>\$ 13,711,359</u>	<u>\$ 7,149,318</u>

See notes to budgetary comparison schedule

**CITY OF TAMARAC, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE AND RESCUE FUND**  
**YEAR ENDED SEPTEMBER 30, 2004**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$1,868,600	\$1,868,600	\$1,732,450	\$ (136,150)
Intergovernmental	19,400	19,400	24,978	5,578
Fire rescue assessment	5,206,400	5,206,400	5,123,843	(82,557)
Investment income	27,900	27,900	45,017	17,117
Miscellaneous	1,500	1,500	93,715	92,215
Total revenues	<u>7,123,800</u>	<u>7,123,800</u>	<u>7,020,003</u>	<u>(103,797)</u>
Expenditures:				
Current:				
Public safety	11,789,800	14,213,317	12,105,968	2,107,349
Contingencies	66,500	32,798	-	32,798
Total Expenditures	<u>11,856,300</u>	<u>14,246,115</u>	<u>12,105,968</u>	<u>2,140,147</u>
Deficiency of revenues over (under) expenditures	<u>(4,732,500)</u>	<u>(7,122,315)</u>	<u>(5,085,965)</u>	<u>2,036,350</u>
Other financing sources:				
Operating transfer in	<u>4,732,500</u>	<u>5,513,500</u>	<u>5,513,500</u>	-
Total other financing sources	<u>4,732,500</u>	<u>5,513,500</u>	<u>5,513,500</u>	-
Net change in fund balance	-	(1,608,815)	427,535	2,036,350
Fund balances, October 1	<u>2,302,132</u>	<u>2,302,132</u>	<u>2,302,132</u>	-
Fund balances, September 30	<u>\$2,302,132</u>	<u>\$ 693,317</u>	<u>\$2,729,667</u>	<u>\$2,036,350</u>

See notes to budgetary comparison schedule

# CITY OF TAMARAC, FLORIDA

## NOTE TO BUDGETARY COMPARISON SCHEDULE FISCAL YEAR ENDED SEPTEMBER 30, 2004

### **A. Budgetary Information**

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States.

1. Prior to July 30 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing such expenditures.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The level of control at which expenditures may not exceed budget is at the departmental level. The City Commission approves these levels by annual resolution. The City Manager is authorized to transfer budgeted amounts within individual departments; any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the City Commission. See the separately issued budgetary report on the General Fund's Statement of Revenues, Expenditures and Changes in Fund – Budget and Actual for the departmental legal level of control.
5. Appropriations lapse at year end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

**City of Tamarac, Florida  
EMPLOYEES' PENSION FUNDS**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
(Unaudited)

General Employees' Pension Fund:

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	(5) Funded Ratio (2)/(3)	(6) Covered Payroll	(7) UAAL As % of Covered Payroll (4)/(6)
10/1/01	\$17,382,043	\$18,529,299	\$1,147,256	93.8%	\$5,883,625	19.5%
10/1/02	15,798,694	20,582,225	4,783,531	76.8	6,022,054	79.4
10/1/03	15,807,960	22,246,520	6,438,560	71.1	5,892,632	109.3

Police Officers' Pension Fund:

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	(5) Funded Ratio (2)/(3)	(6) Covered Payroll	(7) UAAL As % of Covered Payroll (4)/(6)
10/1/01	\$10,239,493	\$10,350,040	\$110,547	98.93%	\$565,697	19.5%
10/1/02	9,338,629	10,501,993	1,163,364	88.92	419,082	277.6
10/1/03	9,115,549	10,841,636	1,726,177	84.08	278,906	618.91

Firefighters' Pension Fund:

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	(5) Funded Ratio (2)/(3)	(6) Covered Payroll	(7) UAAL As % of Covered Payroll (4)/(6)
10/1/01	\$18,179,622	\$18,147,261	\$(32,361)	100.2%	\$4,776,169	(0.7)%
10/1/02	17,794,764	24,582,292	6,787,528	72.4	7,766,568	142.4
10/1/03	19,426,170	28,274,076	8,847,906	68.7	4,919,730	179.8

**City of Tamarac, Florida**  
**EMPLOYEES' PENSION FUNDS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

General Employees' Pension Fund:

(1)	(2)	(3)
<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001/02	\$ 737,249	94%
2002/03	961,726	94
2003/04	1,094,570	96

Police Officers' Pension Fund:

(1)	(2)	(3)
<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001/02	\$ 132,429	225%
2002/03	148,885	174
2003/04	187,351	159

Firefighters' Pension Fund:

(1)	(2)	(3)
<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001/02	\$ 777,434	97%
2002/03	1,378,445	98
2003/04	1,572,246	101



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# **COMBINING FINANCIAL STATEMENTS**

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

Special Revenue Funds account for revenues from revenue sources which by law are designated to finance particular functions or activities of government.

**Drainage Improvement Fund** – to account for the collection of drainage impact fees to be used for upgrading drainage and drainage retention.

**Parks and Recreation Improvement Fund** – to account for the collection of parks and recreation impact fees to be used for the acquisition and development of park and recreation facilities and sites.

**Trafficways Improvement Fund** – to account for the collection of impact fees to be used for construction or improvement of roads, streets, highways and bridges.

**Public Arts Fund** – to account all contributions received from art fees, grants, donations that are restricted for public arts projects within the City.

**Grants Fund** – to account for the proceeds and expenditure of grant funds, excluding the Community Development Block Grant and the State Housing Initiatives Partnership.

**Development Block Grant Program Fund** – to account for revenue from a grant agreement between the City and the U.S. Department of Housing and Urban Development (HUD) and expenditures for qualified neighborhood revitalization. The program includes expenditures for housing rehabilitation and public service programs.

**House Initiative Partnership** – to account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City.

**Donations and Sponsorship Fund** – to account for private donations and sponsorships received from citizens and corporate businesses.

**Affordable Housing Assistance Fund** – to account for loan programs financed by the State Housing Initiative Partnership grant.

**Street Improvement Fund** – to account for the collection of investment income to be used for public roadways including curbage and medians.

## Capital Projects Funds

**General Capital Projects Fund** – to account for the acquisition of equipment and the construction of major capital projects other than those financed by the proprietary fund.

**Streetscape Improvement Fund** – to account for the proceeds from the Series 1999 Sales Tax Revenue Bonds used for the citywide road improvement project which includes the repair and resurfacing of existing public roadways, median beautification and other improvements.

## Debt Service Funds

**General Obligation Debt Service Fund** – to account for the accumulation of transfers from other funds and payment of principal and interest and fiscal charges on the City's general obligation bonds which are payable from ad valorem taxes.

**Revenue Bonds Debt Service Fund** – to account for the payment of principal and interest and fiscal charges on the City's revenue bonds (Street Improvement Program) which are payable from sales tax revenue.

**CITY OF TAMARAC, FLORIDA**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2004

	<u>Drainage Improvements</u>	<u>Parks and Recreation Improvements</u>	<u>Trafficways Improvements</u>	<u>Public Arts</u>	<u>Grants</u>	<u>Development Block Grant Program</u>	<u>Special State Housing Initiative Partnership</u>	<u>Revenue Donations and Sponsorship</u>
<b><u>ASSETS</u></b>								
Cash and equity in pooled cash and investments	\$ 208,445	\$ 267,432	\$ 766,408	\$ 235,525	\$ -	\$ -	\$ 710,418	\$ 26,969
Accounts receivable - net	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	748,735	144,363	-	-
Total assets	<u>\$ 208,445</u>	<u>\$ 267,432</u>	<u>\$ 766,408</u>	<u>\$ 235,525</u>	<u>\$ 748,735</u>	<u>\$ 144,363</u>	<u>\$ 710,418</u>	<u>\$ 26,969</u>
<b><u>LIABILITIES</u></b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 386,833	\$ 16,343	\$ 14,618	\$ 200
Accrued bonds and interest payable	-	-	-	-	2,442	-	-	-
Due to other funds	-	-	-	-	207,981	128,020	-	-
Due to other governments	-	-	-	-	236	-	-	-
Customer deposits	-	-	-	-	-	-	1,435	-
Unearned revenues	-	-	-	-	57,871	-	639,784	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,363</u>	<u>144,363</u>	<u>655,837</u>	<u>200</u>
<b><u>FUND BALANCES</u></b>								
Reserved for:								
Encumbrances	-	-	-	-	93,372	-	-	-
Special revenue funds	208,445	267,432	766,408	235,525	-	-	54,581	26,769
Capital projects funds	-	-	-	-	-	-	-	-
Unreserved reported in:								
Debt service funds	-	-	-	-	-	-	-	-
Total fund balances	<u>208,445</u>	<u>267,432</u>	<u>766,408</u>	<u>235,525</u>	<u>93,372</u>	<u>-</u>	<u>54,581</u>	<u>26,769</u>
Total liabilities and fund balances	<u>\$ 208,445</u>	<u>\$ 267,432</u>	<u>\$ 766,408</u>	<u>\$ 235,525</u>	<u>\$ 748,735</u>	<u>\$ 144,363</u>	<u>\$ 710,418</u>	<u>\$ 26,969</u>

<u>Streetscape Improvements</u>	<u>State</u>		<u>Debt Service</u>			<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Affordable Housing Assistance</u>	<u>Total</u>	<u>General Obligation Bond</u>	<u>Revenue Bond</u>	<u>Total</u>	<u>General Capital Projects</u>	<u>Street Improvement Projects</u>	<u>Total</u>	
\$ 355,158	\$ -	\$ 2,570,355	\$ 209,445	\$ 491,703	\$ 701,148	\$ 3,914,480	\$ -	\$ 3,914,480	\$ 7,185,983
-	1,270,127	1,270,127	-	-	-	-	-	-	1,270,127
-	-	893,098	324	-	324	-	-	-	893,422
<u>\$ 355,158</u>	<u>\$ 1,270,127</u>	<u>\$ 4,733,580</u>	<u>\$ 209,769</u>	<u>\$ 491,703</u>	<u>\$ 701,472</u>	<u>\$ 3,914,480</u>	<u>\$ -</u>	<u>\$ 3,914,480</u>	<u>\$ 9,349,532</u>
\$ -	\$ -	\$ 417,994	\$ -	\$ -	\$ -	\$ 295,430	\$ -	\$ 295,430	\$ 713,424
-	-	2,442	204,252	459,990	664,242	-	-	-	666,684
-	-	336,001	-	-	-	-	-	-	336,001
-	-	236	-	-	-	-	-	-	236
-	-	1,435	-	-	-	-	-	-	1,435
-	-	697,655	-	-	-	-	-	-	697,655
-	-	1,455,763	204,252	459,990	664,242	295,430	-	295,430	2,415,435
-	-	93,372	-	-	-	222,862	-	222,862	316,234
355,158	1,270,127	3,184,445	-	-	-	-	-	-	3,184,445
-	-	-	-	-	-	3,396,188	-	3,396,188	3,396,188
-	-	-	5,517	31,713	37,230	-	-	-	37,230
<u>355,158</u>	<u>1,270,127</u>	<u>3,277,817</u>	<u>5,517</u>	<u>31,713</u>	<u>37,230</u>	<u>3,619,050</u>	<u>-</u>	<u>3,619,050</u>	<u>6,934,097</u>
<u>\$ 355,158</u>	<u>\$ 1,270,127</u>	<u>\$ 4,733,580</u>	<u>\$ 209,769</u>	<u>\$ 491,703</u>	<u>\$ 701,472</u>	<u>\$ 3,914,480</u>	<u>\$ -</u>	<u>\$ 3,914,480</u>	<u>\$ 9,349,532</u>

**CITY OF TAMARAC, FLORIDA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2004

	Drainage Improvements	Parks and Recreation Improvements	Trafficways Improvements	Public Arts	Grants	Development Block Grant Program	Special State Housing Initiative Partnership	Revenue Donations and Sponsorship
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	94,905	-	-	-	-
Intergovernmental	-	-	-	-	1,441,483	416,620	399,431	-
Investment Income	3,047	3,503	10,659	620	934	-	9,366	372
Donations from private sources	-	-	-	140,000	1,500	-	-	5,083
CDBG program repayment	-	-	-	-	-	39,965	-	-
Special assessments	-	109,461	130,505	-	-	-	-	-
<b>Total revenues</b>	<b>3,047</b>	<b>112,964</b>	<b>141,164</b>	<b>235,525</b>	<b>1,443,917</b>	<b>456,585</b>	<b>408,797</b>	<b>5,455</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	95,437	4,998	-	-
Public safety	-	-	-	-	1,141,415	12,864	-	20
Transportation	-	-	-	-	10,000	29,999	-	-
Culture / recreation	-	-	-	-	319,771	3,990	-	-
Economic environment	-	-	-	-	-	385,781	28,348	-
Human services	-	-	-	-	-	18,953	-	1,480
<b>Debt service:</b>								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
<b>Capital outlay:</b>								
General government	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,566,623</b>	<b>456,585</b>	<b>28,348</b>	<b>1,500</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,047</b>	<b>112,964</b>	<b>141,164</b>	<b>235,525</b>	<b>(122,706)</b>	<b>-</b>	<b>380,449</b>	<b>3,955</b>
<b>Other financing sources (uses):</b>								
Operating transfers in	-	-	-	-	23,076	-	89,923	-
Operating transfers out	-	-	-	-	-	-	(501,863)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,076</b>	<b>-</b>	<b>(411,940)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>3,047</b>	<b>112,964</b>	<b>141,164</b>	<b>235,525</b>	<b>(99,630)</b>	<b>-</b>	<b>(31,491)</b>	<b>3,955</b>
<b>Fund balances, October 1</b>	<b>205,398</b>	<b>154,468</b>	<b>625,244</b>	<b>-</b>	<b>193,002</b>	<b>-</b>	<b>86,072</b>	<b>22,814</b>
<b>Fund balances, September 30</b>	<b>\$ 208,445</b>	<b>\$ 267,432</b>	<b>\$ 766,408</b>	<b>\$ 235,525</b>	<b>\$ 93,372</b>	<b>\$ -</b>	<b>\$ 54,581</b>	<b>\$ 26,769</b>

			Debt Service			Capital Projects			Total
Streetscape Improvements	Affordable Housing Assistance	Total	General Obligation Bond	Revenue Bond	Total	General Capital Projects	Street Improvement Projects	Total	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,059,492	\$ -	\$ 1,059,492	\$ -	\$ -	\$ -	\$ 1,059,492
-	-	94,905	-	-	-	-	-	-	94,905
-	-	2,257,534	-	-	-	-	-	-	2,257,534
4,865	-	33,366	2,196	4,845	7,041	52,898	13,801	66,699	107,106
-	-	146,583	-	-	-	-	-	-	146,583
-	-	39,965	-	-	-	-	-	-	39,965
68,431	-	308,397	-	-	-	-	-	-	308,397
<u>73,296</u>	<u>-</u>	<u>2,880,750</u>	<u>1,061,688</u>	<u>4,845</u>	<u>1,066,533</u>	<u>52,898</u>	<u>13,801</u>	<u>66,699</u>	<u>4,013,982</u>
-	-	100,435	-	-	-	-	-	-	100,435
-	-	1,154,299	-	-	-	-	-	-	1,154,299
-	-	39,999	-	-	-	72,800	-	72,800	112,799
-	-	323,761	-	-	-	-	-	-	323,761
-	354,746	768,875	-	-	-	-	-	-	768,875
-	-	20,433	-	-	-	-	-	-	20,433
-	-	-	806,132	800,000	1,606,132	-	-	-	1,606,132
-	-	-	250,356	935,209	1,185,565	-	-	-	1,185,565
-	-	-	-	-	-	35,595	-	35,595	35,595
-	-	-	-	-	-	1,506,275	867,888	2,374,163	2,374,163
-	-	-	-	-	-	542,970	-	542,970	542,970
<u>-</u>	<u>354,746</u>	<u>2,407,802</u>	<u>1,056,488</u>	<u>1,735,209</u>	<u>2,791,697</u>	<u>2,157,640</u>	<u>867,888</u>	<u>3,025,528</u>	<u>8,225,027</u>
<u>73,296</u>	<u>(354,746)</u>	<u>472,948</u>	<u>5,200</u>	<u>(1,730,364)</u>	<u>(1,725,164)</u>	<u>(2,104,742)</u>	<u>(854,087)</u>	<u>(2,958,829)</u>	<u>(4,211,045)</u>
-	501,863	614,862	755,000	1,748,000	2,503,000	4,402,774	96,167	4,498,941	7,616,803
-	(89,923)	(591,786)	-	-	-	(96,167)	(3,673,199)	(3,769,366)	(4,361,152)
<u>-</u>	<u>411,940</u>	<u>23,076</u>	<u>755,000</u>	<u>1,748,000</u>	<u>2,503,000</u>	<u>4,306,607</u>	<u>(3,577,032)</u>	<u>729,575</u>	<u>3,255,651</u>
73,296	57,194	496,024	760,200	17,636	777,836	2,201,865	(4,431,119)	(2,229,254)	(955,394)
281,862	1,212,933	2,781,793	(754,683)	14,077	(740,606)	1,417,185	4,431,119	5,848,304	7,889,491
<u>\$ 355,158</u>	<u>\$ 1,270,127</u>	<u>\$ 3,277,817</u>	<u>\$ 5,517</u>	<u>\$ 31,713</u>	<u>\$ 37,230</u>	<u>\$ 3,619,050</u>	<u>\$ -</u>	<u>\$ 3,619,050</u>	<u>\$ 6,934,097</u>

**CITY OF TAMARAC, FLORIDA**  
**TRAFFICWAYS IMPROVEMENTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2004**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Special assessments	\$ -	\$ 40,000	\$ 130,505	\$ 90,505
Investment income	-	-	10,659	10,659
Total revenues	<u>-</u>	<u>40,000</u>	<u>141,164</u>	<u>101,164</u>
Expenditures:				
Current:				
Transportation	<u>85,000</u>	<u>125,000</u>	-	<u>125,000</u>
Total expenditures	<u>85,000</u>	<u>125,000</u>	-	<u>125,000</u>
Excess (deficiency) of revenues over (under) expenditures	(85,000)	(85,000)	141,164	226,164
Fund balances at beginning of year	<u>625,244</u>	<u>625,244</u>	<u>625,244</u>	<u>-</u>
Fund balances at end of year	<u>\$540,244</u>	<u>\$ 540,244</u>	<u>\$ 766,408</u>	<u>\$ 226,164</u>

**CITY OF TAMARAC, FLORIDA**  
 PUBLIC ARTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 77,000	\$ 77,000	\$ 94,905	\$ 17,905
Donations from private sources	-	-	140,000	140,000
Investment income	-	-	620	620
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>235,525</u>	<u>158,525</u>
Expenditures:				
Current:				
Culture / recreation	<u>77,000</u>	<u>77,000</u>	-	<u>77,000</u>
Total expenditures	<u>77,000</u>	<u>77,000</u>	-	<u>77,000</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	235,525	235,525
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,525</u>	<u>\$ 235,525</u>

**CITY OF TAMARAC, FLORIDA**  
 GRANTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Intergovernmental	\$2,796,137	\$2,796,137	\$1,441,483	\$(1,354,654)
Donation from private sources	4,000	4,000	1,500	(2,500)
Investment income	106	106	934	828
Total revenues	<u>2,800,243</u>	<u>2,800,243</u>	<u>1,443,917</u>	<u>(1,356,326)</u>
Expenditures:				
Current:				
General government	175,000	175,000	95,437	79,563
Public safety	602,895	602,895	1,141,415	(538,520)
Transportation	171,576	171,576	10,000	161,576
Culture / recreation	2,069,369	2,069,369	319,771	1,749,598
Physical environment	200,000	200,000	-	200,000
Total expenditures	<u>3,218,840</u>	<u>3,218,840</u>	<u>1,566,623</u>	<u>1,652,217</u>
Excess (deficiency) of revenues over (under) expenditures	(418,597)	(418,597)	(122,706)	295,891
Other financing sources (uses):				
Operating transfers in	<u>200,000</u>	<u>241,077</u>	<u>23,076</u>	<u>(218,001)</u>
Total other financing sources (uses)	<u>200,000</u>	<u>241,077</u>	<u>23,076</u>	<u>(218,001)</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) Expenditures	(218,597)	(177,520)	(99,630)	77,890
Fund balances at beginning of year	<u>193,002</u>	<u>193,002</u>	<u>193,002</u>	-
Fund balances at end of year	<u>\$ (25,595)</u>	<u>\$ 15,482</u>	<u>\$ 93,372</u>	<u>\$ 77,890</u>

# CITY OF TAMARAC, FLORIDA

## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Intergovernmental	\$519,000	\$ 664,813	\$ 416,620	\$ (248,193)
Investment income	-	39,878	39,965	87
Total revenues	<u>519,000</u>	<u>704,691</u>	<u>456,585</u>	<u>(248,106)</u>
Expenditures:				
Current:				
General government	5,000	5,000	4,998	2
Public safety	12,000	17,465	12,864	4,601
Transportation	30,000	37,994	29,999	7,995
Culture / recreation	4,000	4,000	3,990	10
Economic environment	455,500	612,149	385,781	226,368
Human services	<u>12,500</u>	<u>28,083</u>	<u>18,953</u>	<u>9,130</u>
Total expenditures	<u>519,000</u>	<u>704,691</u>	<u>456,585</u>	<u>248,106</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF TAMARAC, FLORIDA

## STATE HOUSING INITIATIVE PARTNERSHIP SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 788,632	\$ 788,632	\$399,431	\$(389,201)
Investment income	<u>41,455</u>	<u>41,455</u>	<u>9,366</u>	<u>(32,089)</u>
Total revenues	<u>830,087</u>	<u>830,087</u>	<u>408,797</u>	<u>(421,290)</u>
Expenditures:				
Current:				
Economic environment:	<u>53,752</u>	<u>53,752</u>	<u>28,349</u>	<u>25,403</u>
Total expenditures	<u>53,752</u>	<u>53,752</u>	<u>28,349</u>	<u>25,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>776,335</u>	<u>776,335</u>	<u>380,448</u>	<u>(395,887)</u>
Other financing sources (uses):				
Operating transfers in	90,119	90,119	89,923	(196)
Operating transfers out	<u>(866,454)</u>	<u>(866,454)</u>	<u>(501,862)</u>	<u>364,592</u>
Total other financing sources (uses)	<u>(776,335)</u>	<u>(776,335)</u>	<u>(411,939)</u>	<u>364,396</u>
(Deficiency) of revenues and other financing sources (uses) over expenditures	-	-	(31,491)	(31,491)
Fund balances at beginning of year	<u>86,072</u>	<u>86,072</u>	<u>86,072</u>	-
Fund balances at end of year	<u>\$ 86,072</u>	<u>\$ 86,072</u>	<u>\$ 54,581</u>	<u>\$ (31,491)</u>

**CITY OF TAMARAC, FLORIDA**  
GENERAL OBLIGATION DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,064,500	\$ 1,064,500	\$ 1,059,492	\$ (5,008)
Investment income	-	-	2,196	2,196
Total revenues	<u>1,064,500</u>	<u>1,064,500</u>	<u>1,061,688</u>	<u>(2,812)</u>
Expenditures:				
Debt service:				
Principal	806,200	806,200	806,132	68
Interest and fiscal charges	<u>258,300</u>	<u>258,300</u>	<u>250,356</u>	<u>7,944</u>
Total expenditures	<u>1,064,500</u>	<u>1,064,500</u>	<u>1,056,488</u>	<u>8,012</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Other financing sources:				
Operating transfers in	-	755,000	755,000	-
Total other financing sources	<u>-</u>	<u>755,000</u>	<u>755,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	-	755,000	760,200	5,200
Fund balances at beginning of year	<u>(754,683)</u>	<u>(754,683)</u>	<u>(754,683)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (754,683)</u>	<u>\$ 317</u>	<u>\$ 5,517</u>	<u>\$ 5,200</u>

**CITY OF TAMARAC, FLORIDA**  
REVENUE BOND DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary <u>Basis</u>	
Revenues:				
Investment income	\$ -	\$ -	\$ 4,845	\$ 4,845
Total revenues	<u>-</u>	<u>-</u>	<u>4,845</u>	<u>4,845</u>
Expenditures:				
Debt service:				
Principal	800,000	800,000	800,000	-
Interest and fiscal charges	<u>948,000</u>	<u>948,000</u>	<u>935,209</u>	<u>12,791</u>
Total expenditures	<u>1,748,000</u>	<u>1,748,000</u>	<u>1,735,209</u>	<u>12,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,748,000)</u>	<u>(1,748,000)</u>	<u>(1,730,364)</u>	<u>17,636</u>
Other financing sources:				
Operating transfers in	<u>1,748,000</u>	<u>1,748,000</u>	<u>1,748,000</u>	<u>-</u>
Total other financing sources	<u>1,748,000</u>	<u>1,748,000</u>	<u>1,748,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	-	-	17,636	17,636
Fund balances at beginning of year	<u>14,077</u>	<u>14,077</u>	<u>14,077</u>	<u>-</u>
Fund balances at end of year	<u>\$ 14,077</u>	<u>\$ 14,077</u>	<u>\$ 31,713</u>	<u>\$ 17,636</u>

**CITY OF TAMARAC, FLORIDA**  
GENERAL CAPITAL PROJECTS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 268,650	\$ -	\$ (268,650)
Investment income	-	-	52,898	52,898
Total revenues	<u>-</u>	<u>268,650</u>	<u>52,898</u>	<u>(215,752)</u>
Expenditures:				
General government	43,300	155,644	35,595	120,049
Transportation	120,000	5,025,618	1,579,075	3,446,543
Culture/recreation	100,000	938,637	542,970	395,667
Total expenditures	<u>263,300</u>	<u>6,119,899</u>	<u>2,157,640</u>	<u>3,962,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,300)</u>	<u>(5,851,249)</u>	<u>(2,104,742)</u>	<u>3,746,507</u>
Other financing sources (uses):				
Operating transfers in	263,300	4,422,986	4,402,774	(20,212)
Operating transfers out	-	-	(96,167)	(96,167)
Total other financing sources (uses)	<u>263,300</u>	<u>4,422,986</u>	<u>4,306,607</u>	<u>(116,379)</u>
Excess of revenues and other financing sources (uses) over expenditures	-	(1,428,263)	2,201,865	3,630,128
Fund balances at beginning of year	<u>1,417,185</u>	<u>1,417,185</u>	<u>1,417,185</u>	<u>-</u>
Fund balances at end of year	<u>\$1,417,185</u>	<u>\$ (11,078)</u>	<u>\$3,619,050</u>	<u>\$3,630,128</u>

**CITY OF TAMARAC, FLORIDA**  
STREET IMPROVEMENT PROJECTS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,293,768	\$ 1,293,768	\$ 13,801	\$(1,279,967)
Total revenues	<u>1,293,768</u>	<u>1,293,768</u>	<u>13,801</u>	<u>(1,279,967)</u>
Expenditures:				
Transportation	<u>887,937</u>	<u>887,937</u>	<u>867,888</u>	<u>20,049</u>
Total expenditures	<u>887,937</u>	<u>887,937</u>	<u>867,888</u>	<u>20,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>405,831</u>	<u>405,831</u>	<u>(854,087)</u>	<u>(1,259,918)</u>
Other financing sources (uses):				
Operating transfers in	-	-	96,167	96,167
Operating transfers out	<u>(3,693,411)</u>	<u>(3,693,411)</u>	<u>(3,673,199)</u>	<u>20,212</u>
Total other financing sources (uses)	<u>(3,693,411)</u>	<u>(3,693,411)</u>	<u>(3,577,032)</u>	<u>116,379</u>
Excess of revenues and other financing sources (uses) over expenditures	<u>(3,287,580)</u>	<u>(3,287,580)</u>	<u>(4,431,119)</u>	<u>(1,143,539)</u>
Fund balances at beginning of year	<u>4,431,119</u>	<u>4,431,119</u>	<u>4,431,119</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,143,539</u>	<u>\$ 1,143,539</u>	<u>\$ -</u>	<u>\$(1,143,539)</u>

**CITY OF TAMARAC, FLORIDA**  
PUBLIC SERVICE FACILITIES CONSTRUCTION CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Intergovernmental	\$1,616,264	\$ 1,616,264	\$ 1,597,120	\$ (19,144)
Investment income	<u>-</u>	<u>-</u>	<u>35,871</u>	<u>35,871</u>
Total revenues	<u>1,616,264</u>	<u>1,616,264</u>	<u>1,632,991</u>	<u>16,727</u>
Expenditures:				
General government	3,214,977	3,214,977	2,980,555	234,422
Transportation	2,135,264	2,135,264	1,399,196	736,068
Physical environment	112,000	112,000	111,700	300
Culture/recreation	<u>4,516,257</u>	<u>4,516,257</u>	<u>3,735,051</u>	<u>781,206</u>
Total expenditures	<u>9,978,498</u>	<u>9,978,498</u>	<u>8,226,502</u>	<u>1,751,996</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,362,234)</u>	<u>(8,362,234)</u>	<u>(6,593,511)</u>	<u>1,768,723</u>
Fund balances at beginning of year	<u>8,334,390</u>	<u>8,334,390</u>	<u>8,334,390</u>	<u>-</u>
Fund balances at end of year	<u>\$ (27,844)</u>	<u>\$ (27,844)</u>	<u>\$ 1,740,879</u>	<u>\$1,768,723</u>



## INTERNAL SERVICE FUND

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Internal Service Fund account for the financing of services provided by one department to other departments of the City on a cost-reimbursement basis. The City has the Insurance services Internal Service Fund:

**Insurance Services Fund** – to account for the cost of insuring the City in areas of General and Auto Liability and Property. Other funds are billed to cover actual cost of premiums and claims and to maintain an adequate balance in fund equity.



**CITY OF TAMARAC, FLORIDA**  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2004

<u>ASSETS</u>	<u>Information Technology</u>	<u>Fleet Services</u>	<u>Insurance Services</u>	<u>Total</u>
Current assets:				
Cash and equity in pooled cash and investments	\$ -	\$ -	\$ 6,529,362	\$ 6,529,362
Accounts receivable	-	-	13,747	13,747
Total current assets	<u>-</u>	<u>-</u>	<u>6,543,109</u>	<u>6,543,109</u>
Non-current assets:				
Equipment	-	-	26,589	26,589
Less: accumulated depreciation	-	-	(26,447)	(26,447)
Total non-current assets	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,543,251</u>	<u>\$ 6,543,251</u>
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 46,466	\$ 46,466
Accrued liabilities	-	-	4,315	4,315
Due to other funds	-	-	3,217,360	3,217,360
Claims payable	-	-	4,475,360	4,475,360
Compensated absences	-	-	1,510	1,510
Total current liabilities	<u>-</u>	<u>-</u>	<u>7,745,011</u>	<u>7,745,011</u>
Non-current liabilities:				
Compensated absences	-	-	11,072	11,072
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>11,072</u>	<u>11,072</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>7,756,083</u>	<u>7,756,083</u>
 <u>NET ASSETS</u>				
Invested in capital assets, net of related debt	-	-	26,589	26,589
Unrestricted	-	-	(1,239,421)	(1,239,421)
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,212,832)</u>	<u>\$ (1,212,832)</u>

**CITY OF TAMARAC, FLORIDA**  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2004

	<u>Information Technology</u>	<u>Fleet Services</u>	<u>Insurance Services</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	\$ -	\$ 1,486,800	\$ 1,486,800
Other	-	-	7,167	7,167
Total operating revenues	<u>-</u>	<u>-</u>	<u>1,493,967</u>	<u>1,493,967</u>
Operating expenses:				
Administrative costs	-	-	1,011,179	1,011,179
Claims expense	-	-	(128,590)	(128,590)
Depreciation and amortization	-	-	1,600	1,600
Total operating expense	<u>-</u>	<u>-</u>	<u>884,189</u>	<u>884,189</u>
Operating income	<u>-</u>	<u>-</u>	<u>609,778</u>	<u>609,778</u>
Nonoperating revenues:				
Investment income	-	-	46,595	46,595
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>46,595</u>	<u>46,595</u>
Transfers:				
Transfer to other funds	<u>(893,467)</u>	<u>(866,552)</u>	<u>-</u>	<u>(1,760,019)</u>
Special item:				
Claims expense- <i>Britt vs. City</i>	<u>-</u>	<u>-</u>	<u>(3,717,360)</u>	<u>(3,717,360)</u>
Change in net assets	(893,467)	(866,552)	(3,060,987)	(4,821,006)
Net assets, October 1	<u>893,467</u>	<u>866,552</u>	<u>1,848,155</u>	<u>3,608,174</u>
Net assets, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,212,832)</u>	<u>\$ (1,212,832)</u>

**CITY OF TAMARAC, FLORIDA**  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Information Technology</u>	<u>Fleet Services</u>	<u>Insurance Services</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ -	\$ -	\$ 1,486,800	\$ 1,486,800
Other operating cash receipts	-	-	7,167	7,167
Cash paid to suppliers	-	-	(993,439)	(993,439)
Cash paid to employees	-	-	(177,288)	(177,288)
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>323,240</u>	<u>323,240</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	-	-	3,217,360	3,217,360
Transfer to other funds	<u>(718,520)</u>	<u>(671,660)</u>	<u>-</u>	<u>(1,390,180)</u>
Net cash provided by noncapital financing activities	<u>(718,520)</u>	<u>(671,660)</u>	<u>3,217,360</u>	<u>1,827,180</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>(1,294)</u>	<u>(1,294)</u>
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,294)</u>	<u>(1,294)</u>
Cash flows from investing activities:				
Interest on Investments	<u>-</u>	<u>-</u>	<u>46,595</u>	<u>46,595</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>46,595</u>	<u>46,595</u>
Net increase (decrease) in pooled cash and cash equivalents	(718,520)	(671,660)	3,585,901	2,195,721
Pooled cash and cash equivalents, October 1	<u>718,520</u>	<u>671,660</u>	<u>2,943,461</u>	<u>4,333,641</u>
Pooled cash and cash equivalents, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,529,362</u>	<u>\$ 6,529,362</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ -	\$ -	\$ 609,778	\$ 609,778
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	1,600	1,600
Change in Assets and Liabilities:				
Increase in accounts payable	-	-	42,193	42,193
Decrease in accrued liabilities	-	-	(2,274)	(2,274)
Increase in compensated absences	-	-	3,150	3,150
Decrease in claims payable	<u>-</u>	<u>-</u>	<u>(331,207)</u>	<u>(331,207)</u>
Total adjustments	<u>-</u>	<u>-</u>	<u>(286,538)</u>	<u>(286,538)</u>
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,240</u>	<u>\$ 323,240</u>
Non-cash investing, capital and financing activities:				
Decrease in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,190</u>	<u>\$ 14,190</u>



## TRUST AND AGENCY FUNDS

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### Pension Trust Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. The City has three Pension Trust Funds.

**General Trust Funds** – to account for the accumulation of resources to be used for retirement benefit payments to the City’s general employees.

**Police Officers’ Pension Fund** – to account for the accumulation of resources to be used for retirement benefit payments to the City’s former police officers.

**Firefighters’ Pension Fund** – to account for the accumulation of resources to be used for retirement benefit payments to the City’s firefighters.



**CITY OF TAMARAC, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2004**

	<u>Pension Trust Funds</u>			<u>Total</u>
	<u>General Employees Retirement</u>	<u>Police Officers Retirement</u>	<u>Firefighters Retirement</u>	
<b><u>ASSETS</u></b>				
Equity in pooled cash and investments	\$ 242	\$ 15,532	\$ 94,256	\$ 110,030
Receivables:				
Interest and dividends	38,284	29,756	49,603	117,643
Investments, at fair value:				
Common stock	11,669,450	3,952,077	12,994,663	28,616,190
Government securities	847,559	121,628	1,348,045	2,317,232
Corporate bonds	2,342,016	761,308	3,515,487	6,618,811
Mortgage backed securities	1,189,041	1,190,589	2,416,265	4,795,895
Mutual funds-international growth	1,552,789	931,674	1,824,060	4,308,523
Mutual funds-real estate investments	-	1,303,884	-	1,303,884
Money market funds	732,164	381,065	1,400,269	2,513,498
Total investments, at fair value	<u>18,333,019</u>	<u>8,642,225</u>	<u>23,498,789</u>	<u>50,474,033</u>
Total assets	<u>18,371,545</u>	<u>8,687,513</u>	<u>23,642,648</u>	<u>50,701,706</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	23,684	13,263	26,252	63,199
Due to other funds	7,000	-	-	7,000
Unearned revenues/future benefits	-	167,828	-	167,828
Total liabilities	<u>30,684</u>	<u>181,091</u>	<u>26,252</u>	<u>238,027</u>
<b><u>NET ASSETS</u></b>				
Held in trust for pension benefits	<u>18,340,861</u>	<u>8,506,422</u>	<u>23,616,396</u>	<u>50,463,679</u>
Total net assets	<u>\$ 18,340,861</u>	<u>\$ 8,506,422</u>	<u>\$ 23,616,396</u>	<u>\$ 50,463,679</u>

**CITY OF TAMARAC, FLORIDA**  
 COMBINING STATEMENT OF CHANGES IN NET ASSETS  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2004

	<u>General Employees Retirement</u>	<u>Police Officers Retirement</u>	<u>Firefighters Retirement</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 1,045,444	\$ 52,647	\$ 1,234,532	\$ 2,332,623
Plan members	344,478	18,549	524,087	887,114
State revenue	-	245,613	357,934	603,547
Total contributions	<u>1,389,922</u>	<u>316,809</u>	<u>2,116,553</u>	<u>3,823,284</u>
Investment income:				
Net appreciation in fair value of investments	1,309,450	609,572	1,413,744	3,332,766
Interest and dividend income	<u>343,197</u>	<u>238,027</u>	<u>449,003</u>	<u>1,030,227</u>
Total investment income	1,652,647	847,599	1,862,747	4,362,993
Less investment expenses	<u>(89,341)</u>	<u>(55,094)</u>	<u>(105,512)</u>	<u>(249,947)</u>
Net investment income	1,563,306	792,505	1,757,235	4,113,046
Total additions	<u>2,953,228</u>	<u>1,109,314</u>	<u>3,873,788</u>	<u>7,936,330</u>
<b>DEDUCTIONS</b>				
Benefits paid	970,629	828,753	252,907	2,052,289
Administrative expenses	71,309	44,497	54,171	169,977
Refunds of contributions	<u>82,439</u>	<u>-</u>	<u>128,776</u>	<u>211,215</u>
Total deductions	<u>1,124,377</u>	<u>873,250</u>	<u>435,854</u>	<u>2,433,481</u>
Change in net assets	1,828,851	236,064	3,437,934	5,502,849
Net assets, October 1	<u>16,512,010</u>	<u>8,270,358</u>	<u>20,178,462</u>	<u>44,960,830</u>
Net assets, September 30	<u>\$ 18,340,861</u>	<u>\$ 8,506,422</u>	<u>\$ 23,616,396</u>	<u>\$ 50,463,679</u>

## **CAPITAL ASSETS**

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Capital assets used in the operation of governmental funds.



## CITY OF TAMARAC, FLORIDA

### CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULES BY SOURCE SEPTEMBER 30, 2003 AND 2004

	<u>2004</u>	<u>2003</u>
Governmental funds capital assets:		
Land	\$ 11,726,791	\$ 7,292,181
Buildings	25,710,058	18,747,454
Improvements other than buildings	4,107,818	612,937
Machinery and equipment	11,331,137	10,172,001
Infrastructure	51,467,515	50,257,990
Construction in progress	17,425	4,296,405
Total governmental funds capital assets	<u>\$104,360,744</u>	<u>\$91,378,968</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 15,730,109	\$ 15,397,203
Special revenue funds	8,156,867	7,376,753
Capital projects funds	19,624,540	16,630,647
Federal grants	818,420	660,357
State grants	1,349,393	1,054,526
Local grants	2,737,672	2,454,499
Donations and other funds	32,997,806	32,831,254
General obligation bonds	3,250,000	3,250,000
Revenue bonds	19,695,937	11,723,729
Total governmental funds capital assets	<u>\$104,360,744</u>	<u>\$91,378,968</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service fund are excluded from the above amounts. Generally, the capital assets of internal service fund are included as government activities in the statement of net assets.

# CITY OF TAMARAC, FLORIDA

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY YEAR ENDED SEPTEMBER 30, 2004

<u>FUNCTION AND ACTIVITY</u>	Governmental Funds Capital Assets October 1, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Governmental Funds Capital Assets September 30, <u>2004</u>
Legislative and judicial:				
Legislative	\$ 30,960	\$ -	\$ (7,849)	\$ 23,111
City attorney	35,832	-	(3,307)	32,525
	<u>66,792</u>	<u>-</u>	<u>(11,156)</u>	<u>55,636</u>
Operational services:				
Community development	252,521	44,885	(52,806)	244,600
Fire protection	4,176,534	1,326,155	(143,060)	5,359,629
Public works	2,344,764	8,791,092	(60,662)	11,075,194
City engineer	84,076	22,909	(5,891)	101,094
IT	1,449,102	276,759	(303,603)	1,422,258
Fleet	2,979,931	204,284	(151,451)	3,032,764
Parks and recreation	12,753,681	6,256,111	(90,956)	18,918,836
Police services	116,469	7,037	(2,046)	121,460
	<u>24,157,078</u>	<u>16,929,232</u>	<u>(810,475)</u>	<u>40,275,835</u>
Administrative services:				
General and administration	12,265,479	14,552	(50,229)	12,229,802
Personnel and insurance	28,916	-	(1,610)	27,306
City manager	63,462	-	(2,790)	60,672
Satellite city hall	20,320	3,800	-	24,120
City clerk	131,687	9,033	(15,958)	124,762
Finance	90,840	2,017	(15,186)	77,671
	<u>12,600,704</u>	<u>29,402</u>	<u>(85,773)</u>	<u>12,544,333</u>
Highways and streets:				
Street system	50,257,990	1,209,525	-	51,467,515
	<u>50,257,990</u>	<u>1,209,525</u>	<u>-</u>	<u>51,467,515</u>
Construction in progress				
	4,296,405	17,425	(4,296,405)	17,425
	<u>\$91,378,969</u>	<u>\$18,185,584</u>	<u>\$ (5,203,809)</u>	<u>\$104,360,744</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service fund are excluded from the above amounts. Generally, the capital assets of internal service fund are included as government activities in the statement of net assets.

**CITY OF TAMARAC, FLORIDA**  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 SEPTEMBER 30, 2004

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
<b>Legislative and judicial:</b>						
Legislative	\$ -	\$ -	\$ -	\$ 23,111	\$ -	\$ 23,111
City attorney	-	-	-	32,525	-	32,525
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,636</u>	<u>-</u>	<u>55,636</u>
<b>Operational services:</b>						
Community development	-	35,435	-	209,165	-	244,600
Fire protection	156,079	1,109,388	141,230	3,952,932	-	5,359,629
Public works	171,392	7,763,662	2,151,815	988,324	-	11,075,193
City engineer	-	-	-	101,094	-	101,094
IT	-	-	-	1,422,259	-	1,422,259
Fleet	-	-	-	3,032,764	-	3,032,764
Parks and recreation	10,095,414	5,968,082	1,814,773	1,040,567	-	18,918,836
Police services	-	8,927	-	112,533	-	121,460
	<u>10,422,885</u>	<u>14,885,494</u>	<u>4,107,818</u>	<u>10,859,638</u>	<u>-</u>	<u>40,275,835</u>
<b>Administrative services:</b>						
General and administration	1,303,906	10,800,284	-	125,612	-	12,229,802
Personnel	-	-	-	27,306	-	27,306
City manager	-	-	-	60,672	-	60,672
Satellite city hall	-	2,475	-	21,645	-	24,120
City clerk	-	-	-	124,762	-	124,762
Finance	-	21,805	-	55,866	-	77,671
	<u>1,303,906</u>	<u>10,824,564</u>	<u>-</u>	<u>415,863</u>	<u>-</u>	<u>12,544,333</u>
<b>Transportation:</b>						
Roads and streets	-	-	-	-	51,467,515	51,467,515
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,467,515</u>	<u>51,467,515</u>
	<u>\$ 11,726,791</u>	<u>\$ 25,710,058</u>	<u>\$ 4,107,818</u>	<u>\$ 11,331,137</u>	<u>\$ 51,467,515</u>	<u>104,343,319</u>
<b>Construction in progress</b>						<u>17,425</u>
						<u>\$ 104,360,744</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service fund are excluded from the above amounts. Generally, the capital assets of internal service fund are included as government activities in the statement of net assets.



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**STATISTICAL SECTION  
(SUPPLEMENTAL DATA)**

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**CITY OF TAMARAC**  
**GOVERNMENT-WIDE REVENUES BY FUNCTION** <sup>(1)</sup>  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 1

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Franchise Fees	Inter- governmental	Unrestricted Investment Earnings	Miscellaneous	Total
1995	\$	\$	\$	\$	\$	\$	\$	\$	\$
1996	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-
2001	25,111,558	1,977,824	2,290,535	11,919,870	3,446,183	4,541,934	3,155,447	2,620,224	55,063,575
2002	25,346,675	2,278,127	2,136,617	16,113,885	2,446,329	4,727,232	1,705,486	2,814,580	57,568,932
2003	27,385,490	2,198,201	4,885,618	16,525,598	3,517,044	4,928,268	1,030,691	2,952,900	63,423,810
2004	31,914,633	3,094,050	3,034,354	17,736,850	4,397,549	7,020,532	893,040	4,418,204	72,509,212

(1) Information for fiscal years ended September 30, 1995 to 2000 are unavailable.

**CITY OF TAMARAC**  
**GOVERNMENT-WIDE EXPENSES BY FUNCTION <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(unaudited)**

TABLE 2

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Culture and Recreation	Economic Environment	Human Services	Interest on Long Term Debt	Utilities	Stormwater	Total
1995	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1996	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-
2001	6,676,366	17,423,790	2,200,675	977,279	2,706,861	484,030	404,535	792,340	13,963,417	2,730,652	48,359,945
2002	7,245,389	17,190,446	2,111,072	1,283,083	3,377,508	906,736	262,382	1,264,084	14,918,834	2,763,021	51,322,555
2003	8,917,459	19,110,595	1,898,374	1,739,082	3,641,777	777,812	245,344	1,311,236	15,674,211	3,220,551	56,536,441
2004	9,792,447	21,529,131	1,980,646	1,676,983	3,757,060	894,713	236,262	1,232,534	16,874,535	2,978,171	60,952,482

(1) Information for fiscal years ended September 30, 1995 to 2000 are unavailable.

**City of Tamarac, Florida**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 3

Fiscal Year	Taxes and Franchise Fees	Licenses and Permits	Inter-governmental	Non Ad Valorem Special Assessment	Charges for Services	Fines and Forfeitures	Miscellaneous Revenues	Sale of Land	Interest Income	Unrealized Gain/(Loss) on Investments	Total
1995	\$ 11,527,283	\$ 1,612,630	\$ 3,725,375	\$ -	\$ 386,086	\$ 301,714	\$ 2,095,650	\$ -	\$ 421,000	\$ -	\$ 20,069,738
1996	12,201,749	1,287,486	4,295,036	-	1,043,827	366,847	2,017,035	-	447,783	-	21,659,763
1997	12,271,680	1,370,496	3,800,949	1,679,624	3,705,309	403,207	3,018,438	-	624,509	(52,421)	26,821,791
1998	12,593,592	1,770,970	4,769,933	2,598,735	4,141,624	429,065	3,350,775	-	632,551	265,816	30,553,061
1999	13,047,638	1,615,630	5,495,677	2,674,854	4,562,702	460,966	3,302,979	-	999,042	(242,612)	31,916,876
2000	13,836,142	1,470,990	5,533,264	2,733,585	4,685,168	481,785	3,558,962	202,197	1,488,674	10,580	34,001,347
2001	16,482,973	1,742,023	5,727,382	2,844,889	3,110,923	480,744	4,318,388	20,000	1,101,433	253,497	36,082,252
2002	19,679,288	1,792,720	6,093,535	2,912,292	2,939,697	500,849	4,326,573	-	766,215	99,968	39,111,137
2003	21,099,801	1,862,250	8,968,584	3,042,677	3,398,781	526,531	4,690,118	-	691,686	(99,768)	44,180,660
2004	23,233,923	1,974,976	9,278,066	5,432,240	3,637,338	563,373	5,997,033	-	664,740	(233,143)	50,548,546

Notes: Includes all Governmental Fund Types.

**City of Tamarac, Florida**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**Last Ten Fiscal Years**  
(unaudited)

(1)

TABLE 4

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Culture/ Recreation	Debt Service	Capital Outlay <sup>(2)</sup>	Grants in Aid	Human Services	Economic Environment	Total
1995	\$ 4,676,190	\$ 9,824,366	\$ 1,035,775	\$ 941,496	\$ 1,524,224	\$ 900,942	\$ 8,929	\$ 43,000	\$ 120,521	\$ 14,085	\$ 19,089,528
1996	5,386,755	11,007,081	1,049,753	1,615,870	1,436,461	972,890	-	43,000	163,239	178,724	21,853,773
1997	6,185,919	13,072,471	2,300,648	1,176,973	1,535,669	796,690	-	61,659	154,204	15,884	25,300,117
1998	6,508,892	13,872,796	2,665,397	2,298,041	1,767,946	816,774	-	117,591	222,323	53,295	28,323,055
1999	6,146,070	15,257,236	2,984,300	1,968,018	2,051,661	1,118,539	1,455,880	92,636	292,974	72,457	31,439,771
2000	6,178,729	16,445,488	3,444,995	1,438,811	1,743,213	1,826,485	7,446,144	98,580	257,715	375,513	39,255,673
2001	6,553,876	17,677,687	1,823,700	1,163,401	2,327,697	1,763,804	2,021,826	110,440	377,850	774,581	34,594,862
2002	7,262,915	17,367,132	1,619,105	1,276,763	3,190,812	2,392,823	2,228,415	114,435	243,726	893,209	36,589,335
2003	8,766,855	19,492,930	1,815,299	1,156,016	3,223,007	2,835,793	10,726,676	114,040	254,154	784,722	49,169,492
2004	9,075,335	22,411,503	1,994,404	1,411,803	3,761,822	3,215,740	12,827,440	-	248,825	914,845	55,861,717

Notes:

(1) In accordance with State of Florida Uniform Accounting System. Includes all Governmental Fund types. It is not feasible to restate prior years.

(2) Capital outlay represents Capital Projects Fund only. It is not feasible to restate prior years.

**City of Tamarac, Florida**  
**TAX REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 5

Fiscal Year	Property Taxes			Other Taxes			Total Taxes
	General Fund	Debt Service Funds	Total Property Taxes	Local Option Gas Tax	Telecomm Service Tax	Other	
1995	7,051,443	806,145	7,857,588	857,835	-	62,543	8,777,966
1996	7,516,472	812,799	8,329,271	972,890	-	80,277	9,382,438
1997	7,369,939	769,832	8,139,771	906,233	-	95,755	9,141,759
1998	7,679,425	783,163	8,462,588	961,640	-	99,190	9,523,418
1999	8,100,947	786,830	8,887,777	978,556	-	99,735	9,966,068
2000	8,588,241	842,004	9,430,245	981,554	-	105,383	10,517,182
2001	10,761,969	1,034,593	11,796,562	1,049,656	-	123,308	12,969,526
2002	11,572,196	1,048,463	12,620,659	1,052,776	2,446,329	108,298	16,228,062
2003	12,733,059	1,049,486	13,782,545	1,064,202	2,636,575	99,435	17,582,757
2004	13,956,061	1,058,410	15,014,471	1,084,880	2,615,867	106,512	18,821,729

Note: Includes General, Special Revenue, Debt Service Funds and Capital Projects Fund.

**City of Tamarac, Florida**  
**FRANCHISE FEE REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 6

Fiscal Year	Electric	Telephone	Cable Television	Towing	Solid Waste	Total
1995	1,754,018	63,267	271,780	16,000	644,252	2,749,317
1996	1,848,364	65,606	223,832	15,000	666,509	2,819,311
1997	2,078,219	71,319	234,024	21,500	724,858	3,129,920
1998	1,958,161	78,192	253,181	23,650	756,990	3,070,174
1999	1,983,587	81,396	283,847	27,330	705,410	3,081,570
2000	1,877,250	98,818	500,112	27,302	815,478	3,318,960
2001	2,117,809	101,025	364,523	35,446	827,380	3,446,183
2002	2,473,637	53,558	24,502	37,500	862,029	3,451,226
2003	2,582,172	-	-	37,500	897,372	3,517,044
2004	3,384,757	-	-	37,500	975,292	4,397,549

Note: General Fund only

**City of Tamarac, Florida**  
**INTERGOVERNMENTAL REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 7

Fiscal Year	Federal Revenues	State Revenues						Local Revenues				Total Inter-governmental Revenues
	Grants	Grants	Cigarette Taxes	Alcoholic Beverage License Fees	Sales Tax Half-Cent	State Revenue Sharing	Motor Fuel Tax Refunds	Grants	Shared County Occupational Licenses	County Emergency Service Fee	Other Local Revenues	
1995	22,595	133,624	68,788	11,133	2,280,414	1,124,339	8,503	-	67,459	-	8,520	3,725,375
1996	-	390,557	68,245	9,675	2,584,714	1,121,071	10,973	-	61,802	39,000	8,999	4,295,036
1997	28,310	17,651	61,484	8,635	2,493,915	1,111,453	6,540	-	61,484	-	11,477	3,800,949
1998	46,735	28,418	73,066	10,272	2,636,045	1,187,876	14,820	622,634	64,726	-	85,341	4,769,933
1999	301,472	353,260	63,655	12,750	2,766,192	1,117,174	10,001	753,581	62,170	7,314	48,108	5,495,677
2000	326,324	505,472	53,688	11,470	2,966,244	1,182,880	12,931	320,391	93,865	-	60,000	5,533,264
2001	300,692	874,757	-	12,152	3,131,981	1,199,207	14,718	10,000	56,141	-	127,735	5,727,383
2002	710,096	617,103	-	12,088	3,152,961	1,201,408	15,778	28,764	72,008	-	283,329	6,093,535
2003	526,768	1,004,617	-	12,373	3,257,611	1,364,195	16,567	2,461,325	48,104	-	277,024	8,968,584
2004	1,282,155	2,297,325	-	13,393	3,303,018	1,489,074	17,523	275,175	65,063	-	535,341	9,278,067

Note: Includes General, Special Revenue, Debt Service and Capital Project Funds.

**City of Tamarac, Florida**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 8

Fiscal Year	Tax Roll	Total Tax Levy <sup>(1)</sup>	Current Tax Collections	Percentage Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy
1995	1994	8,206,904	8,117,040	98.9	30,963	8,148,003	99.3
1996	1995	8,614,737	8,531,276	99.0	126,885	8,658,161	100.5
1997	1996	8,503,884	8,413,038	98.9	3,136	8,416,174	99.0
1998	1997	8,851,537	8,830,712	99.8	10,232	8,840,944	99.9
1999	1998	9,249,130	9,221,530	99.7	8,782	9,230,312	99.8
2000	1999	9,780,043	9,745,229	99.6	28,927	9,774,156	99.9
2001	2000	12,314,534	12,291,841	99.8	1,647	12,293,488	99.8
2002	2001	13,163,739	13,067,937	99.3	-	13,067,937	99.3
2003	2002	14,387,861	14,300,405	99.4	7,190	14,307,595	99.4
2004	2003	15,697,943	15,550,505	99.1	20,868	15,571,373	99.2

Notes:

(1) Tax levy, net of discount.

**City of Tamarac, Florida**  
**ASSESSED VALUE OF TAXABLE PROPERTY<sup>(1)</sup>**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 9

Fiscal Year	Tax Roll <sup>(2)</sup>	Real Property	Personal Property	Exemptions	Total Assessed Value of Property <sup>(3)</sup>
1995	1994	1,388,679,626	106,856,285	-	1,495,535,911
1996	1995	1,374,560,080	121,626,740	-	1,496,186,820
1997	1996	1,444,989,880	115,059,146	-	1,560,049,026
1998	1997	1,502,455,190	116,188,330	-	1,618,643,520
1999	1998	1,575,407,620	125,406,712	-	1,700,814,332
2000	1999	1,670,159,490	133,322,829	-	1,803,482,319
2001	2000	1,737,754,210	154,834,249	-	1,892,588,459
2002	2001	1,878,967,710	161,079,129	-	2,040,046,839
2003	2002	2,085,364,460	163,954,560	-	2,249,319,020
2004	2003	2,290,798,510	165,311,145	-	2,456,109,655

Notes:

(1) Information furnished by Broward County Property Appraiser.

(2) Assessed values as of January 1.

(3) Florida Statutes require assessments at just valuation.

**City of Tamarac, Florida**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUE)**  
**Last Ten Fiscal Years**  
**(unaudited)**

TABLE 10

Fiscal Year	Tax Roll	City of Tamarac			Broward County	Broward District Schools	Children's Services	South Florida Water Management District	North Broward Hospital District	Florida Inland Navigation District	Total
		Operating Millage	Debt Service Millage	Total City Millage							
1995	1994	5.2366	0.6000	5.8366	8.0343	10.0259	-	0.5970	2.4618	0.0490	27.0046
1996	1995	5.2366	0.5662	5.8028	8.1165	10.0366	-	0.6470	2.4327	0.0400	27.0756
1997	1996	4.9999	0.5223	5.5222	7.7524	9.4000	-	0.6720	2.4200	0.0380	25.8046
1998	1997	4.9999	0.5100	5.5099	7.8380	9.9745	-	0.6970	2.4087	0.0500	26.4781
1999	1998	4.9999	0.4856	5.4855	7.5710	9.7256	-	0.6970	2.5000	0.0470	26.0261
2000	1999	4.9999	0.4901	5.4900	7.5710	9.1283	-	0.6970	2.4895	0.0440	25.4198
2001	2000	5.9999	0.5435	6.5434	7.4005	8.7541	0.3055	0.6970	2.4803	0.0385	26.2193
2002	2001	5.9999	0.5435	6.5434	7.4005	8.7541	0.3055	0.6970	2.4803	0.0385	26.2193
2003	2002	5.9999	0.4550	6.4549	7.1880	8.4176	0.3920	0.6970	2.5000	0.0385	25.6880
2004	2003	5.9999	0.4097	6.4096	7.0230	8.2695	0.4231	0.6970	2.4803	0.0385	25.3410

Taxes Due  
Discounts Allowed

November 1st  
4% in November  
3% in December  
2% in January  
1% in February

Taxes Delinquent  
Tax Sale

April 1st  
On or before June 1st

Tax Rate

Article VII, Section 9, Constitution of State of Florida provides ad valorem taxes shall not be levied in excess of ten mills except for payment of bonds, and only after vote of electorate.

**City of Tamarac, Florida**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO TAXABLE ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**Last Ten Fiscal Years**  
(unaudited)

TABLE 11

Fiscal Year	Population (2)	Total Assessed Value	Gross Bonded Debt (1)	Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Assessed Value	Net Bonded Debt Per Capita
1995	48,758	1,495,535,911	6,485,000	(514,136)	6,999,136	0.489	143.55
1996	50,051	1,496,186,820	6,040,000	(472,298)	6,512,298	0.436	130.11
1997	50,792	1,560,049,026	5,575,000	(470,614)	6,045,614	0.388	119.03
1998	51,488	1,618,643,520	5,090,000	(442,727)	5,532,727	0.342	107.46
1999	52,413	1,700,814,332	7,835,000	(575,363)	8,410,363	0.495	160.46
2000	55,684	1,803,482,319	7,181,370	(757,257)	7,938,627	0.440	142.57
2001	56,047	1,892,588,459	6,492,461	(753,457)	7,245,918	0.383	129.28
2002	56,444	2,014,323,202	5,907,461	(754,572)	6,662,033	0.331	118.03
2003	56,881	2,240,048,868	5,153,050	(754,683)	5,907,733	0.264	103.86
2004	57,726	2,449,334,313	4,352,901	5,517	4,347,384	0.177	75.31

Notes:

- (1) Includes General Obligation Bonds payable from general revenues. Does not include Revenue Bonds payable from revenues.  
(2) Furnished by the Bureau of Economic and Business Research (University of Florida)

**City of Tamarac, Florida**  
COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 2004

TABLE 12

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The Charter of the City of Tamarac imposes no bonded debt limit.

**City of Tamarac, Florida**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
September 30, 2004  
(unaudited)

TABLE 13

<u>Name of Government</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City Of Tamarac</u>	<u>Amount Applicable to City of Tamarac</u>
City of Tamarac	\$ 4,352,901	100.00%	\$ 4,352,901
Total Direct Debt	<u>4,352,901</u>	100.00	<u>4,352,901</u>
Broward County	450,340,000	2.56	11,528,704
Broward County School District	<u>103,108,220</u>	2.56	<u>2,639,570</u>
Total Overlapping Debt	<u>553,448,220</u>	2.56	<u>14,168,274</u>
Total Direct and Overlapping Debt	<u><u>\$ 557,801,121</u></u>		<u><u>\$ 18,521,175</u></u>

**City of Tamarac, Florida**  
**PERCENTAGE OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**  
**Last Ten Fiscal Years**  
**(unaudited)**

TABLE 14

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures <sup>(1)</sup>	Percentage of Debt Service to Total General Expenditures
1995	430,000	370,030	800,030	19,089,528	4.19
1996	445,000	351,110	796,110	21,853,773	3.64
1997	465,000	330,640	795,640	25,300,117	3.14
1998	485,000	308,320	793,320	28,323,055	2.80
1999	505,000	396,220	901,220	31,439,771	2.87
2000	653,630	397,058	1,050,688	39,255,673	2.68
2001	688,908	363,690	1,052,598	34,594,862	3.04
2002	719,411	327,947	1,047,358	36,589,335	2.86
2003	760,149	290,034	1,050,183	49,169,492	2.14
2004	806,132	249,331	1,055,463	55,861,717	1.89

Notes:

(1) See Table 4 - includes all Governmental Fund Types.

**CITY OF TAMARAC, FLORIDA**  
**UTILITIES REVENUE BOND COVERAGE<sup>(1)</sup>**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 15

Fiscal Year	Operating		Net Revenue Available for Debt Service	Principal <sup>(4)</sup>	Interest	Total	Coverage
	Revenues <sup>(2)</sup>	Expenses <sup>(3)</sup>					
1995	12,326,414	8,383,946	3,942,468	620,000	1,649,858	2,269,858	1.74
1996	12,982,236	8,846,020	4,136,216	615,000	1,119,585	1,734,585	2.38
1997	13,580,516	9,959,934	3,620,582	1,615,000	1,230,186	2,845,186	1.27
1998	13,857,147	10,545,509	3,311,638	1,045,000	1,178,811	2,223,811	1.49
1999	13,749,334	10,719,816	3,029,518	1,100,000	1,123,536	2,223,536	1.36
2000	14,866,267	12,014,729	2,851,538	1,170,000	1,063,161	2,233,161	1.28
2001	14,402,910	10,658,948	3,743,962	1,235,000	997,345	2,232,345	1.68
2002	14,619,599	11,642,916	2,976,683	1,300,000	926,495	2,226,495	1.34
2003	14,946,465	12,307,862	2,638,603	1,380,000	850,595	2,230,595	1.18
2004	16,845,538	12,852,785	3,992,753	1,459,680	855,127	2,314,807	1.72

Notes:

- (1) In 1997, the Utilities East system was combined with the Utilities West system.
- (2) Includes water and sewer service charges, and meter installations.
- (3) Does not include depreciation and amortization expenses.
- (4) Principal payments for FY 2003 and 2004 were made on October 1st.

**CITY OF TAMARAC, FLORIDA**  
**INSURANCE COVERAGE**  
September 30, 2004  
(unaudited)

TABLE 16

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period		Liability Limits
			From	To	
BLANKET COVERAGE BOILER & MACHINERY	Full replacement coverage on City buildings and contents and actual cash value coverage on City vehicles parked on City property. Includes boiler & machinery- Full replacement coverage for City property damaged by explosions of boilers or pressure.	Florida Municipal Insurance Trust Policy# FMIT 584	10/01/03 to 10/01/04		\$48,664,583 real property \$4,442,070 personal property \$952,403 inland marine (\$25,000 per occurrence deductible) 2% windstorm, hail \$5,000,000 terrorism
AUTO LIABILITY PHYSICAL DAMAGE	Bodily injury & property damage liability arising out of automobile use.	Florida Municipal Insurance Trust Policy # FMIT 584	10/01/03 to 10/01/04		\$2,000,000 per occurrence (\$25,000 per occurrence settlement/ judgment deductible) (\$10,000 physical loss deductible)
FLOOD INSURANCE	Actual cash value coverage on City buildings & contents for flood damage.	American Bankers Policy # ARF0337444- ARF0337458	11/02/03 to 11/02/04		Up to \$500,000 per location-buildings Up to \$500,000 per location-contents (\$500 per location deductible)
CRIME INSURANCE	Dishonest acts of commissioners or employees and loss of money or securities.	Hartford Insurance Co. Policy #21BPEBS9275	06/22/04 to 06/22/05		\$1,000,000 per fidelity loss; depositors forgery or alteration; theft, disappearance and destruction; computer & funds fraud. (\$10,000 deductible)
GENERAL LIABILITY, PUBLIC OFFICIALS ERRORS & OMISSIONS	Bodily injury & property damage liability for City premises and operations, including EMT liability and public officials errors & omissions.	Florida Municipal Insurance Trust Policy # FMIT 584	10/01/03 to 10/01/04		\$2,000,000 per occurrence (\$25,000 per occurrence settlement/ judgment deductible)
WORKERS' COMPENSATION	Workers' compensation & employer's liability.	Florida Municipal Insurance Trust Policy # FMIT 584	10/01/03 to 10/01/04		Statutory limits \$1,000,000 per occurrence (\$25,000 per loss deductible)
ACCIDENTAL DEATH & DISMEMBERMENT	Statutory death benefits for firefighters in the line of duty.	American Insurance Group Policy # SRG0008053013	10/01/03 to 10/01/04		\$100,000 line of duty for fulltime firefighters \$155,000 unlawful and intentional acts \$52,000 fresh pursuit
UNDERGROUND STORAGE TANKS	Above and underground storage tank liability (i.e., spills, leaks).	Best Dorsey Insurance Policy # FPL7509689	03/18/04 to 03/18/05		\$1,000,000 per occurrence \$1,000,000 annual aggregate (\$5,000 deductible per claim)
PUBLIC OFFICIALS BOND	Public officials bond on Director of Finance.	Hartford Insurance Co. Bond # 21BSBAR9967	10/04/03 to 10/04/04		\$100,000 public officials bond (Excess up to \$900,000 per occurrence through crime insurance)
POLLUTION AND REMEDATION LEGAL LIABILITY	Pollution & remedial legal liability coverage supplement- sudden & gradual pollution and onsite cleanup for scheduled operations of the member	American Int'l Specialty Lines Insurance Co. Policy # 1959199	10/01/03 to 10/01/04		\$1,000,000 each loss, remediation expense; \$1,000,000 total all losses remediation expense; \$10,000 retention each loss, remediation expense. Terrorist Acts Included
MISCELLANEOUS PROFESSIONAL LIABILITY	CGL and professional liability covering various instructors hired for Tamarac Community Center, Parks & Recreation Bldg., Multi-Purpose Center, BSO Training Room, City Hall and Satellite City Hall contracted by City of Tamarac.	Western Works Ins. Co. Policy # NPP821558	12/5/2003 to 12/5/2004		\$1,000,000 per occurrence \$1,000,000 aggregate & products \$1,000,000 personal & advertising limit \$50,000 damage to premises rented to you \$1,000,000 each professional incident (\$250 Deductible per Occurrence)
ACCIDENT DEATH & SPECIFIC LOSS	Tamarac fire cadet program volunteer	Special Markets Insurance Consultants Mutual of Omaha Policy# 09-055674-005	3/10/2004 to 3/10/2005		\$25,000 maximum benefit-excess \$10,000 AD & Specific Loss as defined

**City of Tamarac, Florida**  
**PRINCIPAL TAXPAYERS**  
September 30, 2004  
(unaudited)

TABLE 17

<u>Taxpayer (Local Exposure Recognition)</u>	<u>Type of Business</u>	<u>Taxable Valuation</u>	<u>Percent of Total Taxable Valuation</u>
University Hospital, Ltd.	Hospital, Health Care	\$ 46,600,164	1.90%
Florida Power & Light, Co.	Electric Utility	44,722,092	1.82
Advance Business Assoc.	Furniture	43,263,854	1.76
T T of Commercial Inc.	Auto Management Svc	25,737,110	1.05
Monadnock Property Trust LLC	Rental Apartments	25,717,926	1.05
Inland Southeast Midway LLC	Shopping Center	23,949,320	0.98
Samson Mgmt Inc (Hidden Harbour)	Rental Apartments	20,763,688	0.85
Ramco-Gershenson Properties	Rental Apartments	19,072,030	0.78
Tamarac Apartments LLC	Rental Apartments	16,513,418	0.67
Centex Homes	Rental Apartments	<u>15,350,380</u>	<u>0.62</u>
	Total	<u>\$ 281,689,982</u>	<u>11.47%</u>

**City of Tamarac, Florida**  
**DEMOGRAPHIC STATISTICS AND INFORMATION**  
 Last Ten Fiscal Years  
 (unaudited)

TABLE 18

Fiscal Year	Population		Total Assessed Valuations <sup>(3)</sup>	Construction Valuations <sup>(4)</sup>	Per Capita Income Broward County <sup>(5)</sup>
	City <sup>(1)</sup>	Broward County <sup>(2)</sup>			
1995	48,758	1,395,661	1,495,535,911	55,526,022	26,403
1996	50,051	1,417,920	1,496,186,820	44,641,228	27,129
1997	50,792	1,419,709	1,560,049,026	59,783,764	27,661
1998	51,488	1,459,416	1,618,643,520	134,970,175 *	28,546
1999	52,413	1,488,615	1,700,814,332	225,058,147 *	28,281
2000	55,684	1,632,951	1,803,482,319	217,630,971 *	29,629
2001	56,047	1,673,176	2,452,378,539	57,743,285 *	30,702
2002	56,444	1,709,118	2,040,046,839	110,497,645 *	27,569
2003	56,881	1,723,360	3,065,902,380	78,128,589 *	29,537
2004	57,726	1,756,660	3,531,331,205	82,318,899 *	N/A

Notes:

- (1) Furnished by the Bureau of Economic and Business Research (University of Florida)
- (2) Furnished by Broward County Office of Planning
- (3) Furnished by Broward County Property Appraiser
- (4) Furnished by City of Tamarac Building Department
- (5) Furnished by Broward County Economic Development Board

Per City Resolution (R-2002-138), the construction valuations are based on the cost of \$60 per square foot for residential construction and \$40 per square foot for commercial construction. In prior years, the construction valuations were based on estimates provided by the developers or builders





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## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, City Commissioners  
and City Manager  
City of Tamarac, Florida

We have audited the basic financial statements of the City of Tamarac, Florida (the City), as of and for the year ended September 30, 2004 and have issued our report thereon dated January 28, 2005, except for notes 13 and 15 as to which date is March 1, 2005. We did not audit the financial statements of the Pension Trust Funds, which together represent 100% of the assets, revenues and deductions of the fiduciary fund totals, which are included in the fund financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Pension Trust Funds, are based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Mayor, City Commission, City management and the applicable regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.



January 28, 2005

**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Honorable Mayor, City Commissioners  
and City Manager  
City of Tamarac, Florida

We have audited the basic financial statements of the City of Tamarac, Florida (the City) as of and for the year ended September 30, 2004, and have issued our report thereon dated January 28, 2005, except for notes 13 and 15 as to which date is March 1, 2005. We did not audit the financial statements of the Pension Trust Funds, which together represent 100% of the assets, revenues and deductions of the fiduciary fund totals, which are included in the fund financial statements. Those financial statements were audited by other independent auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Pension Trust Funds, are based solely on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Auditor General. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, Summary Schedule of Prior Audit Findings, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 28, 2005, should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(g) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the basic financial statements of the City of Tamarac, Florida, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

We previously reported on the City of Tamarac, Florida's compliance and internal control over financial reporting in our report dated January 25, 2005.

This report is intended for the information of the City of Tamarac, Florida's management and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Tamarac, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.



January 28, 2005

## LETTER TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. Unless otherwise required to be reported in the auditor's report on compliance and on internal controls, the management letter shall include, but not be limited to a statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2004.
2. The City of Tamarac complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were no violations of laws, rules, regulations, and contractual provisions or abuse, that were not clearly inconsequential, that have occurred, or were likely to have occurred, that were discovered within the scope of the audit.
4. There were no illegal or improper expenditures, that were not clearly inconsequential, discovered within the scope of the audit that may not materially affect the financial statements.
5. There were no deficiencies in internal control that are not reportable conditions, including, but not limited to, improper or inadequate accounting procedures, failure to properly record financial transactions or other inaccuracies, shortages, defalcations, or instances of fraud discovered by, or that came to the attention of, the auditor.
6. The City of Tamarac, Florida was established pursuant to the laws of the State of Florida 59-1487, as a municipal corporation in 1959. The City operates under a Commission / City Manager form of government. The City is financially independent as evidenced by the authority to make and approve its own budget, the power to tax, the authority to buy and sell property, and the authority to incur debt. There are no component units.
7. The City of Tamarac has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
8. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2004 financial audit report.
9. We applied financial condition assessment procedures pursuant to Rule 10.556 (8) and no deteriorating financial conditions were noted. It is management's responsibility to monitor 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND INTERNAL CONTROL OVER COMPLIANCE  
APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND  
STATE FINANCIAL ASSISTANCE PROJECT**

To the Honorable Mayor, City Commissioners  
and City Manager  
City of Tamarac, Florida

Compliance

We have audited the compliance of the City of Tamarac, Florida (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal awards programs and State financial assistance projects for the year ended September 30, 2004. The City's major federal awards programs and State financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal awards programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal awards program or State financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Tamarac, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2004.

To the Honorable Mayor, City Commissioners  
and City Manager

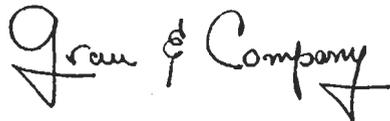
Page 2

### Internal Control Over Compliance

The management of the City of Tamarac, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance projects to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of law, regulations, contracts and grants that would be material in relation to a major federal award program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Mayor, City Commission, City management and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.



January 28, 2005

**CITY OF TAMARAC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROGRAMS  
AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

<b>Federal Agency, Pass-through Entity Federal Program</b>	<b>CFDA Number</b>	<b>Contract Grant Number</b>	<b>Expenditures</b>
<b><i>U.S. Department of Housing and Urban Development</i></b>			
Pass-Through Broward County			
Community Development Block Grant	14.218	B00MC120048	\$ 456,586
<b><i>Total U.S. Department of Health and Human Services</i></b>			<u>456,586</u>
<b><i>U.S. Department of the Interior</i></b>			
Land and Water Conservation Fund: McNab Park	15.916	LW00389	<u>38,204</u>
<b><i>U.S. Department of Justice</i></b>			
Local Law Enforcement Block Grant-2002	16.592	2002-LB-BX-2123	5,020
Local Law Enforcement Block Grant-2003	16.592	2003-LB-BX-2909	<u>15,629</u>
<b><i>Total U.S. Department of Justice</i></b>			<u>20,649</u>
<b><i>Federal Emergency Management Agency</i></b>			
Firefighter Equipment Assistance	97.036	EMW-2002-FG-12522	149,503
CERT Grant	97.036	03CT-95-11-16-02-382	1,226
FEMA Training Assistance Grant	97.036	EMW-2003-FG09920	86,297
Hurricane Charley	97.036	FEMA-FL-DR 1539	26,128
Hurricane Frances	97.036	FEMA-FL-DR 1545	523,348
Hurricane Jeanne	97.036	FEMA-FL-DR 1561	<u>45,970</u>
<b><i>Total Federal Emergency Management Association</i></b>			<u>832,472</u>
<b><i>TOTAL EXPENDITURES OF FEDERAL AWARDS</i></b>			<u>\$ 1,347,911</u>

N/A - Not Available

See Notes to Schedule of Expenditures of Federal Awards Program and State Financial Assistance Project.

**CITY OF TAMARAC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROGRAMS  
AND STATE FINANCIAL ASSISTANCE PROJECT  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

<b>State Agency Pass-through Entity Program Title</b>	<b><u>CSFA Number</u></b>	<b><u>Contract Grant Number</u></b>	<b><u>Expenditures</u></b>
<b><i>Florida Housing Finance Agency</i></b>			
State Housing Initiatives Partnership (S.H.I.P.)-F/Y 02-03	52.901	N/A	\$ <u>530,212</u>
<b><i>Urban Forestry Grant</i></b>			
57th Street Improvements	42.012	7700	<u>10,000</u>
<b><i>Florida Department of Health</i></b>			
ALS Vehicle Grant	64.005	M3071	<u>200,000</u>
<b><i>Florida Recreation Development Assistance Program (FRDAP)</i></b>			
McNab Road Park	37.017	F0353	2,863
Caporella Park	37.017	F1249	<u>20,919</u>
			<u>23,782</u>
<b><i>Florida Department of Community Affairs</i></b>			
Hurricane Charley	52.017	N/A	52,021
Hurricane Frances	52.017	N/A	12,417
Hurricane Jeanne	52.017	N/A	<u>2,554</u>
			<u>66,992</u>
<b><i>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</i></b>			<b><u>\$ 830,986</u></b>

N/A - Not Available

See Notes to Schedule of Expenditures of Federal Awards Program and State Financial Assistance Project.

**CITY OF TAMARAC, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**

**NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133 AND CHAPTER 10.550**

**Federal Awards Programs**

All Federal grant operations of the City of Tamarac, Florida are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 Compliance Supplement (Revised March 2004, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal award programs and other grants with fiscal 2004 cash and noncash expenditures in excess of \$500,000 that ensure coverage of at least 25 percent of Federally granted funds. Actual coverage is approximately 96 percent of total cash and noncash Federal award program expenditures.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2004 Expenditures</u>
Community Development Block Grant	\$ 456,586
Federal Emergency Management Agency	\$ 832,472

**State Financial Assistance Projects**

All State financial assistance projects of the City of Tamarac, Florida are included in the scope of Florida Single Audit. The Florida Single Audit was performed in accordance with the provisions of the Florida Single Audit Act. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant program noted below. These programs represent all State financial assistance and other grants with fiscal 2004 cash and noncash expenditures in excess of \$500,000 that ensure coverage of at least 50 percent of State granted funds. Actual coverage is approximately 64 percent of total cash and noncash State financial assistance projects.

<u>Major State Financial Assistance Project Description</u>	<u>Fiscal 2004 Expenditures</u>
State Housing Initiative Program	<u>\$ 530,212</u>

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards Programs and State Financial Assistance Projects includes all Federal and State grants to the City of Tamarac, Florida that had activity during the fiscal year ended September 30, 2004. The basis of accounting is described in Note 1 to the City of Tamarac, Florida's basic financial statements.

**NOTE C - FINDINGS OF NONCOMPLIANCE**

There were no findings of noncompliance identified in connection with the 2004 Federal or Florida Single Audit.

**NOTE D - AUDITS PERFORMED BY OTHER ORGANIZATIONS**

There were no audits performed by Federal or State grantor agencies.

**CITY OF TAMARAC, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -**  
**FEDERAL AWARDS PROGRAMS AND**  
**STATE FINANCIAL ASSISTANCE PROJECTS**  
**YEAR ENDED SEPTEMBER 30, 2004**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Tamarac, Florida.
2. No reportable conditions relating to the audit of the basic financial statements are reported in the independent auditors' report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No reportable conditions relating to the audit of the major federal award programs or State financial assistance projects are reported in the independent auditors' report on compliance and internal control over compliance applicable to each major federal awards program and State financial assistance project.
4. No reportable conditions relating to the audit of the major federal award programs or State financial assistance projects are reported in the independent auditors' report on compliance and internal control over compliance applicable to each major federal awards program and State financial assistance project.
5. The auditors' report on compliance for the major federal awards programs and state financial assistance projects for the City of Tamarac, Florida expresses an unqualified opinion.
6. Audit findings relative to the major federal awards programs and state financial assistance projects for the City of Tamarac, Florida are reported in Parts C. and D. of this Schedule.
7. The programs/projects tested as major programs include:

<u>Federal Program</u>	<u>Federal CFDA #</u>
Community Development Block Grant	14.218
Federal Emergency Management Agency	97.036
<u>State Project</u>	<u>State CSFA #</u>
State Housing Initiative Program	52.901

8. The City of Tamarac, Florida was determined to be a low-risk audit pursuant to OMB Circular A-133.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**CITY OF TAMARAC, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -**  
**FEDERAL AWARDS PROGRAMS AND**  
**STATE FINANCIAL ASSISTANCE PROJECTS**  
**YEAR ENDED SEPTEMBER 30, 2004**  
**(Continued)**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

None

**D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS**

None

**E. OTHER ISSUES**

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs or State financial assistance projects.
2. No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

