



The City of Tamarac



Comprehensive Annual Financial Report Fiscal Year ended September 30, 2006





2006
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

OF THE
CITY OF TAMARAC,
FLORIDA

Fiscal Year Ended
September 30, 2006

Prepared by
FINANCIAL SERVICES

Steven G. Chapman II, Director of Financial Services
William L. Nealon, Jr., CPA, CGFO, CIA, Controller



CITY OF TAMARAC, FLORIDA

COMMISSION – MANAGER FORM OF GOVERNMENT

CITY COMMISSION

BETH FLANSBAUM-TALABISCO, Mayor

EDWARD C. PORTNER, Vice Mayor

PATRICIA ATKINS-GRAD, Commissioner

HARRY DRESSLER, Commissioner

MARC L. SULTANOF, Commissioner

ADMINISTRATIVE STAFF

Jeffrey L. Miller
City Manager

Samuel S. Goren
City Attorney

Steven G. Chapman II
Director of Financial Services

CITY OF TAMARAC

OUR VISION

THE CITY OF TAMARAC, OUR COMMUNITY OF CHOICE -
LEADING THE NATION IN QUALITY OF LIFE THROUGH SAFE NEIGHBORHOODS,
A VIBRANT ECONOMY, EXCEPTIONAL CUSTOMER SERVICE
AND RECOGNIZED EXCELLENCE

OUR MISSION

WE ARE "COMMITTED TO EXCELLENCE . . . ALWAYS"

IT IS OUR JOB TO FOSTER AND CREATE AN ENVIRONMENT THAT:

RESPONDS TO THE CUSTOMER
CREATES AND INNOVATES
WORKS AS A TEAM
ACHIEVES RESULTS
MAKES A DIFFERENCE

OUR VALUES

AS STEWARDS OF THE PUBLIC TRUST, WE VALUE:

VISION
INTEGRITY
EFFICIENCY
QUALITY SERVICE



Committed to Excellence...Always

CITY OF TAMARAC, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL



City of Tamarac

"Committed to Excellence...Always"

Jeffrey L. Miller
City Manager

March 7, 2007

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, 2006 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.

BKR Garcia & Company, 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, 2006, 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, 2006, 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*. The reports included in this section are the Schedules of Expenditures of Federal 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 59,586 people, the City ranks thirteenth in population among the 31 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 limits provide many recreational facilities for residents. It is also home to the 500-acre Tamarac Commerce Park. Additionally, the nearby access to super-highways, railways, airways, and waterways gives the City an ideal location in the expanding and dynamic tri-county commercial market.

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, submitting 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. An amendment was approved at an election held on November 7, 2006 to extend the terms of the Mayor and Commissioners from three years to a term of four years. Commissioners from odd-numbered districts shall be elected at the municipal election held in November 2008 and every four years thereafter. The Mayor and Commissioners from even-numbered districts serving as of March 10, 2009, shall have their terms extended to November 10, 2009, on which date the City shall conduct a stand alone 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 through a stable level of residential construction activity from 1996 ongoing to 2006. Our continued annexation efforts will add more commercial and industrial land to the eastside of Tamarac. A favorable economic climate has been a magnet to businesses and employees' families. The City's median population age has been dropping with the average in 2006 being 46.5, whereas it was 52.9 in 2000. The growth in new businesses also adds to the economic diversity of the area.

Economic indicators in 2006 point to a continued economic expansion, strong job growth, and minimal inflation. Broward County is showing the lowest unemployment rate in four years. It averaged 3.1% in 2006 compared with 3.7%, 4.6% and 5.4% in the same period in 2005, 2004, and 2003, respectively. For the second consecutive year, Broward County welcomed more than 10 million visitors, breaking its previous mark set in 2005. Sales tax revenues increased considerably as a result of sales generated from hurricane recovery and rebuilding.

South Florida continues to experience major increases in the housing market. In 2006, the average price of a single-family home in Broward County surpassed \$450,000, up 5% from 2005. The average price for a condominium was around \$250,000, up 6% from 2005. In Tamarac, new building permits were issued for 47 multi-family units and 10 permits for commercial construction during the 2006 fiscal year. The real estate market slowed in the latter part of fiscal year 2006, and is expected to continue to slow. However, limited availability of vacant land in the area will continue to place upward pressure on real estate prices.

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 FY2006 there were 228 new licenses issued for new businesses. In addition to the continued

success of Cheddars Casual Café, the City has attracted the nationally renowned Applebees restaurant chain. There have also been upgrades within the City's financial services area. Washington Mutual has relocated to expand its facilities and Fidelity Federal and Commerce Bank have opened their doors to the City. For FY 2007, the City continues to appeal to national restaurants with the expected openings of Starbucks, Rotelli Italian Restaurant, Chik-Fil-A and Subway. Fed Ex-Kinkos is also expected to open to the City's community.

The Westpointe project has experienced rapid growth since opening in the Tamarac Commerce Park. This 158-acre Development of Regional Impact has an approved development order that includes office, commercial and industrial land uses. Twenty-six acres of lakes were developed as part of the project. The corporate office of Mayor's Jewelers and the Sawgrass Infinity automotive dealership opened for business this past year.

Projects in FY 2006

- **Tamarac Aquatic Center**

This recreational facility costing \$3.9 million was recently completed and opened in January 2007. It was financed by the sales tax revenue bonds, capital improvement revenue bonds as well as state and local grants.

- **Progress on the Main Street project**

The City of Tamarac is continuing to make progress toward the creation of a Main Street project on NW 57th Street between University Drive and Nob Hill Road, which encompasses the existing community center and the newly completed Broward County library. Approximately \$772,000 was spent on the acquisition of a parcel of land on 57th Street that will help achieve this objective. 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 and the approval of a special assessment district, 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 57th Street Main Street Project 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. In late 2006, the City Commission approved plans for the construction of two, six-story buildings. The two buildings combined, will contain 55,000 square feet of commercial space on the ground floors, residential parking on the second floors, and a total of 120 two and three bedroom condos on the remaining floors. Over five acres will be developed as part of the project. 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.

- **Replacement of three stormwater pump stations on the C-14 canal**

One of the major infrastructure projects completed was 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 were obsolete and were no longer able to discharge the design volume of water due to the wear and tear of over thirty years of operation. The new pumping stations 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 each pump station as well checking the current canal level information. The total cost of the project was \$4.8 million, which was paid from the proceeds from the Series 2004 Revenue Bonds. The City also received funding from the state and local grants totaling \$2 million.

- **Land Acquisition**

In light of recent hurricanes, on December 15, 2005 the City acquired a 10 acre parcel of land at a cost of \$6.9 million. It is adjacent to the Utilities and Public Works Compound on Nob Hill Road. It is the City's intention to invest in its infrastructure by constructing a hurricane ready edifice. This will ensure the community's continued access to (water and sewage) facilities during times of natural disasters. The new building will also house the Information Technology staff and the City's computer systems. Ground breaking for this venture is expected during 2007.

- **Improvement in Water and Sewage facilities**

The City's Utilities Department was recently presented with the "Water Treatment Plant Operations Excellence Award" by the Florida Department of Environmental Protection in 2006. The department maintains its high standards in the production of what has been determined to be some of the best tasting water in the region. Among the projects completed this year was the construction of a 2 million gallon water storage tank costing \$2.7 million and the rehabilitation of the lift stations and water mains.

As a service for the utilities' customers, a water conservation program was started this past year. A Water Conversation Specialist was hired to promote various programs that reduce water use for both the businesses and individual homeowners. With an on-going water conversation program, the City may delay future capital projects to increase our water treatment capacity. Finally, the South Florida Water Management District is more likely to grant a longer term on our water withdrawal permit.

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. 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 inflow and infiltration (I&I) in the wastewater system will increase the capacity available for actual wastewater. During the past fiscal year, the cost of reducing the I&I and rehabilitating our underground sanitary sewer system totaled \$280,000. Much progress has been made in this project to date. However, this project is expected to continue for several years into the future at an estimated cost of \$1.7 million dollars.

Additional information on future projects can be found in the *City of Tamarac Fiscal Year 2007 Adopted Budget* under the "Capital Improvement Program" section.

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).

MAJOR INITIATIVES

The City of Tamarac now has a new Vision Statement. It represents the collective aspirations, dreams and desires of the City Commission, the Executive Team, employees and the residents offered through a series of meetings and workshops. The following Vision Statement embodies where we would like the City to be, and provides an image for what we are capable of becoming in the future.

"The City of Tamarac, our community of choice- leading the nation in quality of life through safe neighborhoods, a vibrant economy, exceptional customer service and recognized excellence."

Tamarac's strategic plan is built upon our vision statement. 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. Each guiding strategy provides direction as we develop programs and services to meet the needs of an ever changing community. The strategic plan provides a direct link between the vision and the mission of the City.

The five guiding strategies are:

1. Inclusive Community
2. Strong Economy in a Healthy Environment
3. Dynamic Organizational Culture
4. Clear Communication
5. A Vibrant Community

LONG-TERM FINANCIAL PLANNING

Of particular significance, during FY 2006 the City maintained its credit rating from the prior year with a general obligation indicator credit rating of AA- from Fitch Ratings Limited and A1 from Moody's Investor Services. In addition and as a result of a credit surveillance examination, Standard & Poor's Investment Advisory Services upgraded the City's underlying credit rating for non general obligation debt to A+. This improved rating will allow the City to receive better interest rates for any future long term financing.

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 FY07 budget focuses on maintaining and improving the service levels, continuing projects in progress, improving processes and practices, replacing existing infrastructure and equipment needed, and improving on an already sound financial position. The City Commission determined the City's top priorities to meet the changing needs of Tamarac.

The following current and future projects concentrate on improving infrastructure and streamlining City processes:

- Complete the filter media replacement and the rehabilitation of the lime slakers at the Water Treatment Plant
- Complete the Southgate Linear Park
- Complete NW 70th Avenue traffic calming improvements
- Complete the Nob Hill Road and Commercial Boulevard median beautification
- Continue planning and development of the 57th Street/Main Street project

- Implement new technology projects such as the electronic commission agenda and a citizen request tracking system.
- Continue to pursue the high performance initiatives and the Governor's Sterling Award through additional staff training.
- Maintain the vehicle and equipment replacement plan for fire rescue apparatus, light vehicles and personal computers.

The City intends to expend the proceeds of the Series 2005 Capital Improvement Revenue Bonds to construct the following capital projects:

- Sports Complex Expansion (groundbreaking occurred on February 22, 2007)
- Tamarac Community Center Expansion
- Recreation Center Demolition/Reconstruction
- Parks Maintenance Compound Relocation
- Aquatic Center Annex
- Southgate Linear Park Phase 1B and 2
- Dog Park
- Waters Edge Park
- Bikeway System
- Fire Station Renovation

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, 2005. 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 eighteenth 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 2006 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 ninth consecutive year Tamarac received the "Distinguished Budget Presentation Award."

In fiscal year 2006, the City of Tamarac continues to make substantial progress in its quest for the Governor's Sterling Award for Performance Excellence. This award measures overall performance of the entire organization. The Sterling Navigator survey and sight visits from the Sterling Committee culminated in the issuance of the 2005 Sterling Navigator Feedback Report. This reports identified numerous strengths in specific areas of the City's operations as well as

opportunities for improvement. The City has developed its own Sterling Committee and defined seven criteria subcommittees to address the specific areas for improvement.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services 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, Thuy Wadsworth, Revenue Analyst and Ricky Spencer, Accounting & Revenue Specialist. Deborah Joyce, CPA contributed at critical stages of the process. 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



Steven G. Chapman II
Director of Financial Services

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, 2005

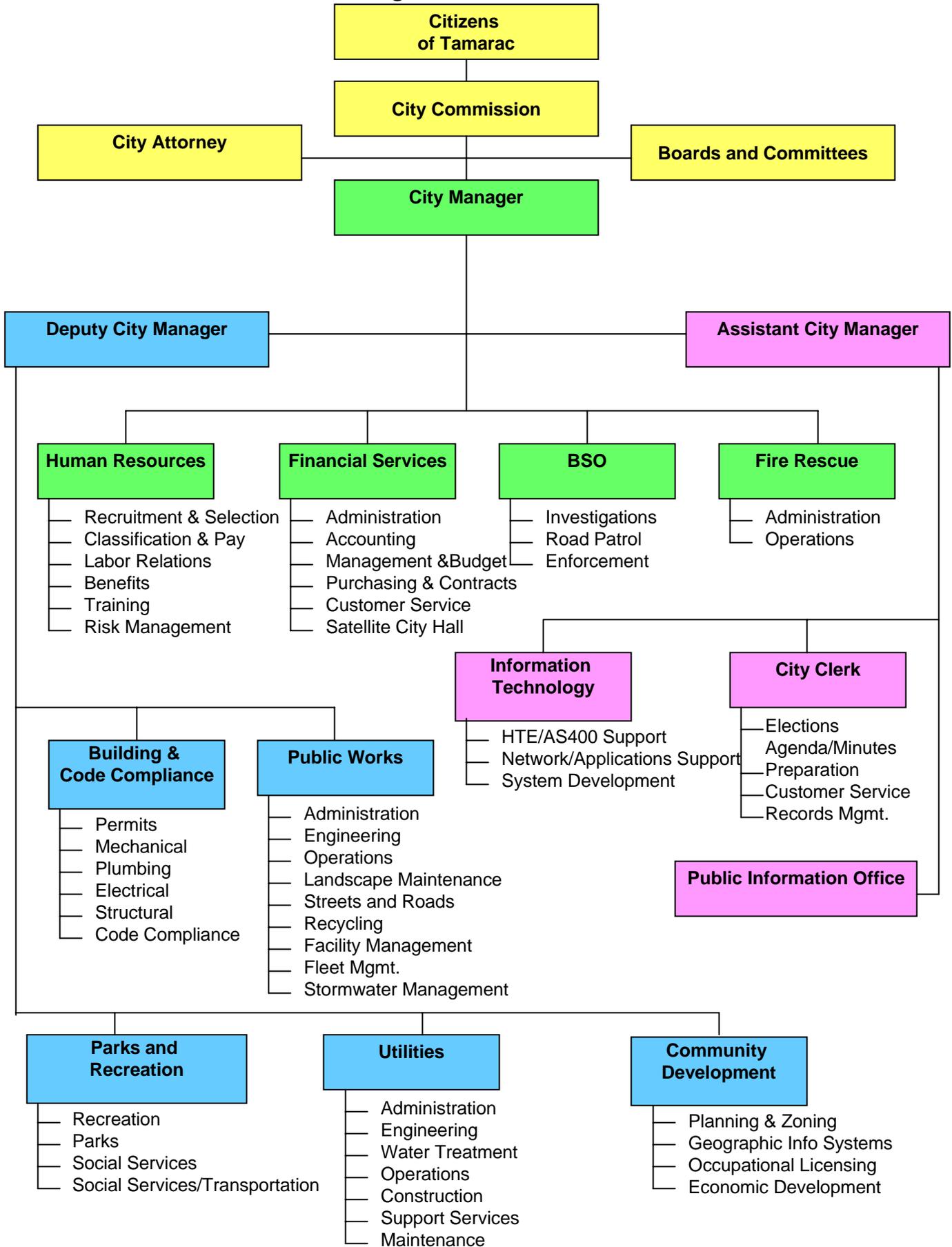
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Tamarac Organization Chart



City of Tamarac, Florida
List of Principal Officers
September 30, 2006

ELECTED OFFICIALS

Mayor	Beth Flansbaum-Talabisco
Vice-Mayor	Edward C. Portner
Commissioner	Patricia Atkins-Grad
Commissioner	Harry Dressler
Commissioner	Marc L. Sultanof

APPOINTED OFFICIALS

City Manager	Jeffrey L. Miller
City Attorney	Samuel Goren
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
Director of Financial Services	Steven G. Chapman II
Director of Information Technology	Levent Sucuoglu
Director of Parks and Recreation	Gregory Warner
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

Director of Financial Services	Steven G. Chapman II
Controller	William L. Nealon, Jr.
Purchasing and Contracts Manager	Keith Glatz
Management and Budget Officer	Chris Sammartino

FINANCIAL SECTION

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 then ended September 30, 2006, 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, 2006, 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 our report dated February 9, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The Management's Discussion and Analysis on pages 3 through 17 and the Required Supplementary Information on pages 69 through 74 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 and schedules on pages 75 through 98 are 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 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 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.

BKR Garcia & Company PLLC

February 9, 2007

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

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, 2006. 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 \$171.1 million (net assets). Of this amount, \$14.5 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$15.3 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 \$4.1 million, net assets of our governmental activities increased by \$11.2 million.
- During the year, the City had expenses that were \$10.9 million less than the \$69.4 million generated in taxes and other revenues for governmental programs, excluding transfers. This is more than last year, when revenues exceeded expenses by \$7.6 million.
- In the City's business-type activities, revenues increased by \$1.7 million while expenses increased by \$1.6 million.
- Total cost of all of the City's programs increased by \$12.3 million or 26.8 percent as a result of the additional disaster recovery costs incurred during the year.
- The General Fund's fund balance increased by \$2.4 million for the year ended September 30, 2006.
- At the end of the current year, fund balance for the General Fund was \$16.7 million, or 37 percent of total general fund expenditures and transfers. Of this amount, \$10.9 million is *designated* for economic stabilization, capital project and subsequent year's rollovers. The remaining reserved fund balance of approximately \$1 million is restricted for encumbrances, inventories, advances to pension plan and police training. These unreserved designations are in compliance with the City's fund balance policy.
- The City's total debt increased by \$11.3 million or 26.3 percent during the fiscal year. This amount is net of the debt defeasance of \$6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

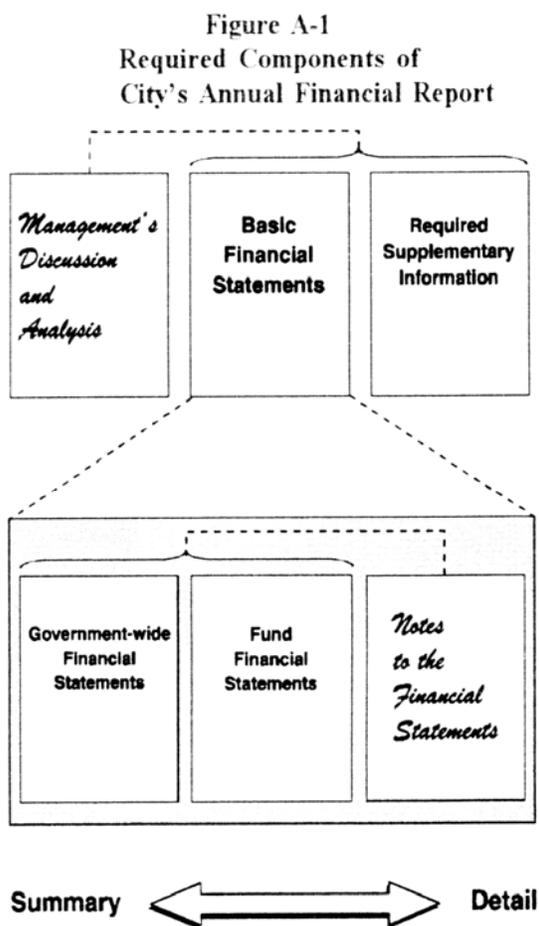
This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and fiduciary funds. The basic financial 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, 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.

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 government 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, social services, 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 four separate single-employer defined benefit plans and one defined contribution plan for the 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 18 to 19 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, Grants Fund and the 2005 Revenue Bond Capital Project Fund 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 major governmental funds and the nonmajor funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 20 to 23 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 24 to 26 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 27 to 28 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 29 to 68 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 \$171.1 million, which is an improvement in overall financial position from last year of 9.8%. 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 \$171.1 million between fiscal years 2005 and 2006—(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 were increased by \$11.2 million to \$103.9 million. However, the largest portion of the net assets (96 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
Summary of Net Assets
(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 58.9	\$ 39.2	\$ 27.6	\$33.9	\$ 86.5	\$ 73.1
Capital assets	92.1	87.8	61.8	53.8	153.9	141.6
Total assets	151.0	127.0	89.4	87.7	240.4	214.7
Long-term debt outstanding	40.0	22.9	18.7	18.5	58.7	41.4
Other liabilities	7.1	11.4	3.5	6.1	10.6	17.5
Total liabilities	47.1	34.3	22.2	24.6	69.3	58.9
Net assets						
Invested in capital assets,						
Net of related debt	71.9	65.0	49.7	33.9	121.6	98.9
Restricted	27.7	13.4	7.3	5.4	35.0	18.8
Unrestricted	4.3	14.3	10.2	23.8	14.5	38.2
Total net assets	\$103.9	\$ 92.7	\$67.2	\$63.1	\$171.1	\$155.8

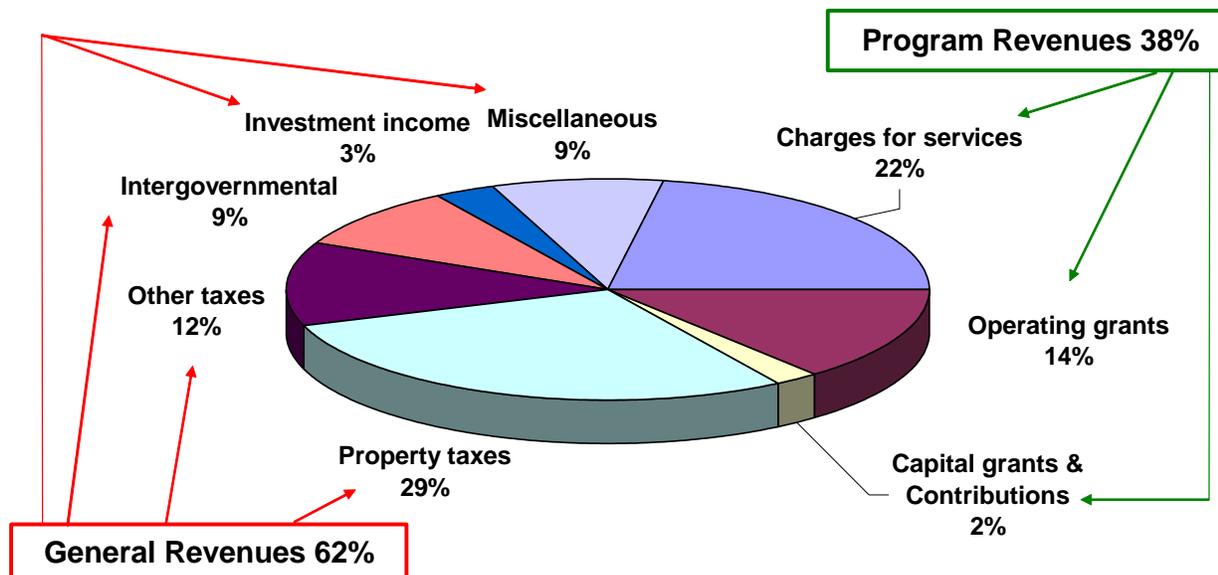
An additional portion of the City's net assets (\$35.0 million or 21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$14.5 million) may be used to meet the City's ongoing obligations to citizens and 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 a decrease of \$13.6 million in *unrestricted net assets* reported in connection with the City's business-type activities. Most of this decrease came from the completion of various water, wastewater and storm water projects which is evident with an increase of \$15.8 million in net assets invested in capital assets. The City's total net assets for business-type activities increased by \$4.1 million 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. The unrestricted net assets of governmental activities showed a \$9 million decrease at the end of the fiscal year. Most of the decrease in assets was contributed by the increase in restricted net assets of \$14.3 million which mainly pertains to unspent proceeds from debt issuance restricted for capital projects.

The City's total revenues increased by 22.2 percent to \$95.4 million (see Table 2). Approximately 30% of the City's revenues come from property taxes, and 42 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.

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



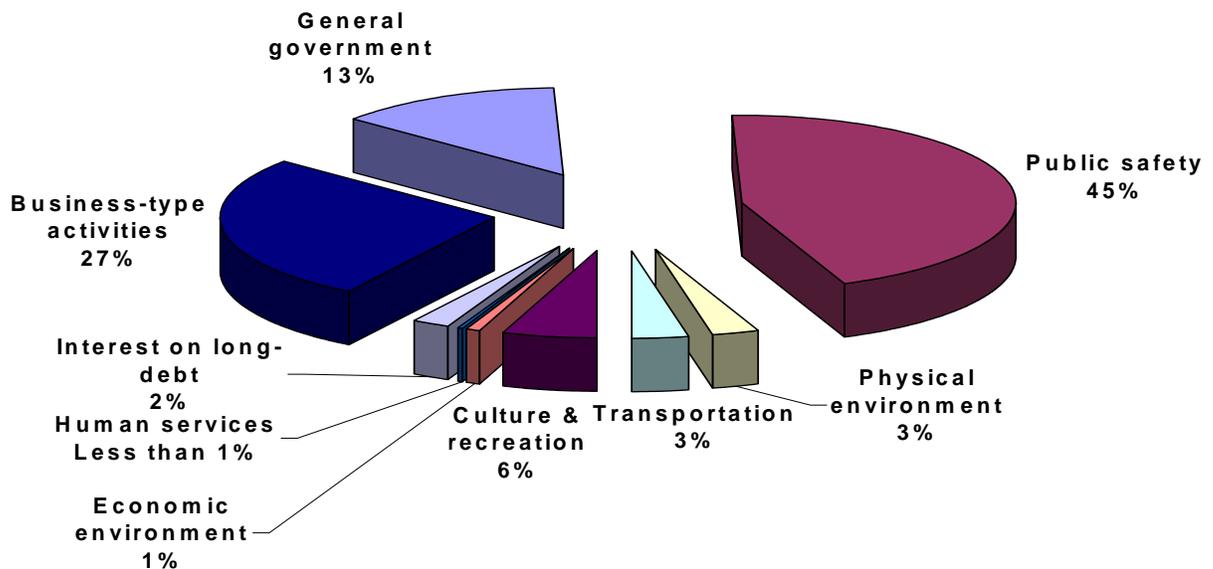
Summary of changes in net assets. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 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 2006**



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.

Revenues for the City's governmental activities increased 29.2 percent (from \$53.5 million to \$69.1 million), while the expenses increased 26.8 percent (from \$45.9 million to \$58.2 million). The increase in net assets for governmental activities was expanded to \$11.2 million in 2006. This compares to an \$7.9 million increase in 2005. Property tax revenues increased by approximately \$3.1 million due to new construction and increased property tax values. Investment income increased by \$1.5 million due to the increase in interest rates earned during fiscal year 2006.

The following functional activities that had expense increases compared to last fiscal year were: public safety which included disaster recovery (increased by \$10.8 million), general government (increased by \$800,000), interest on debt (increased by \$400,000), transportation (increased by \$200,000), and culture/recreation (increased by \$300,000). Compared to last year, the expenses for physical environment decreased by \$300,000.

Table 2
Summary of Changes in Net Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Charges for services	\$ 15.2	\$ 13.8	\$22.1	\$20.3	\$37.3	\$34.1
Operating grants	9.5	0.5	--	--	9.5	0.5
Capital grants and contributions	1.5	2.9	3.3	3.7	4.8	6.6
General revenues						
Property taxes	19.8	16.7	--	--	19.8	16.7
Other taxes	8.8	8.1	--	--	8.8	8.1
Intergovernmental	6.3	5.9	--	--	6.3	5.9
Investment income	2.1	0.6	0.9	0.6	3.0	1.2
Miscellaneous	5.9	5.0	--	--	5.9	5.0
Total revenues	69.1	53.5	26.3	24.6	95.4	78.1
Expenses						
General government	10.7	9.9	--	--	10.7	9.9
Public safety	35.5	24.7	--	--	35.5	24.7
Physical Environment	2.2	2.5	--	--	2.2	2.5
Transportation	2.7	2.5	--	--	2.7	2.5
Culture and recreation	4.5	4.2	--	--	4.5	4.2
Economic environment	0.7	0.6	--	--	0.7	0.6
Human services	0.3	0.3	--	--	0.3	0.3
Interest on long-debt	1.6	1.2	--	--	1.6	1.2
Utilities	--	--	18.2	17.2	18.2	17.2
Stormwater	--	--	3.7	3.1	3.7	3.1
Total expenses	58.2	45.9	21.9	20.3	80.1	66.2
Excess before transfers	10.9	7.6	4.4	4.3	15.3	11.9
Transfers in (out)	0.3	0.3	(0.3)	(0.3)	--	--
Increase in net assets	11.2	7.9	4.1	4.0	15.3	11.9
Net assets, October 1	92.7	84.8	63.1	59.1	155.8	143.9
Net assets, September 30	\$103.9	\$92.7	\$67.2	\$63.1	\$171.1	\$155.8

Note: Totals may not add due to rounding.

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

In fiscal year 2006, the City did increase the millage by a quarter of a mill. Most of the City's revenue sources were above the final budget estimates. The actual revenues collected from the taxes, franchise fees, licenses and building permits fees and investment income exceeded the revenue estimates by approximately \$3.7 million. Operating and capital grants totaled \$11 million for public safety, parks and recreation and hurricane preparation and clean-up costs. General Fund's expenditures were less than budgeted by \$5.8 million due to staff vacancies and unused departmental expenditures. The total cost of all programs and services increased by \$12.3 million primarily due to personnel expenditures and debris removal costs resulting from the hurricane (see Table 2).

The business-type activities net assets increased by \$4.1 million from the prior fiscal year. Revenues of the City's business-type activities increased 6.9 percent to \$26.3 million and expenses increased 8.4 percent to \$21.9 million (see Table 2).

Table 3 presents the cost of each of the City's various public services—public safety, general administration, parks and recreation, physical environment, and transportation—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 \$58.2 million. Some of that cost was financed by:
 - Those who directly benefited from the programs through charges for services (\$15.2 million), or
 - Other governments and organizations that subsidized certain programs from operating and capital grants and contributions (\$11 million).
- The City financed the remaining \$32.0 million “public benefit” portion of governmental activities with \$28.6 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		Net Cost of Services	
	2006	2005	2006	2005
Public safety	\$35.5	\$24.7	\$23.4	\$14.0
General government	10.7	9.9	9.3	8.3
Parks and recreation	4.5	4.2	2.2	0.4
Physical environment	2.2	2.5	1.5	1.5
Transportation	2.7	2.5	2.4	2.5
Other	2.6	2.1	(6.8)	.8
Total	\$58.2	\$45.9	\$32.0	\$27.5

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported combined fund balances of \$45.6 million, or an increase of \$18.6 million compared to last year's combined fund balances of \$27 million. The primary reasons for these changes in fund balances should be noted:

- The fund balance of the General Fund increased by \$2.4 million mainly due to additional revenues collected from franchise fees, utility taxes, building permit fees and investment income. Spending was also less than budgeted, specifically in general government.
- The fund balance of the 2005 Revenue Bond Fund Capital Project Fund increased by \$15 million due to the issuance of the revenue bonds.
- The City incurred \$5.1 million of expenditures this year on the recreational parks and street improvements, reducing the fund balance in the nonmajor 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).
- The fund balance of the Grants Fund increased by \$0.6 million as a result of \$1.2 million transferred from General Fund for disaster recovery expenditures. The City also received approximately \$10 million grants from other local, state and federal governments as reimbursement to expenditures incurred related to disaster recovery efforts.

Proprietary Funds

The City's Proprietary Funds include the City's Enterprise Funds - Utilities Fund and the Stormwater Fund. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. The funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Water and wastewater fees were increased resulting in additional operating revenues of \$742,000 from the prior year. Capital contributions (impact fees) decreased from \$996,000 from the prior year. Operating expenses including depreciation increased by \$875,000.
- Stormwater operating revenues increased by \$1.1 million from the prior fiscal year. Operating expenses including depreciation increased by \$555,000.
- Investment income increased by \$303,000 from the prior year as a result of the higher market interest rates.

General Fund Budgetary Highlights

Over the course of the year, the City amended the General Fund budget eight times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations made at 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 \$5.8 million below final budgeted amounts. Of this amount, \$2.5 million is designated for future projects and prior year's encumbrances. The most significant contributor to this variance was various departmental savings due to staff vacancies and turnover.

The fiscal year 2006 amended final budget \$51,179,062 increased by 18.3 percent over the original General Fund budget of \$43,267,300 primarily for the purposes of carrying over expenditures not completed during the previous fiscal year and various new projects undertaken during the fiscal year. Correspondingly, inflation, measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics – All Urban Consumers South Urban area increased by 3.4% from December 2005 to December 2006. With base revenues of \$42,984,300 and \$283,000 in operating transfers from the Enterprise Funds, the Adopted Budget is balanced. The original General Fund budget consists of \$33,860,100 base expenditures and \$9,407,200 in operating transfers to the other funds.

Differences between the original budget and the final amended budget increased appropriations by \$7,911,762 and can be briefly summarized as follows:

- ◆ \$2,553,055 in carry forward of prior year commitments and capital projects for all departments.
- ◆ \$1,000,000 in carry forward of prior year funding for the City's anticipated expenses related to the Hurricane Wilma storm event.
- ◆ \$140,000 in a quarterly budget amendment to provide funding for citywide sidewalk repairs.
- ◆ \$761,137 in a quarterly budget amendment to provide for the increased costs of various commodities including contracted services, gasoline and diesel fuel, and construction projects underway.
- ◆ \$2,642,570 in a quarterly budget amendment for to provide for increased or new programs including additional contracted building inspection and clerical services to address increased workloads resulting from increased building activities from Hurricane Wilma, the payoff all existing short-term vehicle and heavy equipment leases, and funding to provide for equipment and supplies purchases to increase the City's ability to respond to hurricane events.
- ◆ \$815,000 for the purchase of a parcel of land in the City's Main Street corridor.

Of this increase, \$761,137 was to be funded from additional projected revenues and the remaining \$7,150,625 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 \$3.7 million for FY 2006 including transfers. The primary reasons for this variance were increased tax and franchise revenue collections, increased investment income as a result of rising interest rates, and increased building permit revenues driven by an increased in building activities from the Hurricane Wilma storm event.

The difference between the appropriations and the actual expenditures in the General Fund was approximately \$5.8 million for fiscal year 2006. These variances are explained below:

- Approximately \$3.0 million in salary and benefits costs was under budget due to vacant positions during the fiscal year.
- Professional services (engineering, legal, consultant and other contractual services) and miscellaneous operating expenses were below budget estimates by \$530,000.
- Contingency funding totaling \$149,357 in the general government activities was not expended during the fiscal year.
- Various expenditures, capital outlay, and capital projects of \$2.5 million for all departments were not completed during the fiscal year and will be carried forward to the 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, 2006, amounts increased by \$12.3 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.

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

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 12.5	\$ 11.7	\$ 7.4	\$ 0.5	\$ 19.9	\$ 12.2
Buildings	18.2	19.1	2.3	0.9	20.5	20.0
Improvements other than buildings	4.9	5.0	47.5	44.2	52.4	49.2
Equipment	5.0	4.1	1.0	0.6	6.0	4.7
Infrastructure	48.1	47.3	2.2	0.9	50.3	48.2
Construction in progress	3.4	0.6	1.4	6.7	4.8	7.3
Total	\$ 92.1	\$ 87.8	\$ 61.8	\$ 53.8	\$ 153.9	\$141.6

For the governmental activities, this year's major capital asset additions before depreciation equaled \$7.6 million and include the following:

- The street resurfacing and median beautification project totaled \$1.4 million and is in the final stages of completion.
- The new Aquatic Center & Wellness Facility was still not completed as of fiscal year-end and opened in December 2006 at a cost of \$3.9 million.
- Twenty-four new vehicles including a new fire and rescue pumper were purchased as well as the replacement of various equipment (safety, computers, radios, maintenance equipment, etc.).
- A new voice-over the internet telephone system was installed at a cost of \$567,000.

For the business-type activities, of the \$12.1 million increase in capital assets before depreciation and a decrease of construction-in-progress projects totaling \$6.6 million, the majority was for the three (3) new pump stations for the C-14 Canal and improvements to the water and stormwater systems and land acquired. Major capital asset events during the current fiscal year included the following:

- Construction was completed on the three stormwater pumping stations on the C-14 Canal at a cost of \$4.8 million.
- Ten acres of land adjacent to the Public Works compound was acquired at a cost of \$6.9 million for the construction of a new utilities administrative building.
- A new water storage tank was completed located at the water treatment plant costing \$2.7 million.
- Developers contributed water distribution and wastewater systems at an estimated cost of \$1.2 million.

The City's fiscal year 2007 capital budget calls for spending another \$6.8 million for capital projects, principally for the completion of the park development, water and wastewater improvements. Over the next five years, over \$24.8 million is budgeted for capital improvements with the major portions going to park development and utility upgrades. The City will use the funding from General Capital Projects Fund and remaining bond proceeds from the Series 2004 Capital Improvement Bonds as well as grant funding. In December 2005, the City issued the Series 2005 Capital Improvement Revenue Bonds in the amount of \$15 million. These bonds are being used to finance the acquisition, construction and equipping of City owned capital improvements for parks, recreation and public safety purposes. Additional information on the City's capital assets can be found in Note 5 on pages 47 through 49 of this report.

Long-term debt. At year-end the City had \$54.2 million in bonds outstanding— an increase of \$11.3 million from last year— as shown in Table 5. Of this amount, \$2.6 million comprises debt backed by the full faith and credit of the government and \$51.6 million is revenue bonds and notes backed by specific taxes and fee revenues. The debt position of the City is summarized below:

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 2.6	\$ 3.5	\$ -	\$ -	\$ 2.6	\$ 3.5
Revenue bonds and notes	33.1	18.9	18.5	20.5	51.6	39.4
Total	<u>\$ 35.7</u>	<u>\$ 22.4</u>	<u>\$ 18.5</u>	<u>\$ 20.5</u>	<u>\$ 54.2</u>	<u>\$ 42.9</u>

In 2005, the City achieved a general obligation indicator credit rating of AA- from both Standard & Poor's and Fitch Ratings and A1 by Moody's Investors Service. 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 2005 Capital Improvement Revenue Bond in the amount of \$15 million issued in December 2005. These new ratings provide a benchmark and will provide opportunities to achieve lower interest rates on future bonds. The City also received a high investment grade related to the Series 2005 Capital Improvement Revenue Bond issue: A+ by Standard and Poor's and Fitch Ratings and A2 by Moody's Investors. In September 2006, the City defeased the Series 1992 Water & Sewer Revenue Refunding outstanding bonds totaling \$6 million.

On September 14, 2006, the City Commission authorized the issuance of a \$6 million Capital Improvement Revenue Note, Series 2006 for the construction of a new utility administration building.

Additional information on the City of Tamarac's long-term debt can be found in Note 7 beginning on page 51 of this report.

Economic Factors and Next Year's Budget

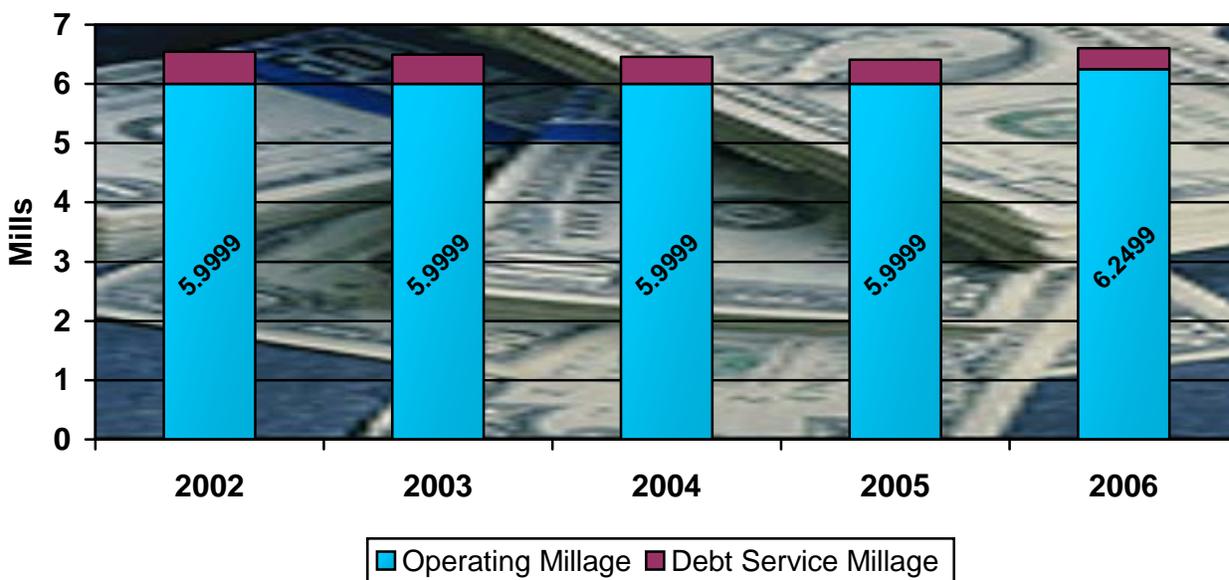
According to the U.S. Bureau of Labor Statistics, the unemployment rate for the Fort Lauderdale area in September 2006 was 3.5 percent, which was down from 4.0 percent a year ago. The largest sector of employment in Tamarac continues to be in the education and health services sector with the retail and manufacturing industry following. 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 2007 adopted General Fund budget are \$48.5 million, an increase of 2 percent from fiscal year 2006 total revenues \$47.5 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.

Even with devastation from the recent hurricanes, the forecasts of a strong local economy during 2007 will be good for the City of Tamarac and bring expectations of strong tourism, continued demand for housing, lower unemployment, and increase in construction to repair homes and businesses. The City's growing population and shrinking vacant land available for development will keep upward pressure on housing prices. Strong growth in Broward County real estate market has driven the property tax roll up by 16.4% in FY 2006. While home prices have stabilized and the housing market has slowed in 2006, the property values are expected to decrease the City's property tax roll in FY 2007.

**Figure A-4
Total City Millage**



The operating millage for calendar year 2006—collected in fiscal year 2007 is 6.2499 per thousand dollars of taxable value, and this marks the first increase in the millage in the last six years. 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 2007 budgeted expenditures and transfers are expected to be \$48.5 million, or 6.7 percent, over fiscal year 2006. In developing the budget, the primary economic factors considered are the increased salaries and cost-of-living adjustments governed by bargaining labor agreements with the firefighters' and general employees' unions.

Contacting the City's Financial Services Department

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. 88th Ave, Tamarac, Florida 33321 or send an e-mail to billn@tamarac.org.

BASIC FINANCIAL STATEMENTS

CITY OF TAMARAC, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2006

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$ 53,091,190	\$16,041,439	\$ 69,132,629
Accounts receivable - net	5,244,954	2,815,463	8,060,417
Advances to pension plan	395,181	-	395,181
Internal balances	(229,580)	229,580	-
Inventories	54,814	355,605	410,419
Deferred charges	-	13,234	13,234
Restricted assets:			
Cash and equity in pooled cash and investments	-	8,182,151	8,182,151
Net pension asset	289,718	-	289,718
Land	12,498,912	7,460,603	19,959,515
Construction in progress - infrastructure	3,425,307	1,353,582	4,778,889
Infrastructure - net	48,057,582	2,206,234	50,263,816
Other capital assets - net	28,138,032	50,775,958	78,913,990
Total assets	<u>\$150,966,110</u>	<u>\$89,433,849</u>	<u>\$240,399,959</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2,815,116	\$ 1,270,516	\$ 4,085,632
Accrued liabilities	1,030,187	207,014	1,237,201
Accrued interest payable	818,711	285,935	1,104,646
Customer deposits	806,853	1,543,105	2,349,958
Unearned revenue	1,524,831	201,513	1,726,344
Net pension obligation	82,612	-	82,612
Noncurrent liabilities:			
The amount due in one year	3,414,326	1,152,286	4,566,612
The amount due more than one year	36,605,377	17,572,395	54,177,772
Total liabilities	<u>47,098,013</u>	<u>22,232,764</u>	<u>69,330,777</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	71,850,603	49,673,822	121,524,425
Restricted for:			
Renewal and replacement	-	4,378,318	4,378,318
Police training	11,188	-	11,188
Special revenue funds	5,092,657	-	5,092,657
Capital projects funds	22,450,410	-	22,450,410
Debt service funds	181,295	-	181,295
Working capital bond reserve	-	2,934,803	2,934,803
Unrestricted	4,281,944	10,214,142	14,496,086
Total net assets	<u>\$103,868,097</u>	<u>\$67,201,085</u>	<u>\$171,069,182</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Governmental Activities	Business- Type Activities	Total
Functions/programs							
Primary government:							
Governmental activities:							
General government	\$10,733,920	\$ 1,372,508	\$ -	\$ -	\$ (9,361,412)	\$ -	\$ (9,361,412)
Public safety	35,495,924	11,998,145	8,947,750	-	(14,550,029)	-	(14,550,029)
Transportation	2,699,076	30,067	7,813	269,000	(2,392,196)	-	(2,392,196)
Culture/recreation	4,511,057	1,154,936	-	1,207,469	(2,148,652)	-	(2,148,652)
Physical environment	2,226,264	683,942	-	-	(1,542,322)	-	(1,542,322)
Economic environment	703,430	-	551,801	-	(151,629)	-	(151,629)
Human services	319,229	-	-	-	(319,229)	-	(319,229)
Interest on long-term debt	1,591,058	-	-	-	(1,591,058)	-	(1,591,058)
Total governmental activities	<u>58,279,958</u>	<u>15,239,598</u>	<u>9,507,364</u>	<u>1,476,469</u>	<u>(32,056,527)</u>	<u>-</u>	<u>(32,056,527)</u>
Business-type activities:							
Utilities	18,213,546	17,939,735	-	1,983,961	-	1,710,150	1,710,150
Stormwater	3,660,473	4,190,487	-	1,300,000	-	1,830,014	1,830,014
Total business activities	<u>21,874,019</u>	<u>22,130,222</u>	<u>-</u>	<u>3,283,961</u>	<u>-</u>	<u>3,540,164</u>	<u>3,540,164</u>
Total primary government	<u>\$80,153,977</u>	<u>\$ 37,369,820</u>	<u>\$ 9,507,364</u>	<u>\$ 4,760,430</u>	<u>\$ (32,056,527)</u>	<u>\$ 3,540,164</u>	<u>\$ (28,516,363)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					\$ 18,765,605	\$ -	\$ 18,765,605
Property taxes, levied for debt service					1,060,180	-	1,060,180
Utility taxes					141,717	-	141,717
Franchise taxes					4,676,348	-	4,676,348
Communication service taxes					2,871,885	-	2,871,885
Gas taxes					1,094,177	-	1,094,177
Intergovernmental not restricted to specific programs					6,278,084	-	6,278,084
Investment income					2,074,320	854,005	2,928,325
Miscellaneous					5,997,907	-	5,997,907
Transfers					283,000	(283,000)	-
Total general revenues and transfers					<u>43,243,223</u>	<u>571,005</u>	<u>43,814,228</u>
Change in net assets					11,186,696	4,111,169	15,297,865
Net assets, October 1					<u>92,681,401</u>	<u>63,089,916</u>	<u>155,771,317</u>
Net assets, September 30					<u>\$ 103,868,097</u>	<u>\$ 67,201,085</u>	<u>\$ 171,069,182</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	Major Funds					Total Governmental Funds
	General	Special Revenue Fire Rescue	Special Revenue Grants	2005 Capital Improvement Projects	Nonmajor Governmental Funds	
ASSETS						
Cash and equity in pooled cash and investments	\$ 16,975,252	\$ 1,894,850	\$ -	\$ 15,101,664	\$ 13,393,754	\$ 47,365,520
Accounts receivable - net	1,221,819	736,953	-	-	762,003	2,720,775
Inventories	54,813	-	-	-	-	54,813
Due from other funds	67,853	-	-	-	4,679	72,532
Advances to pension plan	395,181	-	-	-	-	395,181
Due from other governments	826,150	3,588	1,678,323	-	2,370	2,510,431
Total assets	<u>\$ 19,541,068</u>	<u>\$ 2,635,391</u>	<u>\$ 1,678,323</u>	<u>\$ 15,101,664</u>	<u>\$ 14,162,806</u>	<u>\$ 53,119,252</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 1,215,514	\$ 92,153	\$ 328,938	\$ 1,560	\$ 479,498	\$ 2,117,663
Accrued liabilities	687,971	514,040	1,102	-	4,144	1,207,257
Accrued bonds and interest payable	-	-	-	-	1,126,627	1,126,627
Due to other funds	-	-	67,853	-	4,621	72,474
Due to other governmental units	2,030	-	649,716	-	-	651,746
Escrow deposits	110,174	-	-	-	-	110,174
Unearned revenue	806,852	-	11,051	-	1,403,606	2,221,509
Total liabilities	<u>2,822,541</u>	<u>606,193</u>	<u>1,058,660</u>	<u>1,560</u>	<u>3,018,496</u>	<u>7,507,450</u>
FUND BALANCES						
Reserved for:						
Encumbrances	512,150	44,210	226,486	-	828,970	1,611,816
Inventories	54,813	-	-	-	-	54,813
Advances to pension plan	395,181	-	-	-	-	395,181
Police training	11,188	-	-	-	-	11,188
Hurricane recovery	-	-	393,177	-	-	393,177
Special revenue funds	-	1,984,988	-	-	3,008,954	4,993,942
Capital projects funds	-	-	-	15,100,104	7,125,090	22,225,194
Unreserved reported in:						
Debt service funds	-	-	-	-	181,296	181,296
General fund, designated	10,898,495	-	-	-	-	10,898,495
General fund, undesignated	4,846,700	-	-	-	-	4,846,700
Total fund balances	<u>16,718,527</u>	<u>2,029,198</u>	<u>619,663</u>	<u>15,100,104</u>	<u>11,144,310</u>	<u>45,611,802</u>
Total liabilities and fund balances	<u>\$ 19,541,068</u>	<u>\$ 2,635,391</u>	<u>\$ 1,678,323</u>	<u>\$ 15,101,664</u>	<u>\$ 14,162,806</u>	<u>\$ 53,119,252</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2006

Fund balances - total government funds (Page 20) \$ 45,611,802

Amounts reported for governmental activities in the statement of net assets are different because:

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

Governmental capital assets	114,879,783
Less accumulated depreciation	(22,759,950)

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.

Net pension asset	289,718
Net pension obligation	(82,612)

Bond interest payable not reported in the governmental funds	(959)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	\$ (34,960,355)	
Parking lot	<u>(260,800)</u>	(35,221,155)

Compensated absences	(1,585,082)
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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

2,736,552

Net assets of governmental activities (Page 18)	<u><u>\$103,868,097</u></u>
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CITY OF TAMARAC, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Major Funds					Total Governmental Funds
	General	Special Revenue Fire Rescue	Special Revenue Grants	2005 Capital Improvement Projects	Nonmajor Governmental Funds	
Revenues:						
Taxes and franchise fees	\$ 27,549,732	\$ -	\$ -	\$ -	\$ 1,060,181	\$ 28,609,913
Charges for services	1,527,639	1,940,841	-	-	653,142	4,121,622
Payment in lieu of taxes	660,234	-	-	-	-	660,234
Intergovernmental	6,230,057	27,827	10,163,032	-	840,999	17,261,915
Licenses and permits	3,880,250	-	-	-	-	3,880,250
Fines and forfeitures	678,751	-	-	-	-	678,751
Investment income	1,013,670	128,560	28	473,566	458,498	2,074,322
Donations from private resources	-	-	-	-	5,380	5,380
Miscellaneous	5,958,798	1,868	-	-	31,861	5,992,527
Special assessments	-	5,824,196	-	-	74,544	5,898,740
Total revenues	<u>47,499,131</u>	<u>7,923,292</u>	<u>10,163,060</u>	<u>473,566</u>	<u>3,124,605</u>	<u>69,183,654</u>
Expenditures:						
Current:						
General government	10,417,938	-	-	-	5,000	10,422,938
Public safety	11,727,147	13,101,123	9,343,090	-	940	34,172,300
Transportation	1,405,612	-	7,813	-	-	1,413,425
Culture / recreation	3,966,771	-	-	-	29,260	3,996,031
Physical environment	2,451,930	-	-	-	-	2,451,930
Economic environment	142,118	-	-	-	566,078	708,196
Human services	272,746	-	-	-	52,753	325,499
Debt service:						
Principal retirement	397,810	42,934	-	-	1,898,875	2,339,619
Interest and fiscal charges	24,476	2,035	-	395,498	1,568,162	1,990,171
Capital outlay:						
General government	797,904	-	-	-	1,130,934	1,928,838
Public safety	1,444	621,021	208,684	-	194,832	1,025,981
Transportation	3,399	-	-	-	1,989,525	1,992,924
Physical environment	7,395	-	-	-	-	7,395
Culture and recreation	105,556	-	1,207,469	5,661	1,754,133	3,072,819
Total expenditures	<u>31,722,246</u>	<u>13,767,113</u>	<u>10,767,056</u>	<u>401,159</u>	<u>9,190,492</u>	<u>65,848,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,776,885</u>	<u>(5,843,821)</u>	<u>(603,996)</u>	<u>72,407</u>	<u>(6,065,887)</u>	<u>3,335,588</u>
Other financing sources (uses):						
Transfers in	283,000	5,839,700	1,200,000	-	7,162,885	14,485,585
Transfers out	(13,689,619)	-	-	-	(512,966)	(14,202,585)
Proceeds from bond issuance	-	-	-	15,000,000	-	15,000,000
Bond premium	-	-	-	27,697	-	27,697
Total other financing sources (uses)	<u>(13,406,619)</u>	<u>5,839,700</u>	<u>1,200,000</u>	<u>15,027,697</u>	<u>6,649,919</u>	<u>15,310,697</u>
Net change in fund balances	2,370,266	(4,121)	596,004	15,100,104	584,032	18,646,285
Fund balances - beginning	<u>14,348,261</u>	<u>2,033,319</u>	<u>23,659</u>	<u>-</u>	<u>10,560,278</u>	<u>26,965,517</u>
Fund balances - ending	<u>\$ 16,718,527</u>	<u>\$ 2,029,198</u>	<u>\$ 619,663</u>	<u>\$ 15,100,104</u>	<u>\$ 11,144,310</u>	<u>\$ 45,611,802</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2006

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

Net change in fund balances - total government funds (Page 22)		\$ 18,646,285
<p>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.</p>		
Expenditures for capital outlays	\$ 7,501,369	
Less current year depreciation	<u>(3,138,225)</u>	4,363,144
<p>The effect of various miscellaneous transactions involving capital assets</p>		
Sale of capital assets		(45,374)
<p>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.</p>		
<u>BONDS</u>		
Debt issued		(15,000,000)
Principal repayments		1,898,875
<u>CAPITAL LEASES</u>		
Principal repayments		440,745
<p>The effect of various miscellaneous transactions involving long-term debt (i.e. issuance costs, bond premium or discounts, etc)</p>		
		367,801
<p>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.</p>		
Compensated absences	(175,871)	
Accrued interest on G.O. Bond 1992	3,614	
Amortization of bond discount	(20,517)	
Amortization of pension assets	<u>277,928</u>	85,154
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities in the internal service fund is reported with governmental activities.</p>		
		<u>430,066</u>
Change in net assets of governmental activities (Page 19)		<u>\$ 11,186,696</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2006

	Business- type activities Enterprise Funds			Governmental Activities Internal Service - Insurance Service Fund
ASSETS	Utilities	Stormwater	Total	
Current assets:				
Cash and equity in pooled cash and investments	\$ 8,717,763	\$ 7,322,497	\$ 16,040,260	\$ 5,725,671
Investments	1,179	-	1,179	-
Accounts receivable - net	2,413,896	371,067	2,784,963	13,747
Due from other governmental units	30,500	-	30,500	-
Inventories	350,155	5,450	355,605	-
Total current assets	11,513,493	7,699,014	19,212,507	5,739,418
Non-current assets:				
Restricted assets:				
Cash and equity in pooled cash and investments	8,171,337	10,814	8,182,151	-
Unamortized costs/expenses	13,234	-	13,234	-
Capital assets:				
Land	7,415,829	44,774	7,460,603	-
Construction in progress - infrastructure	514,576	839,006	1,353,582	-
Building	1,988,152	1,480,000	3,468,152	-
Equipment	2,914,322	1,314,396	4,228,718	15,766
Improvements other than building	80,587,975	2,044,863	82,632,838	-
Infrastructure	58,974	27,819,714	27,878,688	-
Total capital assets	93,479,828	33,542,753	127,022,581	15,766
Less accumulated depreciation	(38,490,607)	(26,735,597)	(65,226,204)	(15,766)
Total capital assets - net	54,989,221	6,807,156	61,796,377	-
Total non-current assets	63,173,792	6,817,970	69,991,762	-
Total assets	74,687,285	14,516,984	89,204,269	5,739,418
LIABILITIES				
Current liabilities:				
Accounts payable	1,033,742	230,599	1,264,341	45,706
Accrued liabilities	166,423	40,591	207,014	9,296
Accrued interest payable	197,521	88,414	285,935	-
Due to other funds	-	59	59	-
Due to other governments	6,175	-	6,175	-
Unearned revenue	121,140	80,373	201,513	-
Claims payable	-	-	-	2,688,443
Current portion of bonds payable	960,450	179,550	1,140,000	-
Customer deposits	1,532,291	10,814	1,543,105	-
Compensated absences	64,299	6,368	70,667	3,574
Total current liabilities	4,082,041	636,768	4,718,809	2,747,019
Non-current liabilities:				
Bonds payable	12,677,941	4,317,848	16,995,789	-
Compensated absences	471,525	46,700	518,225	26,208
Total noncurrent liabilities	13,149,466	4,364,548	17,514,014	26,208
Total liabilities	17,231,507	5,001,316	22,232,823	2,773,227
NET ASSETS				
Invested in capital assets, net of related debt	47,364,064	2,309,758	49,673,822	-
Restricted for:				
Renewal and replacement	500,000	-	500,000	-
Working capital bond reserve	2,934,803	-	2,934,803	-
State grant project replacement	3,878,318	-	3,878,318	-
Unrestricted	2,778,593	7,205,910	9,984,503	2,966,191
Total net assets	\$57,455,778	\$ 9,515,668	66,971,446	\$ 2,966,191

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.

229,639
\$67,201,085

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service - Insurance Service Fund
	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	<u>Service Fund</u>
Operating revenues:				
Charges for services	\$17,825,843	\$4,155,851	\$21,981,694	\$ 1,697,500
Other	116,449	34,636	151,085	96,007
Total operating revenues	<u>17,942,292</u>	<u>4,190,487</u>	<u>22,132,779</u>	<u>1,793,507</u>
Operating expenses:				
Administrative costs	316,282	1,182,046	1,498,328	1,029,762
Operations and maintenance	9,615,080	1,267,937	10,883,017	-
Claims expense	-	-	-	382,149
Depreciation and amortization	3,116,574	1,026,180	4,142,754	142
Other services and charges	4,167,373	17,994	4,185,367	-
Total operating expenses	<u>17,215,309</u>	<u>3,494,157</u>	<u>20,709,466</u>	<u>1,412,053</u>
Operating income	<u>726,983</u>	<u>696,330</u>	<u>1,423,313</u>	<u>381,454</u>
Nonoperating revenues (expenses):				
Intergovernmental	30,000	1,300,000	1,330,000	-
Investment income	634,240	219,765	854,005	135,546
Interest expense and fees	(760,437)	(166,316)	(926,753)	-
(Loss) on defeased bonds	(325,019)	-	(325,019)	-
Gain (loss) on disposal of fixed assets	(6,331)	2,907	(3,424)	1,152
Total nonoperating revenues (expenses)	<u>(427,547)</u>	<u>1,356,356</u>	<u>928,809</u>	<u>136,698</u>
Income before contributions and transfers	<u>299,436</u>	<u>2,052,686</u>	<u>2,352,122</u>	<u>518,152</u>
Capital contributions - impact fees	1,953,961	-	1,953,961	-
Transfer from other funds	1,685,600	-	1,685,600	-
Transfer to other funds	(1,575,400)	(393,200)	(1,968,600)	-
Net contributions and transfers	<u>2,064,161</u>	<u>(393,200)</u>	<u>1,670,961</u>	<u>-</u>
Change in net assets	2,363,597	1,659,486	4,023,083	518,152
Total net assets, October 1	<u>55,092,181</u>	<u>7,856,182</u>		<u>2,448,039</u>
Total net assets, September 30	<u>\$57,455,778</u>	<u>\$9,515,668</u>		<u>\$ 2,966,191</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.

88,086
\$ 4,111,169

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service - Insurance Service Fund
	Utilities	Stormwater	Total	
Cash flows from operating activities:				
Cash received from customers, governments and other funds	\$17,460,020	\$4,318,181	\$21,778,201	\$ 1,744,123
Other operating cash receipts	116,449	-	116,449	96,007
Cash paid to suppliers	(9,366,981)	(1,955,339)	(11,322,320)	(1,618,536)
Cash paid to claim recipients	-	-	-	(1,344,580)
Cash paid to employees	(4,463,714)	(874,374)	(5,338,088)	(272,950)
Net cash provided by (used in) operating activities	<u>3,745,774</u>	<u>1,488,468</u>	<u>5,234,242</u>	<u>(1,395,936)</u>
Cash flows from noncapital financing activities:				
Subsidy from local government grant	30,000	1,300,000	1,330,000	-
Transfer from other funds	110,200	-	110,200	-
Transfer to other funds	-	(393,200)	(393,200)	-
Net cash provided by noncapital financing activities	<u>140,200</u>	<u>906,800</u>	<u>1,047,000</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of fixed assets	(6,641,065)	(2,277,037)	(8,918,102)	-
Proceeds from sale of fixed assets	5,068	5,856	10,924	1,152
Capital contributed by developers	715,100	-	715,100	-
Proceeds from notes payable	6,000,000	-	6,000,000	-
Principal retirements of capital debt	(7,785,580)	(174,420)	(7,960,000)	-
Interest paid on capital debt	(760,437)	(166,316)	(926,753)	-
Net cash (used in) capital and related financing activities	<u>(8,466,914)</u>	<u>(2,611,917)</u>	<u>(11,078,831)</u>	<u>1,152</u>
Cash flows from investing activities:				
Sale of investments	(1,273,666)	-	(1,273,666)	-
Interest on investments	634,240	219,765	854,005	135,546
Net cash (used in) provided by investing activities	<u>(639,426)</u>	<u>219,765</u>	<u>(419,661)</u>	<u>135,546</u>
Net (decrease) increase in pooled cash and cash equivalents	(5,220,366)	3,116	(5,217,250)	(1,259,238)
Pooled cash and cash equivalents, October 1	<u>22,027,312</u>	<u>7,330,195</u>	<u>29,357,507</u>	<u>6,984,909</u>
Pooled cash and cash equivalents, September 30	<u>\$16,806,946</u>	<u>\$7,333,311</u>	<u>\$24,140,257</u>	<u>\$ 5,725,671</u>
Pooled cash and cash equivalents per statement of net assets:				
Unrestricted	\$ 8,717,763	\$7,322,497	\$16,040,260	
Restricted	<u>8,171,337</u>	<u>10,814</u>	<u>8,182,151</u>	
Total, September 30	<u>\$16,889,100</u>	<u>\$7,333,311</u>	<u>\$24,222,411</u>	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 726,983	\$ 696,330	\$ 1,423,313	\$ 381,454
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	3,039,916	1,018,680	4,058,596	142
Amortization	76,658	7,500	84,158	-
Revenue reduced for uncollectible accounts	20,156	-	20,156	-
Change in assets and liabilities:				
(Increase) in accounts receivable	(158,149)	(116,854)	(275,003)	-
(Increase) decrease in due from other governments	(30,000)	250,000	220,000	-
Decrease in inventories	(18,863)	(4,858)	(23,721)	-
Increase (decrease) in accounts payable	231,605	(382,312)	(150,707)	12,868
Increase (decrease) in accrued liabilities	(4,967)	3,757	(1,210)	3,499
Increase in compensated absences	60,265	21,617	81,882	14,018
Decrease in customer deposits	(84,753)	(1,106)	(85,859)	-
Decrease in unearned revenues	(117,049)	(4,345)	(121,394)	46,623
Increase in due to other funds and governments	3,972	59	4,031	-
Decrease in claims payable	-	-	-	(1,854,540)
Total adjustments	<u>3,018,791</u>	<u>792,138</u>	<u>3,810,929</u>	<u>(1,777,390)</u>
Net cash provided by (used in) operating activities	<u>\$ 3,745,774</u>	<u>\$ 1,488,468</u>	<u>\$ 5,234,242</u>	<u>\$ (1,395,936)</u>
Non-cash investing, capital and financing activities:				
Contributions of capital assets from developers	<u>\$ 1,238,861</u>	<u>\$ -</u>	<u>\$ 1,238,861</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2006

<u>ASSETS</u>		<u>Employees Retirement Funds</u>
Equity in pooled cash and investments		\$ 383,706
Receivables:		
Interest and dividend receivables		175,433
Investments, at fair value		
Common stock	\$ 38,255,241	
Government securities	2,829,938	
Corporate bonds	6,689,774	
Mortgage backed securities	9,680,137	
Mutual funds	10,183,839	
Money market funds	<u>2,031,934</u>	<u>69,670,863</u>
 Total assets		 <u>70,230,002</u>
 <u>LIABILITIES</u>		
Accounts payable		109,399
Deferred revenue		<u>395,181</u>
Total liabilities		<u>504,580</u>
 <u>NET ASSETS</u>		
Held in trust for pension benefits		<u>69,725,422</u>
Total net assets		<u>\$ 69,725,422</u>

The notes to the financial statements are an integral part of this statement

CITY OF TAMARAC, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Employees Retirement Funds</u>
ADDITIONS	
Contributions:	
City	\$ 4,052,569
Plan members	5,540,098
State	<u>1,120,657</u>
Total contributions	<u>10,713,324</u>
Investment income:	
Net appreciation in fair value of investments	3,771,052
Interest and dividend income	<u>1,643,405</u>
Total investment income	<u>5,414,457</u>
Less investment expenses	<u>(315,204)</u>
Net investment income	<u>5,099,253</u>
Total additions	<u>15,812,577</u>
DEDUCTIONS	
Benefits paid and refunds	3,620,368
Administrative expenses	<u>217,852</u>
Total deductions	<u>3,838,220</u>
Change in net assets	11,974,357
Net assets, October 1	<u>57,751,065</u>
Net assets, September 30	<u><u>\$ 69,725,422</u></u>

The notes to the financial statements are an integral part of this statement

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2006

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. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

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.

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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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*.

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 (Continued)

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

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenue, or expenditures/expenses of the applicable fund category and the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are presented in one column in the respective fund financial statements.

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).

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 **special revenue grant fund** account for the grant proceeds received from other local, state and federal governments and their related expenditures excluding Community Development Block Grant and State Housing Initiative Partnership.

The **2005 Capital Improvement Project fund** account for the proceeds from the \$15 million CIP Revenue Bond, Series 2005 to fund acquisitions, constructions and equipping of certain City owned capital improvements for park, recreation and public safety purposes.

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.

The **pension trust funds** include General employee's pension fund, Police officers' pension fund, Firefighters' pension fund, Elected and Appointed and Non-Represented Employees' 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.

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)

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.

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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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”.

All trade and other receivables are shown net of allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectibles, a general allowance is calculated based on the City’s historic bad-debt experience.

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.

4. Restricted Assets

Certain proceeds from revenue refunding bonds, as well as other monies as required by several bond indentures, are classified as restricted assets in the government-wide and proprietary fund statements of net assets. Restricted assets are not presented on the balance sheet of the governmental funds; however, certain assets of these funds are restricted as to use.

5. 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 \$1,000 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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

6. Unearned Revenue

Unearned revenues are recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the government-wide and the fund statements.

7. 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.

8. 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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

9. 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, 2006 was 6.2499 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 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, 2006, therefore an allowance for uncollectible taxes has not been recorded.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

10. 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.

11. Net Assets

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, restricted or unrestricted. The first category represents net assets related to capital assets net of any outstanding debt associated with the capital assets.

In the government-wide and proprietary funds financial statements, restricted net assets are used to indicate the segregation of a portion of net assets equal to certain assets that are restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets.

12. 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.

13. 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 \$36,806,237 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	\$ 35,400,523
Less: Deferred charge for issuance discount (to be amortized as interest expense)	(440,168)
Parking lot remediation	260,800
Compensated absences	<u>1,585,082</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 36,806,237</u>

Another element of that reconciliation explains that "Internal Service Funds are used by management to charge the cost of insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets." The details of this \$2,736,552 difference are as follows:

Net assets of internal service funds	\$ 2,966,191
Less: Internal payable representing charges in excess of cost to business-type activities-prior years	(141,553)
Less: Internal payable representing charges in excess of cost to business-type activities-current year	<u>(88,086)</u>
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 2,736,552</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 \$4,363,144 difference are as follows:

Capital outlay	\$ 7,501,369
Depreciation expense	<u>(3,138,225)</u>
Net adjustment to increase net changes in <i>fund balance-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 4,363,144</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 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 \$12,292,579 difference are as follows:

Proceeds from issuance of capital improvement revenue bonds	\$ 15,000,000
Less: Issuance costs and discounts	(367,801)
Principal repayments:	
General obligation bonds	(893,875)
Revenue bonds	(855,000)
Capital improvement revenue bonds	(150,000)
Capital leases	(440,745)
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>	\$ 12,292,579

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 \$85,154 are as follows:

Compensated absences	\$ (175,871)
Accrued interest	3,614
Amortization of bond discount	(20,517)
Changes in pension assets/obligations	277,928
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>	\$ 85,154

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 “Internal service fund is used by management to charge the costs of insurance services to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities.” The details of this \$430,066 difference are as follows:

Change in net assets in the internal service fund	\$ 518,152
Less: Portion from charges to business-type activities- current year	<u>(88,086)</u>
Net adjustment to decrease net changes in <i>fund balances- total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 430,066</u>

NOTE 3. DEPOSITS AND INVESTMENTS

Cash and Investment

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 average monthly balances.

a. Cash Deposits

The carrying amounts of the City’s cash deposits were \$4,320,245 including petty cash on hand of \$2,525 as of September 30, 2006. Bank balance before reconciling items were \$4,895,704 at that date, the total of which is collateralized or insured with securities held by the City or by its agent in the City’s name as discussed below.

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.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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 this 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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

Under the provisions of the City's investment policy, and in accordance with Florida Statutes, the following investments were authorized:

	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>
State Board of Administration	N/A	90%
U.S. Treasury Securities	15 years	95%
U.S. Government Obligations	10 years	85%
U.S. Government Instrumentalities	10 years	85%
Certificate of Deposits	5 years	85%
Commercial Papers by any US Corporation	270 days	10%
Bankers' Acceptance	270 days	10%
Money Market Funds	N/A	20%

Collateralization will be required on two types of investments: certificate of deposits and overnight repurchase agreements. In order to anticipate market changes and provide level of security for all funds, the collateralization level will be 100% at a minimum up to 102% being desired.

As of September 30, 2006, the City had the following investments and maturities:

	<u>Credit Quality Ratings</u>	<u>Fair Value</u>	<u>within 6 months</u>	<u>6 months to 1 year</u>	<u>1 to 3 years</u>
State Board Administration (SBA)	Not Rated	\$13,342,490	\$13,342,490	\$ -	\$ -
US Treasury Securities	AAA	6,925,938	6,925,938	-	-
US Government Securities - callable	AAA	24,528,750	5,966,250	5,910,938	12,651,562
US Government Securities	AAA	23,331,433	6,409,450	9,553,431	7,368,552
US Government Securities - JP Morgan	AAA	3,533,677	3,533,677	-	-
Deposits - Transamerica Occidental Insurance Co.	A1/P1	1,715,774	-	-	1,715,774
		\$73,378,062	\$36,177,805	\$15,464,369	\$21,735,888

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

c. Risk Disclosures

Interest Rate Risk. Interest risk is the risk that changes in market interest rates will adversely affect their fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities not to exceed five years at time of purchase.

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper and corporate bonds to the highest credit rating from a nationally recognized rating agency. It is the City's policy to limit investments in these types to have at least A1/P1 rating from Moody's Investor Services and Standard and Poor's (S&P).

Concentration of Credit Risk. The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represents 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>%</u>
FHLB	Federal Agency Securities	21,843,406	29.77%
FFCB	Federal Agency Securities	7,304,300	9.95%
FNMA	Federal Agency Securities	9,704,226	13.23%
FHLMC	Federal Agency Securities	9,008,251	12.28%
United States	Treasury Notes	6,925,938	9.44%

Custodial Credit Risk. Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires that a third party commercial bank's trust department hold all securities owned by the City. All securities purchased or sold will be transferred only under the "delivery versus payment" (D.V.P.) method through the City's safekeeping agent. All City's investment at September 30, 2006 are being held by a third party commercial trust bank and are fully secured and collateralized under the name of the City or its agent.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

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. The plan investments are being held by Amsouth Bank, and State Street Global Advisors which consisted of the following:

	General Employees <u>Pension</u>	Police <u>Pension</u>	Firefighters <u>Pension</u>	Non-represented Employees <u>Pension</u>
Common stock	\$ 12,905,808	\$ 5,406,692	\$ 19,942,741	\$ -
Government securities, corporate bonds and mortgage backed securities	6,293,510	1,753,027	11,153,312	-
Mutual funds	2,351,994	1,644,804	-	6,187,041
Money market funds	794,206	321,113	916,615	-
Total	<u>\$ 22,345,518</u>	<u>\$ 9,125,636</u>	<u>\$ 32,012,668</u>	<u>\$ 6,187,041</u>

General Employees' Pension Trust Fund

The general employees' pension trust fund's investments in government securities and corporate bonds has maturities as follows:

<u>Investment type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 3,388,692	\$ -	\$ 1,009,497	\$ 965,002	\$ 1,414,193
US Treasuries	338,785	-	-	-	338,785
US Agencies	2,566,033	-	11,454	780,138	1,774,441
Total	<u>\$ 6,293,510</u>	<u>\$ -</u>	<u>\$ 1,020,951</u>	<u>\$ 1,745,140</u>	<u>\$ 3,527,419</u>

The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

General Employees' Pension Trust Fund (Continued)

The Fund limits investments in corporate bonds and commercial paper to Baa or above, as rated by nationally recognized statistical rating organizations. The fund's corporate bonds were rated by Moody's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
Aaa	\$ 3,669,459
Aa2	34,100
Aa3	122,092
A1	181,829
A2	261,953
A3	412,240
Baa1	240,528
Baa2	514,499
Baa3	285,250
Unrated	<u>571,560</u>
<i>Total</i>	<u>\$ 6,293,510</u>

The Fund limits investments that may be invested in any one issuer to no more than 5% of Plan Net Assets, other than those issued by the US Government or its Agencies.

Police Officers' Pension Trust Fund

The police officers' pension trust fund's investments in government securities and corporate bonds has maturities as follows:

<u>Investment type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 498,853	\$ 50,072	\$ 195,319	\$ 69,406	\$ 184,056
US Treasuries	852,630	-	5,905	219,017	627,708
US Agencies	<u>401,544</u>	<u>-</u>	<u>15,172</u>	<u>365,711</u>	<u>20,661</u>
Total	<u>\$ 1,753,027</u>	<u>\$ 50,072</u>	<u>\$ 216,396</u>	<u>\$ 654,134</u>	<u>\$ 832,425</u>

The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Police Officers' Pension Trust Fund (Continued)

State law limits investments in corporate bonds and commercial paper to the top 3 ratings provided by nationally recognized statistical rating organizations. The Fund's corporate bonds were rated by Moody's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
Aaa	\$ 803,555
Aa1	25,491
Aa3	59,081
A1	89,158
A2	-
A3	20,189
Unrated	<u>755,553</u>
<i>Total</i>	<u>\$ 1,753,027</u>

The Fund does not allow investment in a single issuer to exceed 5% of Plan Net Assets, other than those of the US Government or its Agencies.

Firefighters' Pension Trust Fund

The firefighters' pension trust fund's investments in government securities and corporate bonds has maturities as follows

<u>Investment type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 2,802,229	\$ -	\$ 1,356,276	\$ 196,936	\$ 1,249,017
US Treasuries	2,089,609	297,402	1,205,029	430,476	156,702
US Agencies	6,261,474	-	1,418,937	978,342	3,864,195
<i>Total</i>	<u>\$ 11,153,312</u>	<u>\$ 297,402</u>	<u>\$ 3,980,242</u>	<u>\$ 1,605,754</u>	<u>\$ 5,269,914</u>

The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

State law limits investments in corporate bonds and commercial paper to the top 3 ratings provided by nationally recognized statistical rating organizations. The Fund's corporate bonds were rated by Moody's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
Aaa	\$ 10,652,865
Aa2	40,786
Aa3	265,579
A1	-
A2	74,239
A3	55,519
Unrated	<u>64,324</u>
<i>Total</i>	<u>\$ 11,153,312</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Pension Trust Fund (Continued)

The Fund limits the investments in securities from any one issuer to no more than 5% of Plan Net Assets, other than those issued by the US Government and its Agencies.

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>Other</u>	<u>Due from other Governments</u>	<u>Total</u>	<u>Allowance for Uncollectible</u>	<u>Net</u>
Governmental activities:						
General	\$ 1,239,773	\$ 2,500	\$ 826,150	\$ 2,068,423	(20,454)	\$ 2,047,969
Fire rescue	3,131,243	-	3,588	3,134,831	(2,394,290)	740,541
Grants	-	-	1,678,323	1,678,323	-	1,678,323
Other governmental	-	1,828,949	2,370	1,831,319	(1,066,946)	764,373
Internal service	13,747	-	-	13,747	-	13,747
Total	<u>\$ 4,384,763</u>	<u>\$ 1,831,449</u>	<u>\$ 2,510,431</u>	<u>\$ 8,726,643</u>	<u>\$ (3,481,690)</u>	<u>\$ 5,244,953</u>

The only receivable not expected to be collected within one year are \$36,128 of advances to employees on purchase of personal computers in the general fund.

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>Other</u>	<u>Total</u>
Business-type activities:			
Utilities	\$ 2,358,623	\$ 68,488	\$ 2,427,111
Stormwater	<u>375,954</u>	<u>-</u>	<u>375,954</u>
Gross receivables	2,734,577	68,488	2,803,065
Less: Allowance for uncollectibles	<u>(18,102)</u>	<u>-</u>	<u>(18,102)</u>
Net total receivables	<u>\$ 2,716,475</u>	<u>\$ 68,488</u>	<u>\$ 2,784,963</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4. RECEIVABLES AND PAYABLES (Continued)

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	\$ 8,684
Write-offs related to sewer revenues	11,472
Total write-offs for the fiscal year	\$ 20,156

Payables at September 30, 2006 were as follows:

	<u>Vendors</u>	<u>Due to other Governments</u>	<u>Total</u>
Governmental activities:			
General	\$ 1,215,514	\$ 2,030	\$ 1,217,544
Fire rescue	92,153	-	92,153
Grants	328,938	649,716	978,654
Capital improvement	1,560	-	1,560
Nonmajor and other funds	479,498	-	479,498
Total governmental activities	\$ 2,117,663	\$ 651,746	\$ 2,769,409
Business-type activities:			
Utilities	\$ 1,033,742	\$ -	\$ 1,033,742
Stormwater	230,599	-	230,599
Total business-type activities	\$ 1,264,341	\$ -	\$ 1,264,341

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2006 was as follows:

Governmental Activities (Including Internal Service Fund)	Balance October 1, <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2006</u>
Capital assets not being depreciated:				
Land	\$ 11,726,791	\$ 772,121	\$ -	\$ 12,498,912
Construction in progress	<u>614,571</u>	<u>2,810,736</u>	<u>-</u>	<u>3,425,307</u>
Total assets not being depreciated	<u>12,341,362</u>	<u>3,582,857</u>	<u>-</u>	<u>15,924,219</u>
Capital assets being depreciated:				
Building and improvements	25,816,771	79,009	-	25,895,780
Improvements other than building	5,681,244	226,956	-	5,908,200
Infrastructure	51,817,043	1,388,615	-	53,205,658
Equipment	<u>12,237,695</u>	<u>2,223,932</u>	<u>(515,701)</u>	<u>13,945,926</u>
Total capital assets being depreciated	<u>95,552,753</u>	<u>3,918,512</u>	<u>(515,701)</u>	<u>98,955,564</u>
Less accumulated depreciation for:				
Building	(6,769,926)	(887,177)	-	(7,657,103)
Improvements other than building	(676,699)	(312,769)	-	(989,468)
Infrastructure	(4,511,792)	(636,284)	-	(5,148,076)
Equipment	<u>(8,133,493)</u>	<u>(1,302,137)</u>	<u>470,327</u>	<u>(8,965,303)</u>
Total accumulated depreciation	<u>(20,091,910)</u>	<u>(3,138,367)</u>	<u>470,327</u>	<u>(22,759,950)</u>
Net capital asset being depreciated	<u>75,460,843</u>	<u>780,145</u>	<u>(45,374)</u>	<u>76,195,614</u>
Governmental activity capital assets, net	<u>\$ 87,802,205</u>	<u>\$ 4,363,002</u>	<u>\$ (45,374)</u>	<u>\$ 92,119,833</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, 2006:

	Balance October 1, <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2006</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 533,657	\$ 6,926,946	\$ -	\$ 7,460,603
Construction in progress	<u>6,688,167</u>	<u>1,353,582</u>	<u>6,688,167</u>	<u>1,353,582</u>
Total assets not being depreciated	<u>7,221,824</u>	<u>8,280,528</u>	<u>6,688,167</u>	<u>8,814,185</u>
Capital assets being depreciated:				
Building	1,980,497	1,487,655	-	3,468,152
Improvements other than building	76,491,392	6,153,483	(12,037)	82,632,838
Infrastructure	27,413,457	2,159,454	(1,694,223)	27,878,688
Machinery and equipment	<u>4,022,278</u>	<u>667,563</u>	<u>(461,123)</u>	<u>4,228,718</u>
Total capital assets being depreciated	<u>109,907,624</u>	<u>10,468,155</u>	<u>(2,167,383)</u>	<u>118,208,396</u>
Less accumulated depreciation for:				
Building	(1,084,864)	(90,926)	-	(1,175,790)
Improvements other than building	(32,327,115)	(2,781,577)	12,037	(35,096,655)
Infrastructure	(26,479,858)	(886,819)	1,694,222	(25,672,455)
Equipment	<u>(3,425,492)</u>	<u>(299,274)</u>	<u>443,462</u>	<u>(3,281,304)</u>
Total accumulated depreciation	<u>(63,317,329)</u>	<u>(4,058,596)</u>	<u>2,149,721</u>	<u>(65,226,204)</u>
Net capital asset being depreciated	<u>46,590,295</u>	<u>6,409,559</u>	<u>(17,662)</u>	<u>52,982,192</u>
Business-type activity capital assets, net	<u>\$ 53,812,119</u>	<u>\$ 14,690,087</u>	<u>\$ 6,705,829</u>	<u>\$ 61,796,377</u>

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

General government	\$ 741,627
Public Safety	959,892
Transportation	903,209
Culture/recreation	513,028
Physical environment	19,761
Human services	455
Economic environment	253
Total depreciation expense - governmental activities	<u>\$ 3,138,225</u>
Business-type activities:	
Utilities	\$ 3,039,916
Stormwater	1,018,680
Total depreciation expense - business-type activities	<u>\$ 4,058,596</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, 2006. The citywide street resurfacing and median beautification project is close to completion. Other construction projects include the Main Street project, Southgate Linear Park, water and wastewater utility improvements on the west system. Also, construction is continuing on the Florida Turnpike widening.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Streets & Median Improvements	\$ 5,582,280	\$ 1,135,060
Florida Turnpike Widening	329,508	420,492
Southgate Linear Park	135,293	1,617,631
Main Street Project	775,091	1,411,885
Drainage Improvements-Woodlands	457,735	363,088
Tamarac West System Rehab	423,190	673,306
Utilities Complex	<u>161,165</u>	<u>5,234,410</u>
Total	<u>\$ 7,864,262</u>	<u>\$ 10,855,872</u>

The Series 1999 and 2002 Sales Tax Revenue Bond issues are financing the streets and median beautification improvements. The Series 2005 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, 2006 consisted of the following:

<u>Due to/from other funds</u>		<u>Payable Fund</u>	<u>Amount</u>
<u>Receivable Fund</u>			
General	Grants	\$	67,853
Non-major governmental	Non-major governmental	\$	4,621
	Stormwater		59
Total		<u>\$</u>	<u>72,533</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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, 2006, consisted of the following:

<u>Transfer Out</u>	Transfer in					<u>Total</u>
	<u>General Fund</u>	<u>Fire Rescue</u>	<u>Grants</u>	<u>Nonmajor Governmental</u>	<u>Utilities Fund</u>	
General fund	\$ -	\$ 5,839,700	\$ 1,200,000	\$ 6,649,919	\$ -	\$ 13,689,619
Stormwater fund	<u>283,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,200</u>	<u>393,200</u>
Total	<u>\$ 283,000</u>	<u>\$ 5,839,700</u>	<u>\$ 1,200,000</u>	<u>\$ 6,649,919</u>	<u>\$ 110,200</u>	<u>\$ 14,082,819</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:

- \$5,839,700 was transferred from General Fund to Fire Rescue Fund;
- \$283,000 was transferred from Stormwater Management Fund to General Fund;
- \$1,200,000 was transferred from General Fund to Grants Fund;
- \$4,156,019 was transferred from General Fund to General Capital Projects Fund;
- \$2,493,900 was transferred from General Fund to Revenue Bond Fund;
- \$110,200 was transferred from Stormwater Management Fund to Utilities Operating 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. \$ 195,000

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% and mature in varying annual installments through 2018. 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. 2,424,398
\$ 2,619,398

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>
2007	353,875	111,611
2008	165,658	93,179
2009	172,730	85,957
2010	180,103	78,425
2011	187,792	70,573
2012-2016	1,066,281	222,824
2017-2018	492,959	21,264
Total	<u>\$ 2,619,398</u>	<u>\$ 683,833</u>

As of September 30, 2006, 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. \$ 6,520,000

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. 11,570,000

On December 21, 2005, the City of Tamarac issued \$15 million of Capital Improvement Revenue Bonds to fund the acquisition, construction and equipping of certain City owned capital improvements for parks, recreation and public safety purposes. The Revenue Bonds bear interest from 3.75% to 5% and mature in varying annual installments through 2030. The bonds are secured and payable solely from Non-Ad Valorem Revenues appropriated by the City. 15,000,000
\$ 33,090,000

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 7. LONG-TERM DEBT (Continued)

Business-type

In 1996, the City issued Water and Sewer Utility Revenue Refunding Bonds, Series 1996 in the amount of \$9,155,000. The 1996 Revenue bonds bear interest at rates varying from 5.3% to 6.5% and mature in varying annual installments through 2009. On September 30, 2006, the balance of unamortized discount, issuance costs, and deferred loss was \$77,235. 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.

\$ 3,495,000

The City issued on April 1, 2004, the City of Tamarac, Capital Improvement Revenue Bonds, Series 2004 in the amount of \$9,500,000. The 2004 Revenue bonds bear interest rates from 2.50% to 4.50% and matures in varying annual installments through 2024. On September 30, 2006, the balance of unamortized discount and bond issuance costs was \$263,143. 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.

9,030,000
\$ 12,525,000

As of September 30, 2006, 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>
2007	1,040,000	1,529,193	1,140,000	571,870
2008	1,075,000	1,489,558	1,200,000	510,895
2009	1,115,000	1,444,968	1,265,000	447,983
2010	1,160,000	1,396,391	1,335,000	380,358
2011	1,235,000	1,346,049	385,000	307,645
2012-2016	7,460,000	5,817,986	2,135,000	1,324,554
2017-2021	8,775,000	3,822,119	2,580,000	887,050
2022-2026	5,065,000	2,050,581	2,485,000	285,395
2027-2031	6,165,000	818,025	-	-
Total	<u>\$ 33,090,000</u>	<u>\$ 19,714,870</u>	<u>\$ 12,525,000</u>	<u>\$ 4,715,750</u>

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

Revenue Notes

Business-type

The City issued on September 14, 2006, the City of Tamarac, Capital Improvement Revenue Note, Series 2006 in the amount of \$6,000,000. The Revenue Note will be in the form of Serial Bonds and bear interest at a rate of 3.865% and mature in varying annual installments through 2013. On September 30, 2006, the balance of note issuance costs was \$48,834. This note was issued to finance a utility administration building, including furniture, fixtures, equipment, and site improvement. The principal and the interest of the note are secured by a covenant to budget and appropriate non-ad valorem revenues.

\$ 6,000,000

Revenue Note debt service requirements to maturity are as follows:

Year ending September 30,	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	-	127,572
2008	-	234,806
2009	1,000,000	218,069
2010	1,000,000	179,042
2011	1,000,000	140,015
2012-2014	<u>3,000,000</u>	<u>182,700</u>
Total	<u>\$ 6,000,000</u>	<u>\$ 1,082,204</u>

As of September 30, 2006, the City was in compliance with all revenue bond and note covenants.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 7. LONG-TERM DEBT (Continued)

The City has performed the required arbitrage liability computations in accordance with the Internal Revenue Service (IRS) arbitrage regulations. As of October 1, 2005, there is no rebatable arbitrage liability for any of the outstanding bond issues.

Parking Lot Remediation

As of September 30, 2006, 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

On August 23, 2006, the City Commission approved the defeasance of the Water and Sewer Utility Revenue Refunding Bonds, Series 1992, with a balance outstanding of \$6,060,000 as of September 30, 2006. The debt is considered extinguished in an in-substance defeasance and, accordingly, is not reflected in the accompanying financial statements. The defeasance was undertaken to reduce total debt service payments and resulted in an accounting loss of \$325,019.

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, 2006, \$12,375,000 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, 2006, 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	\$ 17,942,292	\$ 17,942,292
Operating expenses before depreciation, amortization, and payment in lieu of taxes	<u>13,438,501</u>	<u>13,438,501</u>
Operating income	4,503,791	4,503,791
Other income:		
Interest earnings	634,240	634,240
Contributed impact fees	<u>-</u>	<u>715,100</u>
Amount available for debt coverage	<u>\$ 5,138,031</u>	<u>\$ 5,853,131</u>
Debt payments		
Principal	\$ 1,560,000	\$ 1,560,000
Interest	<u>584,715</u>	<u>584,715</u>
Amount to be covered	<u>\$ 2,144,715</u>	<u>\$ 2,144,715</u>
Debt coverage	240%	273%
Minimum coverage	<u>110%</u>	<u>120%</u>
Excess coverage	<u>130%</u>	<u>153%</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, 2006 was as follows:

	October 1, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	September 30, <u>2006</u>	<u>Due within One Year</u>
Governmental activities:					
Bonds and notes payable					
General obligation debt	\$ 3,506,769	\$ -	\$ (887,371)	\$ 2,619,398	\$ 353,875
Revenue bonds	18,945,000	15,000,000	(855,000)	33,090,000	1,040,000
Capital leases	440,745	-	(440,745)	-	-
Less: deferred amounts for issuance discounts	<u>(92,884)</u>	<u>(367,801)</u>	<u>20,517</u>	<u>(440,168)</u>	<u>(20,517)</u>
Total bonds and notes payable	<u>22,799,630</u>	<u>14,632,199</u>	<u>(2,162,599)</u>	<u>35,269,230</u>	<u>1,373,358</u>
Other liabilities:					
Compensated absences	1,604,385	415,106	(218,261)	1,801,230	216,148
Claims and judgments	4,496,360	-	(1,807,917)	2,688,443	1,824,820
Parking lot remediation	<u>260,800</u>	<u>-</u>	<u>-</u>	<u>260,800</u>	<u>-</u>
Total other liabilities	<u>6,361,545</u>	<u>415,106</u>	<u>(2,026,178)</u>	<u>4,750,473</u>	<u>2,040,968</u>
Governmental activity Long-term liabilities	<u>\$ 29,161,175</u>	<u>\$ 15,047,305</u>	<u>\$ (4,188,777)</u>	<u>\$ 40,019,703</u>	<u>\$ 3,414,326</u>
Business-type activities:					
Bonds and notes payable					
Water and sewer revenue refunding bonds	\$ 11,115,000	\$ -	\$ (7,620,000)	\$ 3,495,000	\$ 790,000
Capital improvement revenue bonds	9,370,000	-	(340,000)	9,030,000	350,000
Capital improvement revenue note	-	6,000,000	-	6,000,000	-
Less: deferred amounts for issuance discounts	<u>(519,057)</u>	<u>(48,834)</u>	<u>178,680</u>	<u>(389,211)</u>	<u>(58,381)</u>
Total bond and notes payable	19,965,943	5,951,166	(7,781,320)	18,135,789	1,081,619
Other liabilities					
Compensated absences	<u>507,010</u>	<u>116,385</u>	<u>(34,503)</u>	<u>588,892</u>	<u>70,667</u>
Business-type activity Long-term liabilities	<u>\$ 20,472,953</u>	<u>\$ 6,067,551</u>	<u>\$ (7,815,823)</u>	<u>\$ 18,724,681</u>	<u>\$ 1,152,286</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	\$	1,543,105
Renewal and replacement		500,000
Working capital bond reserve		2,260,728
Capital improvement replacement		<u>3,878,318</u>
Total restricted assets	\$	<u>8,182,151</u>

NOTE 9. FUND BALANCE RESERVED/UNRESERVED

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

	General Fund	Fire rescue Fund	Grant Fund	2005 Capital Improvement Projects Fund	Nonmajor Governmental	Total
Reserved for:						
Encumbrances	\$ 512,150	\$ 44,210	\$ 226,486	\$ -	\$ 828,970	\$ 1,611,816
Police training	11,188	-	-	-	-	11,188
Inventories	54,813	-	-	-	-	54,813
Advances to pension plan	395,181	-	-	-	-	395,181
Capital expenditures	-	985,330	355,818	15,100,104	6,009,160	22,450,412
Hurricane recovery	-	-	37,359	-	-	37,359
Special revenue expenditures	-	999,658	-	-	4,092,995	5,092,653
Sponsorship and donations	-	-	-	-	44	44
Public safety	-	-	-	-	7,292	7,292
Public safety/CERT program	-	-	-	-	4,876	4,876
Culture and recreation	-	-	-	-	9,728	9,728
United way campaign	-	-	-	-	1,666	1,666
Library	-	-	-	-	8,283	8,283
Total	<u>973,332</u>	<u>2,029,198</u>	<u>619,663</u>	<u>15,100,104</u>	<u>10,963,014</u>	<u>29,685,311</u>
Unreserved:						
Designated:						
Debt service	-	-	-	-	181,296	181,296
Subsequent year expenditures	758,000	-	-	-	-	758,000
Capital expenditures	5,719,315	-	-	-	-	5,719,315
Economic stabilization	3,000,000	-	-	-	-	3,000,000
IT equipment replacement	761,514	-	-	-	-	761,514
Fleet equipment replacement	<u>659,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,666</u>
Total	<u>10,898,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,296</u>	<u>11,079,791</u>
Undesignated	<u>4,846,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,846,700</u>
Total	<u>\$ 16,718,527</u>	<u>\$ 2,029,198</u>	<u>\$ 619,663</u>	<u>\$ 15,100,104</u>	<u>\$ 11,144,310</u>	<u>\$ 45,611,802</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10. 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 10. 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 contributed 27% on behalf of the City Manager for the first pay date of the fiscal year covering the pay period ending September 30, 2005. Effective October 1, 2005, the City Manager and many other participants in the defined contribution plan joined the new Tamarac Elected and Appointed Officers and Non-Represented Employees Pension Plan. 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, 2006, the City's contribution to the Plan was \$1,274,857 and the plan members' contribution was \$437,471.

B. EMPLOYEE PENSION SYSTEM

(a) Plan Descriptions

All City full-time permanent employees, except for certain administrative employees and certain management employees who were hired prior to October 1, 2005, participate in one of four 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 four employee groups (Elected and Appointed Officers and Non-Represented Employees, 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% may 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 2005, 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 is payable each January 1 to those eligible participants who retired at least three years prior to such January 1. 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.

During fiscal year 2006, the General Employees' Pension Plan increased the employee contribution rate from 5% to 7% of pretax earnings. The plan was amended to provide a normal retirement at age 55 with 30 years of service, and the multiplier was increased to 2.6% of average final compensation for each year of service.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. EMPLOYEE PENSION SYSTEM (Continued)

On June 22, 2005, the City Commission adopted on second reading ordinance O-2005-11 created a new defined benefit plan effective October 1, 2005. The new plan, known as the City of Tamarac Elected and Appointed Officers and Non-Represented Employee Retirement Plan was offered to all full time elected and appointed officers, and all other full time employees not represented by bargaining unit. Eligible employees were provided the option of remaining in whichever plan they were currently enrolled or transferring to the new plan.

Under the Non-Represented Employee Retirement Plan, employees are required to contribute 10% of pretax earnings, excluding bonuses, employer contributions to any health, dental, disability or related insurance program, medical or child care reimbursement, employer contributions to a deferred compensation program, or cash payment of unused, accumulated leave payable upon separation from the City. Participants attain 20% vesting for each year of completed service with the City. For all employees other than the elected officials and the City Manager and City Attorney, the multiplier is 3% of average final compensation for each year of service with a maximum of 80% of average final compensation. Elected officials receive 20% of average final compensation each complete 3-year term in office, with pro-rata accrual for partial years in office. The City Manager and City Attorney receive 4% of average final compensation of each year of credited service. There is cost of living adjustment of 2% per year compounded annually, beginning on January 1st coincident with or immediately following the completion of 60 complete months after the commencement of retirement benefits under the plan.

A member may retire on the first day of the month coincident with or next following the earlier of age 55 and the completion of 25 years of service or age 57 with 20 years of service or age 60 with 5 years of service. The plan also allows members who become permanently and totally disabled and unable to perform the member's duties for the City or a comparable position provided by the City, the member shall be deemed to have reached normal retirement, and shall be eligible to receive immediate benefits based on the compensation and service accrued.

Fiscal year 2006 is the first year of the plan's existence. Therefore, no actuarial valuation has been prepared. The plan will receive an actuarial valuation after the acceptance of the fiscal year 2006 financial statements using the actuarial valuation date of October 1, 2006. The result of said valuation will be published in the fiscal year 2007 CAFR.

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. Participants of the Elected and Appointed Officers and Non-Represented Employees Plan are required to contribute 10% of pretax earnings. Participants of the General Employees Pension Plan must to contribute 7% 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 10. 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 20.92%. 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 (% of Payroll):			
City*	13.45%	43.15%	29.77%
State of Florida*	0.00%	290.92%	7.00%
Plan Members*	7.00%	5.00%	9.00%
Annual Pension cost*	\$787,518	\$513,356	\$2,115,731
Contributions made	\$1,274,857	\$289,436	\$2,130,222
Actuarial valuation date	10/01/05	10/01/05	10/01/05
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	4-30 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%

In 2006, the City's financial statements include revenue and expenditures from contributions received from State Department of Revenues and Division of Retirement on behalf of its Firefighter and Police Officers Pension Plan amounting to \$429,886 and \$233,874, respectively. The monies were deposited within 5 days from their receipt in accordance with provisions of the law.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. EMPLOYEE PENSION SYSTEM (Continued)

*Per Actuarial Valuation Report on Actuarial valuation date.

**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, 2006 beginning January 1 three years after retirement.

(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, 2006 is as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Annual required contribution	\$ 788,126	\$ 268,566	\$ 2,114,870
Interest on net pension obligation/(asset)	8,510	(40,917)	(12,037)
Adjustment to annual required contribution	<u>(9,118)</u>	<u>285,707</u>	<u>12,898</u>
Annual pension cost	787,518	513,356	2,115,731
Contributions made	<u>1,274,875</u>	<u>289,436</u>	<u>2,130,222</u>
Increase (decrease) in net pension obligation/(asset)	(487,357)	223,920	(14,491)
Net pension obligation/(asset) at beginning of year	<u>197,639</u>	<u>(168,951)</u>	<u>42,134</u>
Net pension obligation/(asset) at end of year	<u>\$ (289,718)</u>	<u>\$ 54,969</u>	<u>\$ 27,643</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>
9/30/04	\$ 1,094,084	96%	\$ 149,990
9/30/05	1,089,125	96%	197,639
9/30/06	787,518	162%	(289,718)

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. EMPLOYEE PENSION SYSTEM (Continued)

Police Officers' Pension Plan

<u>Fiscal Year Ended</u>	Annual Pension <u>Cost</u>	Percentage Of APC <u>Contributed</u>	Net Pension (Asset)/ <u>Obligation</u>
9/30/04	\$ 458,846	65%	\$ (341,640)
9/30/05	422,927	59%	(168,951)
9/30/06	513,356	56%	54,969

Firefighters' Pension Plan

<u>Fiscal Year Ended</u>	Annual Pension <u>Cost</u>	Percentage Of APC <u>Contributed</u>	Net Pension (Asset)/ <u>Obligation</u>
9/30/04	\$ 1,572,216	101%	\$ 69,315
9/30/05	2,177,777	101%	42,134
9/30/06	2,115,731	101%	27,643

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11. 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 interfund services provided and used. The claims liability of \$4,496,360 reported at September 30, 2005 in the Insurance Services Fund is based on GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires 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 11. RISK MANAGEMENT (Continued)

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

<u>Year Ended</u> <u>September 30</u>	<u>Beginning</u> <u>of Year</u> <u>Liability</u>	<u>Current</u> <u>Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u> <u>(Credits)</u>	<u>End of</u> <u>Year</u> <u>Liability</u>
2005	4,475,360	89,947	68,947	4,496,360
2006	4,496,360	417,606	2,225,523	2,688,443

The City has not had a significant reduction in insurance coverage from coverage in the prior year 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 12. 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 loss contingency accrual for the total amount of the refund. The management of the City did file an appeal in this matter; however, the appeal has been concluded adverse to the City and the appellate court issued its mandate concluding the appeal on March 3, 2006. Thereafter, pursuant to further order of the trial court, the City implemented a procedure to process the refunds ordered by the trial court. The refunding should be concluded by the end of the current fiscal year.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

A. Litigation (Continued)

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 the City's management opinion that the assessment for the year 2000 is subsequently valid.

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 a new five-year contract ending September 30, 2009. The City recorded expenses of \$9,200,000 under this contract for the fiscal year ended September 30, 2006.

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, 2006, the City recorded expenses of \$2,947,914 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.

D. Guaranteed Investment Contract with Aegon Institutional Markets, Inc.

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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

E. Debt Service Forward Delivery Agreement

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.

On August 31, 2006, the City of Tamarac defeased the Water and Sewer Utility Bonds, Series 1992. The Debt Service Forward Delivery Agreement was amended and the City returned \$33,100 of upfront fees to J. P. Morgan.

J.P. Morgan is only authorized to invest in 100% U.S. Treasury Securities Money Market Fund Agency Shares. As of September 30, 2006, the City of Tamarac has a balance of \$3,533,677 at J.P. Morgan, and is required to make scheduled deposits as follows:

	<u>Deposits</u>
Year ending September 30,	
2007	\$ 3,460,428
2008	3,463,164
2009	3,464,430
2010	2,440,800
2011	2,442,978
2012-2016	12,198,252
2017-2021	10,469,232
2022-2024	<u>2,606,790</u>
Total	<u>\$ 40,546,074</u>

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS

The City provides certain healthcare and life insurance benefits that are limited to a predetermined fixed amount 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 25 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, 2006 was \$69,909.

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

CITY OF TAMARAC, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive Negative
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$26,292,100	\$ 26,392,100	\$27,549,732	\$ 1,157,632
Charges for services	1,764,900	1,764,900	1,527,639	(237,261)
Payment in lieu of taxes	664,500	664,500	660,234	(4,266)
Intergovernmental	5,433,800	6,094,937	6,230,057	135,120
Licenses and permits	1,993,800	2,002,800	3,880,250	1,877,450
Fines and forfeitures	549,500	540,500	678,751	138,251
Miscellaneous	5,966,700	609,800	5,958,798	5,348,998
Investment income	319,000	319,000	1,013,670	694,670
Total revenues	<u>42,984,300</u>	<u>38,388,537</u>	<u>47,499,131</u>	<u>9,110,594</u>
Expenditures:				
Current:				
General government:				
Commission	587,200	788,505	732,698	55,807
City manager	1,242,400	1,308,811	1,271,889	36,922
City attorney	350,000	579,000	573,411	5,589
City clerk	668,300	707,417	643,455	63,962
Human resources	952,600	1,076,720	981,036	95,684
Finance	1,821,200	1,964,843	1,804,752	160,091
Public works	1,102,600	1,209,824	1,184,418	25,406
Custodial and building maintenance	1,025,200	1,061,340	1,020,259	41,081
Boards and committees	106,100	150,444	91,062	59,382
Fleet management	1,470,100	2,088,549	1,146,412	942,137
Information technology	1,135,100	1,290,860	1,092,714	198,146
Non-departmental	2,296,700	2,552,080	673,736	1,878,344
Total general government	<u>12,757,500</u>	<u>14,778,393</u>	<u>11,215,842</u>	<u>3,562,551</u>
Public safety:				
Police	9,353,200	9,409,131	9,384,996	24,135
Building	1,421,200	1,963,806	1,727,031	236,775
Community development	741,500	759,200	616,564	142,636
Total public safety	<u>11,515,900</u>	<u>12,132,137</u>	<u>11,728,591</u>	<u>403,546</u>
Transportation	<u>1,423,300</u>	<u>1,511,900</u>	<u>1,409,011</u>	<u>102,889</u>
Culture / recreation:				
Recreation activities	2,237,300	2,349,500	2,077,101	272,399
Park facilities	1,922,000	1,973,000	1,363,690	609,310
Transport services	707,400	720,000	631,536	88,464
Total culture/recreation	<u>4,866,700</u>	<u>5,042,500</u>	<u>4,072,327</u>	<u>970,173</u>
Physical environment:				
Engineering	444,100	501,615	416,336	85,279
Landscape and irrigation	1,283,900	1,424,398	1,129,297	295,101
Planning	772,000	832,300	602,918	229,382
Recycling services	306,900	318,900	310,774	8,126
Total physical environment	<u>2,806,900</u>	<u>3,077,213</u>	<u>2,459,325</u>	<u>617,888</u>
Economic environment	<u>213,800</u>	<u>242,200</u>	<u>142,118</u>	<u>100,082</u>
Human services	<u>276,000</u>	<u>282,900</u>	<u>272,746</u>	<u>10,154</u>
Debt service:				
Principal retirement	-	403,200	397,810	5,390
Interest and fiscal charges	-	19,000	24,476	(5,476)
Total expenditures	<u>33,860,100</u>	<u>37,489,443</u>	<u>31,722,246</u>	<u>5,767,197</u>
Excess of revenues over expenditures	<u>9,124,200</u>	<u>899,094</u>	<u>15,776,885</u>	<u>14,877,791</u>
Other financing sources (uses):				
Operating transfer in	283,000	12,790,525	283,000	(12,507,525)
Operating transfer out	(9,407,200)	(13,689,619)	(13,689,619)	-
Total other financing (uses)	<u>(9,124,200)</u>	<u>(899,094)</u>	<u>(13,406,619)</u>	<u>(12,507,525)</u>
Net change in fund balance	-	-	2,370,266	2,370,266
Fund balances, October 1	<u>14,348,261</u>	<u>14,348,261</u>	<u>14,348,261</u>	-
Fund balances, September 30	<u>\$ 14,348,261</u>	<u>\$ 14,348,261</u>	<u>\$ 16,718,527</u>	<u>\$ 2,370,266</u>

See notes to budgetary comparison schedule

CITY OF TAMARAC, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 FIRE AND RESCUE SPECIAL REVENUE FUND
 YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$2,135,000	\$2,135,000	\$1,940,841	\$ (194,159)
Intergovernmental	25,000	25,000	27,827	2,827
Fire rescue assessment	6,253,500	6,253,500	5,824,196	(429,304)
Investment income	57,800	54,300	128,560	74,260
Miscellaneous	-	1,179,702	1,868	(1,177,834)
Total revenues	<u>8,471,300</u>	<u>9,647,502</u>	<u>7,923,292</u>	<u>(1,724,210)</u>
Expenditures:				
Current:				
Public safety	14,311,000	15,427,202	13,722,144	1,705,058
Debt service:				
Principal retirement	-	42,900	42,934	(34)
Interest and fiscal charges	-	2,000	2,035	(35)
Contingencies	-	15,100	-	15,100
Total Expenditures	<u>14,311,000</u>	<u>15,487,202</u>	<u>13,767,113</u>	<u>1,720,089</u>
(Deficiency) of revenues (under) expenditures	<u>(5,839,700)</u>	<u>(5,839,700)</u>	<u>(5,843,821)</u>	<u>(4,121)</u>
Other financing sources:				
Operating transfer in	<u>5,839,700</u>	<u>5,839,700</u>	<u>5,839,700</u>	-
Total other financing sources	<u>5,839,700</u>	<u>5,839,700</u>	<u>5,839,700</u>	-
Net change in fund balance	-	-	(4,121)	(4,121)
Fund balances, October 1	<u>2,033,319</u>	<u>2,033,319</u>	<u>2,033,319</u>	-
Fund balances, September 30	<u>\$2,033,319</u>	<u>\$2,033,319</u>	<u>\$2,029,198</u>	<u>\$ (4,121)</u>

See notes to budgetary comparison schedule

CITY OF TAMARAC, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 11,230,074	\$ 10,163,032	\$(1,067,042)
Investment income	-	123	28	(95)
Miscellaneous	-	10,393	-	(10,393)
Total revenues	<u>-</u>	<u>11,240,590</u>	<u>10,163,060</u>	<u>(1,077,530)</u>
Expenditures:				
Current:				
General government	200,000	210,393	-	210,393
Public safety	-	10,109,080	9,551,774	557,306
Transportation	-	300,000	7,813	292,187
Culture / recreation	-	1,830,274	1,207,469	622,805
Physical environment	-	4,937	-	4,937
Total expenditures	<u>200,000</u>	<u>12,454,684</u>	<u>10,767,056</u>	<u>1,687,628</u>
(Deficiency) of revenues over (under) expenditures	(200,000)	(1,214,094)	(603,996)	610,098
Other financing sources (uses):				
Operating transfers in	<u>200,000</u>	<u>1,213,900</u>	<u>1,200,000</u>	<u>(13,900)</u>
Total other financing sources (uses)	<u>200,000</u>	<u>1,213,900</u>	<u>1,200,000</u>	<u>(13,900)</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) Expenditures	-	(194)	596,004	596,198
Fund balances at beginning of year	<u>23,659</u>	<u>23,659</u>	<u>23,659</u>	<u>-</u>
Fund balances at end of year	<u>\$ 23,659</u>	<u>\$ 23,465</u>	<u>\$ 619,663</u>	<u>\$ 596,198</u>

See notes to budgetary comparison schedule

CITY OF TAMARAC, FLORIDA

NOTE TO BUDGETARY COMPARISON SCHEDULE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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 on all governmental funds except for six (6) special revenue funds: Law Enforcement Forfeiture, Drainage Improvement, Parks and Recreation Improvement, Donations and Sponsorship, Street Improvement and Affordable Housing Assistance Funds.

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. Over the course of the year, the City amended the General Fund budget eight times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations made at 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 \$5.8 million below final budgeted amounts. Of this amount, \$2.5 million is designated for future projects and prior year's encumbrances. The most significant contributor to this variance was various departmental savings due to staff vacancies and turnover.

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

General Employees' Pension Fund:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL As % of Covered Payroll (4)/(6)
10/1/03	\$15,807,960	\$22,246,520	\$6,438,560	71.1%	\$5,892,632	109.3%
10/1/04	16,827,267	23,160,488	6,333,221	72.7	6,087,937	104.0
10/1/05	18,743,212	21,799,510	3,056,298	86.0	5,460,339	56.0

Police Officers' Pension Fund:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL As % of Covered Payroll (4)/(6)
10/1/03	\$9,115,549	\$10,841,636	\$1,726,177	84.1%	\$278,906	618.9%
10/1/04	8,598,813	11,336,920	2,738,107	75.8	226,090	1,211.1
10/1/05	8,326,320	11,119,704	2,793,384	74.9	80,391	3,474.7

Firefighters' Pension Fund:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL As % of Covered Payroll (4)/(6)
10/1/03	\$19,426,170	\$28,274,076	\$8,847,906	68.7%	\$4,919,730	179.8%
10/1/04	21,969,095	35,242,773	13,273,678	62.3	5,706,950	232.6
10/1/05	26,370,033	39,185,356	12,815,323	67.3	5,793,827	221.2

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>
2003/04	\$ 1,094,570	96%
2004/05	1,089,674	96
2005/06	788,126	162

Police Officers' Pension Fund:

(1)	(2)	(3)
<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003/04	\$ 187,351	159%
2004/05	267,427	94
2005/06	268,566	108

Firefighters' Pension Fund:

(1)	(2)	(3)
<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003/04	\$ 1,572,246	101%
2004/05	2,177,432	101
2005/06	2,114,870	101

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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.

Law Enforcement Forfeiture Fund – to account for law enforcement related projects funded by the proceeds from forfeited confiscated property.

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.

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 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.

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

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

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.

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 funds.

Public Service Facilities Fund – to account for the proceeds from the Series 2002 Sales Tax Revenue Bonds used for the acquisition and construction of capital projects which includes the purchase of land, street improvements, the construction of a fire station, and a development service building.

CITY OF TAMARAC, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2006

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$5,120,068	\$1,306,631	\$ 6,967,055	\$13,393,754
Accounts receivable - net	762,003	-	-	762,003
Due from other funds	-	-	4,679	4,679
Due from other governments	1,078	1,292	-	2,370
Total assets	<u>\$5,883,149</u>	<u>\$1,307,923</u>	<u>\$ 6,971,734</u>	<u>\$14,162,806</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 12,122	\$ -	\$ 467,376	\$ 479,498
Accrued liabilities	4,144	-	-	4,144
Accrued bonds and interest payable	-	1,126,627	-	1,126,627
Due to other funds	-	-	4,621	4,621
Unearned revenues	1,403,606	-	-	1,403,606
Total liabilities	<u>1,419,872</u>	<u>1,126,627</u>	<u>471,997</u>	<u>3,018,496</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	9,031	-	819,939	828,970
Special revenue funds	3,008,954	-	-	3,008,954
Capital projects funds	1,445,292	-	5,679,798	7,125,090
Unreserved reported in:				
Debt service funds	-	181,296	-	181,296
Total fund balances	<u>4,463,277</u>	<u>181,296</u>	<u>6,499,737</u>	<u>11,144,310</u>
Total liabilities and fund balances	<u>\$5,883,149</u>	<u>\$1,307,923</u>	<u>\$ 6,971,734</u>	<u>\$14,162,806</u>

CITY OF TAMARAC, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2006

	Special				
	Law Enforcement Trust	Drainage Improvements	Parks and Recreation Improvements	Trafficways Improvements	Public Arts
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ 20,200	\$ 220,452	\$ 328,268	\$ 1,008,941	\$ 1,307,265
Accounts receivable - net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 20,200	\$ 220,452	\$ 328,268	\$ 1,008,941	\$ 1,307,265
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Accrued bonds and interest payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Customer deposits	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	-	-	-	-
<u>FUND BALANCES</u>					
Reserved for:					
Encumbrances	-	-	-	-	9,031
Special revenue funds	20,200	220,452	328,268	883,941	153,650
Capital projects funds	-	-	-	125,000	1,144,584
Unreserved reported in:					
Debt service funds	-	-	-	-	-
Total fund balances	20,200	220,452	328,268	1,008,941	1,307,265
Total liabilities and fund balances	\$ 20,200	\$ 220,452	\$ 328,268	\$ 1,008,941	\$ 1,307,265

Revenue

Development Block Grant Program	State Housing Initiative Partnership	Donations and Sponsorship	Streetscape Improvements	State Affordable Housing Assistance	Total
\$ 22,910	\$ 1,611,519	\$ 31,889	\$ 568,624	\$ -	\$ 5,120,068
-	-	-	-	762,003	762,003
-	-	-	-	-	-
1,078	-	-	-	-	1,078
<u>\$ 23,988</u>	<u>\$ 1,611,519</u>	<u>\$ 31,889</u>	<u>\$ 568,624</u>	<u>\$ 762,003</u>	<u>\$ 5,883,149</u>
\$ 12,062	\$ 60	\$ -	\$ -	\$ -	\$ 12,122
2,072	2,072	-	-	-	4,144
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,403,606	-	-	-	1,403,606
<u>14,134</u>	<u>1,405,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,419,872</u>
-	-	-	-	-	9,031
9,854	30,073	31,889	568,624	762,003	3,008,954
-	175,708	-	-	-	1,445,292
-	-	-	-	-	-
<u>9,854</u>	<u>205,781</u>	<u>31,889</u>	<u>568,624</u>	<u>762,003</u>	<u>4,463,277</u>
<u>\$ 23,988</u>	<u>\$ 1,611,519</u>	<u>\$ 31,889</u>	<u>\$ 568,624</u>	<u>\$ 762,003</u>	<u>\$ 5,883,149</u>

(Continued)

CITY OF TAMARAC, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2006

	Debt Service		
	General Obligation <u>Bond</u>	Revenue Bond	<u>Total</u>
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$278,189	\$1,028,442	\$1,306,631
Due from other governments	<u>1,292</u>	<u>-</u>	<u>1,292</u>
Total assets	<u>\$279,481</u>	<u>\$1,028,442</u>	<u>\$1,307,923</u>
<u>LIABILITIES</u>			
Accrued bonds and interest payable	<u>\$210,624</u>	<u>\$ 916,003</u>	<u>\$1,126,627</u>
Total liabilities	<u>210,624</u>	<u>916,003</u>	<u>1,126,627</u>
<u>FUND BALANCES</u>			
Reserved for:			
Unreserved reported in:			
Debt service funds	<u>68,857</u>	<u>112,439</u>	<u>181,296</u>
Total fund balances	<u>68,857</u>	<u>112,439</u>	<u>181,296</u>
Total liabilities and fund balances	<u>\$279,481</u>	<u>\$1,028,442</u>	<u>\$1,307,923</u>

CITY OF TAMARAC, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 SEPTEMBER 30, 2006

	Capital Projects		
	<u>General Capital Projects</u>	<u>Public Service Facilities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$4,000,149	\$ 2,966,906	\$ 6,967,055
Due from other funds	-	4,679	4,679
Total assets	<u>\$4,000,149</u>	<u>\$ 2,971,585</u>	<u>\$ 6,971,734</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 410,068	\$ 57,308	467,376
Due to other funds	4,621	-	4,621
Total liabilities	<u>414,689</u>	<u>57,308</u>	<u>471,997</u>
<u>FUND BALANCES</u>			
Reserved for:			
Encumbrances	815,899	4,040	819,939
Capital projects funds	2,769,561	2,910,237	5,679,798
Total fund balances	<u>3,585,460</u>	<u>2,914,277</u>	<u>6,499,737</u>
Total liabilities and fund balances	<u>\$4,000,149</u>	<u>\$ 2,971,585</u>	<u>\$ 6,971,734</u>

CITY OF TAMARAC, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Taxes	\$ -	\$ 1,060,181	\$ -	\$ 1,060,181
Charges for services	653,142	-	-	653,142
Intergovernmental	571,999	-	269,000	840,999
Investment Income	177,658	34,133	246,707	458,498
Donations from private sources	5,380	-	-	5,380
CDBG program repayment	31,861	-	-	31,861
Special assessments	<u>74,544</u>	<u>-</u>	<u>-</u>	<u>74,544</u>
Total revenues	<u>1,514,584</u>	<u>1,094,314</u>	<u>515,707</u>	<u>3,124,605</u>
Expenditures:				
Current:				
General government	5,000	-	-	5,000
Public safety	940	-	-	940
Transportation	-	-	-	-
Culture / recreation	29,260	-	-	29,260
Economic environment	566,078	-	-	566,078
Human services	52,753	-	-	52,753
Debt service:				
Principal retirement	-	1,898,875	-	1,898,875
Interest and fiscal charges	-	1,568,162	-	1,568,162
Capital outlay:				
General government	-	-	1,130,934	1,130,934
Public safety	-	-	194,832	194,832
Transportation	-	-	1,989,525	1,989,525
Physical Environment	-	-	-	-
Culture and recreation	<u>-</u>	<u>-</u>	<u>1,754,133</u>	<u>1,754,133</u>
Total expenditures	<u>654,031</u>	<u>3,467,037</u>	<u>5,069,424</u>	<u>9,190,492</u>
Excess (deficiency) of revenues over expenditures	<u>860,553</u>	<u>(2,372,723)</u>	<u>(4,553,717)</u>	<u>(6,065,887)</u>
Other financing sources (uses):				
Operating transfers in	512,966	2,493,900	4,156,019	7,162,885
Operating transfers out	<u>(512,966)</u>	<u>-</u>	<u>-</u>	<u>(512,966)</u>
Total other financing sources (uses)	<u>-</u>	<u>2,493,900</u>	<u>4,156,019</u>	<u>6,649,919</u>
Net change in fund balance	860,553	121,177	(397,698)	584,032
Fund balances, October 1	3,602,724	60,119	6,897,435	10,560,278
Fund balances, September 30	<u>\$4,463,277</u>	<u>\$ 181,296</u>	<u>\$ 6,499,737</u>	<u>\$11,144,310</u>

CITY OF TAMARAC, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2006

Special

	Law Enforcement <u>Trust</u>	Drainage <u>Improvements</u>	Parks and Recreation <u>Improvements</u>	Trafficways <u>Improvements</u>	Public <u>Arts</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	653,142
Intergovernmental	20,199	-	-	-	-
Investment Income	1	8,377	12,474	37,209	40,714
Donations from private sources	-	-	-	-	-
CDBG program repayment	-	-	-	-	-
Special assessments	-	-	-	53,579	-
Total revenues	<u>20,200</u>	<u>8,377</u>	<u>12,474</u>	<u>90,788</u>	<u>693,856</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture / recreation	-	-	-	-	29,327
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,327</u>
Excess (deficiency) of revenues over expenditures	<u>20,200</u>	<u>8,377</u>	<u>12,474</u>	<u>90,788</u>	<u>664,529</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	20,200	8,377	12,474	90,788	664,529
Fund balances, October 1	-	212,075	315,794	918,153	642,736
Fund balances, September 30	<u>\$ 20,200</u>	<u>\$ 220,452</u>	<u>\$ 328,268</u>	<u>\$ 1,008,941</u>	<u>\$ 1,307,265</u>

Revenue

Development Block Grant Program	State Housing Initiative Partnership	Donations and Sponsorship	Streetscape Improvements	Affordable Housing Assistance	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	653,142
104,300	447,500	-	-	-	571,999
1,364	54,884	1,215	21,420	-	177,658
-	-	5,380	-	-	5,380
31,861	-	-	-	-	31,861
-	-	-	20,965	-	74,544
<u>137,525</u>	<u>502,384</u>	<u>6,595</u>	<u>42,385</u>	<u>-</u>	<u>1,514,584</u>
5,000	-	-	-	-	5,000
34	-	906	-	-	940
-	-	(67)	-	-	29,260
73,697	56,889	-	-	435,492	566,078
48,940	-	3,813	-	-	52,753
<u>127,671</u>	<u>56,889</u>	<u>4,652</u>	<u>-</u>	<u>435,492</u>	<u>654,031</u>
<u>9,854</u>	<u>445,495</u>	<u>1,943</u>	<u>42,385</u>	<u>(435,492)</u>	<u>860,553</u>
-	96,522	-	-	416,444	512,966
-	(416,444)	-	-	(96,522)	(512,966)
-	(319,922)	-	-	319,922	-
9,854	125,573	1,943	42,385	(115,570)	860,553
-	80,208	29,946	526,239	877,573	3,602,724
<u>\$ 9,854</u>	<u>\$ 205,781</u>	<u>\$ 31,889</u>	<u>\$ 568,624</u>	<u>\$ 762,003</u>	<u>\$ 4,463,277</u>

(Continued)

CITY OF TAMARAC, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2006

	Debt Service		
	General Obligation <u>Bond</u>	Revenue <u>Bond</u>	<u>Total</u>
Revenues:			
Taxes	\$ 1,060,181	\$ -	\$ 1,060,181
Investment Income	<u>32,574</u>	<u>1,559</u>	<u>34,133</u>
Total revenues	<u>1,092,755</u>	<u>1,559</u>	<u>1,094,314</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement	893,875	1,005,000	1,898,875
Interest and fiscal charges	<u>159,429</u>	<u>1,408,733</u>	<u>1,568,162</u>
Total expenditures	<u>1,053,304</u>	<u>2,413,733</u>	<u>3,467,037</u>
(Deficiency) of revenues over expenditures	<u>39,451</u>	<u>(2,412,174)</u>	<u>(2,372,723)</u>
Other financing sources (uses):			
Operating transfers in	-	2,493,900	2,493,900
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,493,900</u>	<u>2,493,900</u>
Net change in fund balance	39,451	81,726	121,177
Fund balances, October 1	<u>29,406</u>	<u>30,713</u>	<u>60,119</u>
Fund balances, September 30	<u>\$ 68,857</u>	<u>\$ 112,439</u>	<u>\$ 181,296</u>

CITY OF TAMARAC, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED SEPTEMBER 30, 2006

	Capital Projects		
	General Capital Projects	Public Service Facilities	Total
Revenues:			
Intergovernmental	\$ 269,000	\$ -	\$ 269,000
Investment Income	130,267	116,440	246,707
Total revenues	399,267	116,440	515,707
Expenditures:			
Capital outlay:			
General government	1,130,400	534	1,130,934
Public safety	194,832	-	194,832
Transportation	1,967,979	21,546	1,989,525
Culture and recreation	1,254,133	500,000	1,754,133
Total expenditures	4,547,344	522,080	5,069,424
Excess (deficiency) of revenues over expenditures	(4,148,077)	(405,640)	(4,553,717)
Other financing sources (uses):			
Operating transfers in	4,156,019	-	4,156,019
Operating transfers out	-	-	-
Total other financing sources (uses)	4,156,019	-	4,156,019
Net change in fund balance	7,942	(405,640)	(397,698)
Fund balances, October 1	3,577,518	3,319,917	6,897,435
Fund balances, September 30	\$ 3,585,460	\$ 2,914,277	\$ 6,499,737

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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary <u>Basis</u>	
Revenues:				
Special assessments	\$ -	\$ -	\$ 53,579	\$ 53,579
Investment income	-	-	37,209	37,209
Miscellaneous	-	125,000	-	(125,000)
Total revenues	<u>-</u>	<u>125,000</u>	<u>90,788</u>	<u>(34,212)</u>
Expenditures:				
Current:				
Transportation	-	125,000	-	125,000
Total expenditures	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	90,788	90,788
Fund balances at beginning of year	<u>918,153</u>	<u>918,153</u>	<u>918,153</u>	<u>-</u>
Fund balances at end of year	<u>\$918,153</u>	<u>\$ 918,153</u>	<u>\$1,008,941</u>	<u>\$ 90,788</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary <u>Basis</u>	
Revenues:				
Charges for services	\$ -	\$ 164,265	\$ 653,142	\$ 488,877
Investment income	-	-	40,714	40,714
Total revenues	<u>-</u>	<u>164,265</u>	<u>693,856</u>	<u>529,591</u>
Expenditures:				
Current:				
Culture / recreation	-	164,265	29,327	134,938
Total expenditures	<u>-</u>	<u>164,265</u>	<u>29,327</u>	<u>134,938</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	664,529	664,529
Fund balances at beginning of year	<u>642,736</u>	<u>642,736</u>	<u>642,736</u>	<u>-</u>
Fund balances at end of year	<u>\$642,736</u>	<u>\$ 642,736</u>	<u>\$1,307,265</u>	<u>\$ 664,529</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, 2006

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$481,800	\$1,092,334	\$ 104,300	\$ (988,034)
CDBG program repayment	-	-	31,861	31,861
Investment income	-	-	1,364	1,364
Total revenues	<u>481,800</u>	<u>1,092,334</u>	<u>137,525</u>	<u>(954,809)</u>
Expenditures:				
Current:				
General government	5,000	5,000	5,000	-
Public safety	-	2,113	34	2,079
Transportation	-	7,871	-	7,871
Culture / recreation	54,100	-	-	-
Economic environment	422,700	1,008,612	73,697	934,915
Human services	-	68,738	48,940	19,798
Total expenditures	<u>481,800</u>	<u>1,092,334</u>	<u>127,671</u>	<u>964,663</u>
Excess of revenues over expenditures	-	-	9,854	9,854
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,854</u>	<u>\$ 9,854</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary <u>Basis</u>	
Revenues:				
Intergovernmental	\$ -	\$1,597,518	\$ 447,500	\$ (1,150,018)
Investment income	-	7,892	54,884	46,992
Total revenues	<u>-</u>	<u>1,605,410</u>	<u>502,384</u>	<u>(1,103,026)</u>
Expenditures:				
Current:				
Economic environment:	-	172,598	56,889	115,709
Total expenditures	<u>-</u>	<u>172,598</u>	<u>56,889</u>	<u>115,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,432,812</u>	<u>445,495</u>	<u>(987,317)</u>
Other financing sources (uses):				
Operating transfers in	-	23,715	96,522	72,807
Operating transfers out	-	(1,456,527)	(416,444)	1,040,083
Total other financing sources (uses)	<u>-</u>	<u>(1,432,812)</u>	<u>(319,922)</u>	<u>1,112,890</u>
(Deficiency) of revenues and other financing sources (uses) over expenditures	-	-	125,573	125,573
Fund balances at beginning of year	<u>80,208</u>	<u>80,208</u>	<u>80,208</u>	-
Fund balances at end of year	<u>\$ 80,208</u>	<u>\$ 80,208</u>	<u>\$ 205,781</u>	<u>\$ 125,573</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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,064,300	\$ 1,064,300	\$ 1,060,181	\$ (4,119)
Investment income	-	-	32,574	32,574
Total revenues	<u>1,064,300</u>	<u>1,064,300</u>	<u>1,092,755</u>	<u>28,455</u>
Expenditures:				
Debt service:				
Principal	893,900	893,900	893,875	25
Interest and fiscal charges	<u>170,400</u>	<u>170,400</u>	<u>159,429</u>	<u>10,971</u>
Total expenditures	<u>1,064,300</u>	<u>1,064,300</u>	<u>1,053,304</u>	<u>10,996</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>39,451</u>	<u>39,451</u>
Fund balances at beginning of year	<u>29,406</u>	<u>29,406</u>	<u>29,406</u>	<u>-</u>
Fund balances at end of year	<u>\$ 29,406</u>	<u>\$ 29,406</u>	<u>\$ 68,857</u>	<u>\$ 39,451</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Investment income	\$ -	\$ -	\$ 1,559	\$ 1,559
Total revenues	<u>-</u>	<u>-</u>	<u>1,559</u>	<u>1,559</u>
Expenditures:				
Debt service:				
Principal	1,230,000	855,000	1,005,000	(150,000)
Interest and fiscal charges	<u>1,263,900</u>	<u>1,638,900</u>	<u>1,408,733</u>	<u>230,167</u>
Total expenditures	<u>2,493,900</u>	<u>2,493,900</u>	<u>2,413,733</u>	<u>80,167</u>
(Deficiency) of revenues over expenditures	<u>(2,493,900)</u>	<u>(2,493,900)</u>	<u>(2,412,174)</u>	<u>81,726</u>
Other financing sources:				
Operating transfers in	<u>2,493,900</u>	<u>2,493,900</u>	<u>2,493,900</u>	-
Total other financing sources	<u>2,493,900</u>	<u>2,493,900</u>	<u>2,493,900</u>	-
Excess of revenues and other financing sources over expenditures	-	-	81,726	81,726
Fund balances at beginning of year	<u>30,713</u>	<u>30,713</u>	<u>30,713</u>	-
Fund balances at end of year	<u>\$ 30,713</u>	<u>\$ 30,713</u>	<u>\$ 112,439</u>	<u>\$ 81,726</u>

CITY OF TAMARAC, FLORIDA
GENERAL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 268,650	\$ 269,000	\$ 350
Investment income	-	-	130,267	130,267
Miscellaneous revenues	-	6,361,031	-	(6,361,031)
Total revenues	<u>-</u>	<u>6,629,681</u>	<u>399,267</u>	<u>(6,230,414)</u>
Expenditures:				
General government	637,400	3,015,948	1,130,400	1,885,548
Public safety	-	948,000	194,832	753,168
Transportation	-	4,174,755	1,967,979	2,206,776
Culture/recreation	156,200	2,646,997	1,254,133	1,392,864
Physical environment	80,000	-	-	-
Total expenditures	<u>873,600</u>	<u>10,785,700</u>	<u>4,547,344</u>	<u>6,238,356</u>
(Deficiency) of revenues over (under) expenditures	<u>(873,600)</u>	<u>(4,156,019)</u>	<u>(4,148,077)</u>	<u>7,942</u>
Other financing sources:				
Operating transfers in	<u>873,600</u>	<u>4,156,019</u>	<u>4,156,019</u>	<u>-</u>
Total other financing sources	<u>873,600</u>	<u>4,156,019</u>	<u>4,156,019</u>	<u>-</u>
Excess of revenues and other financing sources (uses) over expenditures	-	-	7,942	7,942
Fund balances at beginning of year	<u>3,577,518</u>	<u>3,577,518</u>	<u>3,577,518</u>	<u>-</u>
Fund balances at end of year	<u>\$3,577,518</u>	<u>\$ 3,577,518</u>	<u>\$3,585,460</u>	<u>\$ 7,942</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive Negative <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Investment income	\$ -	\$ -	\$ 116,440	\$ 116,440
Miscellaneous revenues	-	953,722	-	(953,722)
Total revenues	<u>-</u>	<u>953,722</u>	<u>116,440</u>	<u>(837,282)</u>
Expenditures:				
General government	-	-	534	(534)
Transportation	-	28,842	21,546	7,296
Physical environment	-	234,422	-	234,422
Culture/recreation	-	690,458	500,000	190,458
Total expenditures	<u>-</u>	<u>953,722</u>	<u>522,080</u>	<u>431,642</u>
(Deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(405,640)</u>	<u>(405,640)</u>
Fund balances at beginning of year	<u>3,319,917</u>	<u>3,319,917</u>	<u>3,319,917</u>	<u>-</u>
Fund balances at end of year	<u>\$3,319,917</u>	<u>\$ 3,319,917</u>	<u>\$ 2,914,277</u>	<u>\$ (405,640)</u>

CITY OF TAMARAC, FLORIDA
2005 CAPITAL IMPROVEMENT PROJECT REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	Actual Amounts Budgetary Basis	
Revenues:				
Investment income	\$ -	\$ -	\$ 473,566	\$ 473,566
Miscellaneous revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>473,566</u>	<u>473,566</u>
Expenditures:				
General government	-	349,803	395,498	(45,695)
Transportation	-	1,000,000	-	1,000,000
Public safety	-	550,000	-	550,000
Culture/recreation	-	<u>13,100,197</u>	<u>5,661</u>	<u>13,094,536</u>
Total expenditures	<u>-</u>	<u>15,000,000</u>	<u>401,159</u>	<u>14,598,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(15,000,000)</u>	<u>72,407</u>	<u>15,072,407</u>
Other financing sources (uses):				
Bond proceeds	-	15,000,000	15,000,000	-
Bond premium	-	-	<u>27,697</u>	<u>27,697</u>
Total other financing sources (uses)	<u>-</u>	<u>15,000,000</u>	<u>15,027,697</u>	<u>27,697</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>15,100,104</u>	<u>15,100,104</u>
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>\$ 15,100,104</u>	<u>\$ 15,100,104</u>

TRUST AND AGENCY FUNDS

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 Employees' Trust Fund – 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.

Elected and Appointed and Non-Represented Employees' Pension Fund – to account for the accumulation of resources to be used for retirement benefit payments to the City's elected and appointed and non-represented employees.

CITY OF TAMARAC, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2006

	<u>Pension Trust Funds</u>			Elected and Appointed and Non-represented Employees Retirement	Total
	General Employees Retirement	Police Officers Retirement	Firefighters Retirement		
<u>ASSETS</u>					
Equity in pooled cash and investments	\$ 151,089	\$ 14,278	\$ 98,532	\$ 119,807	\$ 383,706
Receivables:					
Interest and dividends	65,545	14,459	95,429	-	175,433
Investments, at fair value:					
Common stock	12,905,808	5,406,692	19,942,741	-	38,255,241
Government securities	338,785	401,544	2,089,609	-	2,829,938
Corporate bonds	3,388,692	498,853	2,802,229	-	6,689,774
Mortgage backed securities	2,566,033	852,630	6,261,474	-	9,680,137
Mutual funds	2,351,994	1,644,804	-	6,187,041	10,183,839
Money market funds	794,206	321,113	916,615	-	2,031,934
Total investments, at fair value	<u>22,345,518</u>	<u>9,125,636</u>	<u>32,012,668</u>	<u>6,187,041</u>	<u>69,670,863</u>
Total assets	<u>22,562,152</u>	<u>9,154,373</u>	<u>32,206,629</u>	<u>6,306,848</u>	<u>70,230,002</u>
<u>LIABILITIES</u>					
Accounts payable	36,998	24,871	39,499	8,031	109,399
Unearned revenues/future benefits	-	-	-	395,181	395,181
Total liabilities	<u>36,998</u>	<u>24,871</u>	<u>39,499</u>	<u>403,212</u>	<u>504,580</u>
<u>NET ASSETS</u>					
Held in trust for pension benefits	<u>22,525,154</u>	<u>9,129,502</u>	<u>32,167,130</u>	<u>5,903,636</u>	<u>69,725,422</u>
Total net assets	<u>\$ 22,525,154</u>	<u>\$ 9,129,502</u>	<u>\$ 32,167,130</u>	<u>\$ 5,903,636</u>	<u>\$ 69,725,422</u>

CITY OF TAMARAC, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>General Employees Retirement</u>	<u>Police Officers Retirement</u>	<u>Firefighters Retirement</u>	<u>Elected and Appointed and Non-represented Employees Retirement</u>	<u>Total</u>
ADDITIONS					
Contributions:					
City	\$ 1,274,857	\$ 55,562	\$ 1,700,336	\$ 1,021,814	\$ 4,052,569
Plan members	437,471	4,130	594,134	4,504,363	5,540,098
State	-	690,771	429,886	-	1,120,657
Total contributions	<u>1,712,328</u>	<u>750,463</u>	<u>2,724,356</u>	<u>5,526,177</u>	<u>10,713,324</u>
Investment income:					
Net appreciation in fair value of investments	1,114,691	733,985	1,493,197	429,179	3,771,052
Interest and dividend income	580,112	246,792	812,698	3,803	1,643,405
Total investment income	1,694,803	980,777	2,305,895	432,982	5,414,457
Less investment expenses	(98,959)	(53,212)	(154,925)	(8,108)	(315,204)
Net investment income	<u>1,595,844</u>	<u>927,565</u>	<u>2,150,970</u>	<u>424,874</u>	<u>5,099,253</u>
Total additions	<u>3,308,172</u>	<u>1,678,028</u>	<u>4,875,326</u>	<u>5,951,051</u>	<u>15,812,577</u>
DEDUCTIONS					
Benefits paid and refunds	1,444,408	1,303,188	849,062	23,710	3,620,368
Administrative expenses	78,313	52,023	63,811	23,705	217,852
Total deductions	<u>1,522,721</u>	<u>1,355,211</u>	<u>912,873</u>	<u>47,415</u>	<u>3,838,220</u>
Change in net assets	1,785,451	322,817	3,962,453	5,903,636	11,974,357
Net assets, October 1	<u>20,739,703</u>	<u>8,806,685</u>	<u>28,204,677</u>	<u>-</u>	<u>57,751,065</u>
Net assets, September 30	<u>\$22,525,154</u>	<u>\$9,129,502</u>	<u>\$32,167,130</u>	<u>\$ 5,903,636</u>	<u>\$69,725,422</u>

CAPITAL ASSETS

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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Governmental funds capital assets:		
Land	\$ 12,498,912	\$ 11,726,791
Buildings	25,895,780	25,816,771
Improvements other than buildings	5,908,200	5,681,246
Machinery and equipment	13,930,155	12,211,101
Infrastructure	53,205,658	51,817,043
Construction in progress	3,425,307	614,571
Total governmental funds capital assets	<u>\$114,864,012</u>	<u>\$107,867,523</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 17,020,864	\$ 16,410,439
Special revenue funds	9,739,597	9,146,603
Capital projects funds	24,450,135	20,310,859
Federal grants	978,208	828,040
State grants	1,351,512	1,346,355
Local grants	4,235,836	3,116,867
Donations and other funds	32,895,578	33,024,010
General obligation bonds	3,250,000	3,250,000
Revenue bonds	20,942,282	20,434,350
Total governmental funds capital assets	<u>\$114,864,012</u>	<u>\$107,867,523</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, 2006

<u>FUNCTION AND ACTIVITY</u>	Governmental Funds Capital Assets October 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Governmental Funds Capital Assets September 30, <u>2006</u>
Legislative and judicial:				
Legislative	\$ 23,111	\$ -	\$ (11,698)	\$ 11,413
City attorney	33,925	-	(16,745)	17,180
	<u>57,036</u>	<u>-</u>	<u>(28,443)</u>	<u>28,593</u>
Operational services:				
Community development	261,643	773,565	(40,430)	994,778
Fire protection	6,131,333	903,197	(50,196)	6,984,334
Public works	11,925,606	27,551	(59,116)	11,894,041
City engineer	98,765	7,395	(25,830)	80,330
IT	1,589,115	719,027	(79,895)	2,228,247
Fleet	3,390,421	691,299	(83,873)	3,997,847
Parks and recreation	19,670,554	198,811	(126,952)	19,742,413
Police services	118,422	-	(30,536)	87,886
	<u>43,185,859</u>	<u>3,320,845</u>	<u>(496,828)</u>	<u>46,009,876</u>
Administrative services:				
General and administration	12,231,619	-	(11,350)	12,220,269
Personnel and insurance	29,320	-	(5,373)	23,947
City manager	57,534	15,219	(3,939)	68,814
Satellite city hall	24,120	-	-	24,120
City clerk	125,598	7,355	(15,610)	117,343
Finance	74,351	28,507	(13,245)	89,613
	<u>12,542,542</u>	<u>51,081</u>	<u>(49,517)</u>	<u>12,544,106</u>
Highways and streets:				
Street system	51,467,515	1,388,615	-	52,856,130
	<u>51,467,515</u>	<u>1,388,615</u>	<u>-</u>	<u>52,856,130</u>
Construction in progress				
	614,571	3,425,307	(614,571)	3,425,307
	<u>\$107,867,523</u>	<u>\$ 8,185,848</u>	<u>\$(1,189,359)</u>	<u>\$114,864,012</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, 2006

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
Legislative and judicial:						
Legislative	\$ -	\$ -	\$ -	\$ 11,413	\$ -	\$ 11,413
City attorney	-	-	-	17,180	-	17,180
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,593</u>	<u>-</u>	<u>28,593</u>
Operational services:						
Community development	772,121	35,435	-	187,222	-	994,778
Fire protection	156,079	1,197,216	141,230	5,489,809	-	6,984,334
Public works	171,392	7,763,661	3,151,041	458,419	349,528	11,894,041
City engineer	-	-	-	80,330	-	80,330
IT	-	-	-	2,228,247	-	2,228,247
Fleet	-	-	218,683	3,779,164	-	3,997,847
Parks and recreation	10,095,414	6,065,977	2,397,246	1,183,776	-	19,742,413
Police services	-	8,927	-	78,959	-	87,886
	<u>11,195,006</u>	<u>15,071,216</u>	<u>5,908,200</u>	<u>13,485,926</u>	<u>349,528</u>	<u>46,009,876</u>
Administrative services:						
General and administration	1,303,906	10,800,284	-	116,079	-	12,220,269
Personnel	-	-	-	23,947	-	23,947
City manager	-	-	-	68,814	-	68,814
Satellite city hall	-	2,475	-	21,645	-	24,120
City clerk	-	-	-	117,343	-	117,343
Finance	-	21,805	-	67,808	-	89,613
	<u>1,303,906</u>	<u>10,824,564</u>	<u>-</u>	<u>415,636</u>	<u>-</u>	<u>12,544,106</u>
Transportation:						
Roads and streets	-	-	-	-	52,856,130	52,856,130
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,856,130</u>	<u>52,856,130</u>
	<u>\$ 12,498,912</u>	<u>\$ 25,895,780</u>	<u>\$ 5,908,200</u>	<u>\$ 13,930,155</u>	<u>\$ 53,205,658</u>	111,438,705
Construction in progress						<u>3,425,307</u>
						<u>\$ 114,864,012</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.

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	99-106
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
	107-110
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the governments' ability to issue additional debt in the future.	
	111-115
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
	116-117
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
	118-120

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement No. 34 in 2002; schedules presenting government-wide information include information beginning that year.

CITY OF TAMARAC
Net Assets by Component
Last Five Fiscal Years

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 54,747,128	\$ 48,847,411	\$ 62,168,884	\$ 65,002,740	\$ 71,850,603
Restricted	7,643,386	11,288,555	12,872,078	13,448,003	27,735,550
Unrestricted	11,148,176	19,432,477	9,713,054	14,230,658	4,281,944
Total governmental activities net assets	<u>\$ 73,538,690</u>	<u>\$ 79,568,443</u>	<u>\$ 84,754,016</u>	<u>\$ 92,681,401</u>	<u>\$103,868,097</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 33,636,226	\$ 33,307,204	\$ 25,984,601	\$ 33,846,176	\$ 49,673,822
Restricted	3,070,214	3,119,513	4,454,050	5,427,955	7,313,121
Unrestricted	18,272,643	19,862,949	28,631,132	23,815,785	10,214,142
Total business-type activities net assets	<u>\$ 54,979,083</u>	<u>\$ 56,289,666</u>	<u>\$ 59,069,783</u>	<u>\$ 63,089,916</u>	<u>\$ 67,201,085</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 88,383,354	\$ 82,154,615	\$ 88,153,485	\$ 98,848,916	\$121,524,425
Restricted	10,713,600	14,408,068	17,326,128	18,875,958	35,048,671
Unrestricted	29,420,819	39,295,426	38,344,186	38,046,443	14,496,086
Total primary government net assets	<u>\$128,517,773</u>	<u>\$135,858,109</u>	<u>\$ 143,823,799</u>	<u>\$155,771,317</u>	<u>\$171,069,182</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

CITY OF TAMARAC
Changes in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	\$ 7,246,294	\$ 8,917,459	\$ 9,792,447	\$ 9,948,165	10,688,546
Public safety	17,190,446	19,110,595	21,529,131	24,681,261	35,495,924
Transportation	1,283,083	1,739,082	1,676,983	2,518,737	2,699,076
Economic environment	906,736	777,812	894,713	599,886	4,511,057
Culture and recreation	3,377,508	3,641,777	3,757,060	4,210,762	2,226,264
Physical environment	2,111,072	1,898,374	1,980,646	2,542,286	703,430
Human services	262,382	245,344	236,262	304,155	319,229
Interest on long-term debt	1,264,084	1,311,236	1,232,534	1,176,005	1,591,058
Total governmental activities expenses	<u>33,641,605</u>	<u>37,641,679</u>	<u>41,099,776</u>	<u>45,981,257</u>	<u>58,234,584</u>
Business-type activities:					
Water and sewer	14,918,834	15,614,983	16,874,535	17,122,674	18,212,679
Stormwater	2,763,021	3,220,903	2,978,171	3,124,179	3,660,473
Total business-type activities expenses	<u>17,681,855</u>	<u>18,835,886</u>	<u>19,852,706</u>	<u>20,246,853</u>	<u>21,873,152</u>
Total primary government expenses	<u>\$ 51,323,460</u>	<u>\$ 56,477,565</u>	<u>\$ 60,952,482</u>	<u>\$ 66,228,110</u>	<u>\$ 80,107,736</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	2,972,921	1,304,092	1,433,280	1,479,201	1,372,508
Public safety	4,639,051	6,845,427	9,114,697	10,169,124	11,998,145
Culture and recreation	376,211	388,791	570,217	1,082,523	30,067
Transportation	27,224	26,134	29,430	34,978	1,154,936
Physical environment	680,382	827,001	963,729	1,017,446	683,942
Operating grants and contributions	2,278,128	2,198,201	3,094,050	550,203	9,507,364
Capital grants and contributions	100,000	2,858,712	388,364	2,897,854	1,476,469
Total governmental activities program revenues	<u>11,073,917</u>	<u>14,448,358</u>	<u>15,593,767</u>	<u>17,231,329</u>	<u>26,223,431</u>
Business-type activities:					
Charges for services:					
Water and sewer	14,619,599	14,946,465	16,722,369	17,199,830	17,939,735
Stormwater	2,031,287	3,045,327	3,080,911	3,122,657	4,190,487
Capital grants and contributions	2,036,617	2,026,906	2,645,990	3,650,141	3,283,961
Total business-type activities program revenues	<u>18,687,503</u>	<u>20,018,698</u>	<u>22,449,270</u>	<u>23,972,628</u>	<u>25,414,183</u>
Total primary government program revenues	<u>\$ 29,761,420</u>	<u>\$ 34,467,056</u>	<u>\$ 38,043,037</u>	<u>\$ 41,203,957</u>	<u>\$ 51,637,614</u>

CITY OF TAMARAC
Changes in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	2002	2003	2004	2005	2006
Net (Expense) Revenue					
Governmental activities	\$ (22,567,688)	\$ (23,193,321)	\$ (25,506,009)	\$ (28,749,928)	\$ (32,011,153)
Business-type activities	1,005,648	1,182,812	2,596,564	3,725,775	3,541,031
Total primary government net expense	<u>(21,562,040)</u>	<u>(22,010,509)</u>	<u>(22,909,445)</u>	<u>(25,024,153)</u>	<u>(28,470,122)</u>
General Revenue and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for general purpose	11,511,572	12,739,885	13,956,061	15,594,820	18,765,605
Property taxes, levied for debt service	1,042,792	1,049,703	1,058,410	1,065,167	1,060,180
Franchise taxes	3,451,223	3,517,044	4,397,549	4,053,946	141,717
Utility taxes	108,298	99,435	106,512	123,694	4,676,348
Communication service taxes	2,446,329	2,636,575	2,615,867	2,790,051	2,871,885
Gas taxes	n/a	n/a	n/a	1,088,730	1,094,177
Unrestricted grants and contributions	4,727,232	4,928,268	7,020,532	5,937,072	6,278,084
Interest earnings	990,370	658,510	478,187	665,611	2,074,320
Miscellaneous	2,812,504	2,952,900	4,418,024	5,088,722	5,997,907
Transfers	241,787	244,410	256,600	269,500	283,000
Gain (loss) on sale of capital assets	-	-	101,200	-	(45,374)
^a Special item: Claims expense	-	-	(3,717,360)	-	-
Total governmental activities	<u>27,332,107</u>	<u>28,826,730</u>	<u>30,691,582</u>	<u>36,677,313</u>	<u>43,197,849</u>
Business-type activities:					
Investment earnings	715,116	372,181	414,853	560,893	854,005
Transfers	(242,156)	(244,410)	(256,600)	(269,500)	(283,000)
Gain on sale of capital assets	2,981	-	25,300	2,965	(867)
Total business-type activities	<u>475,941</u>	<u>127,771</u>	<u>183,553</u>	<u>294,358</u>	<u>570,138</u>
Total primary government	<u>27,808,048</u>	<u>28,954,501</u>	<u>30,875,135</u>	<u>36,971,671</u>	<u>43,767,987</u>
Change in Net Assets					
Governmental activities	4,764,419	5,633,409	5,185,573	7,927,385	11,186,696
Business-type activities	1,481,589	1,310,583	2,780,117	4,020,133	4,111,169
Total primary governmental	<u>\$ 6,246,008</u>	<u>\$ 6,943,992</u>	<u>\$ 7,965,690</u>	<u>\$ 11,947,518</u>	<u>\$ 15,297,865</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

^a In 2004, the Insurance Services Fund had a deficiency in net assets as a result of recording \$3,717,360 of claim expenses related to the case of Britt vs City of Tamarac.

CITY OF TAMARAC
Fund Balances of Governmental Funds
September 30, 2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 187,713	\$ 155,273	\$ 55,709	\$ 275,302	\$ 99,301	\$ 60,678	\$ 873,997	\$ 3,424,101	\$ 105,414	973,332
Unreserved	5,127,236	6,727,727	6,684,923	5,724,198	5,924,154	9,420,172	9,351,383	10,287,258	14,242,847	15,745,195
Total general fund	\$ 5,314,949	\$ 6,883,000	\$ 6,740,632	\$ 5,999,500	\$ 6,023,455	\$ 9,480,850	\$ 10,225,380	\$ 13,711,359	\$ 14,348,261	\$ 16,718,527
All Other Governmental Funds										
Reserved	\$ 3,979	\$ 720,696	\$ 3,573,650	\$ 1,410,417	\$ 991,413	\$ 6,409,401	\$ 16,906,703	\$ 11,367,413	\$ 12,557,137	\$ 28,711,979 ^a
Unreserved, reported in										
Special revenue funds	3,386,218	4,035,491	5,041,832	6,136,347	3,129,494	242,999	2,359,916	-	-	
Capital projects funds	78,360	83,528	8,817,063	5,890,142	7,982,735	17,817,956	-	-	-	
Debt service funds	(470,614)	(442,728)	(493,042)	(718,597)	(689,136)	(455,391)	(740,606)	37,230	60,119	181,296
Total all other government funds	\$ 2,997,943	\$ 4,396,987	\$ 16,939,503	\$ 12,718,309	\$ 11,414,506	\$ 24,014,965	\$ 18,526,013	\$ 11,404,643	\$ 12,617,256	\$ 28,893,275
Total Government Funds	\$ 8,312,892	\$ 11,279,987	\$ 23,680,135	\$ 18,717,809	\$ 17,437,961	\$ 33,495,815	\$ 28,751,393	\$ 25,116,002	\$ 26,965,517	\$ 45,611,802

Note:

^a The substantial increase in reserved fund balance in 2006 is explained in Management's Discussion and Analysis.

CITY OF TAMARAC
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Taxes	\$ 12,271,680	\$ 12,593,592	\$ 13,047,638	\$ 13,836,142	\$ 16,482,973	\$ 19,679,288	\$ 21,099,801	\$ 23,233,923	\$ 24,716,409	\$ 28,609,913
Licenses and permits	1,370,496	1,770,970	1,615,630	1,470,990	1,742,023	1,792,720	1,862,250	1,974,976	2,251,241	3,880,250
Intergovernmental	3,800,949	4,769,933	5,495,677	5,533,264	5,727,383	6,093,535	8,968,584	9,278,066	9,185,131	17,261,915
Charges for Services	3,705,309	4,141,624	4,562,702	4,685,168	3,110,922	2,939,697	3,398,781	3,637,338	4,461,157	4,781,856
Fines and forfeitures	403,207	429,065	460,966	481,785	480,744	500,849	526,531	563,373	539,811	678,751
Investment earnings	572,088	898,367	756,430	1,499,254	1,354,930	866,183	591,918	431,597	632,007	2,074,322
Special assessments	1,679,624	2,598,735	2,674,854	2,733,585	2,844,889	2,912,292	3,042,677	5,432,240	5,954,885	5,898,740
Miscellaneous	3,023,194	3,460,889	3,302,979	3,761,159	4,338,387	4,326,573	4,690,118	5,997,033	5,898,503	5,997,907
Total revenues	\$ 26,826,547	\$ 30,663,175	\$ 31,916,876	\$ 34,001,347	\$ 36,082,251	\$ 39,111,137	\$ 44,180,660	\$ 50,548,546	\$ 53,639,144	\$ 69,183,654
EXPENDITURES										
General government	\$ 6,251,078	\$ 6,626,483	\$ 6,238,706	\$ 6,277,309	\$ 6,664,316	\$ 7,377,350	\$ 8,880,895	\$ 9,075,335	\$ 9,598,842	\$ 10,422,938
Public safety	13,072,471	13,872,796	15,257,236	16,445,488	17,677,687	17,367,132	19,492,930	22,411,503	23,821,796	34,172,300 ^a
Transportation	1,176,973	2,298,041	1,968,018	1,438,811	1,163,401	1,276,763	1,156,016	1,411,803	1,259,041	1,413,425
Economic environment	12,384	48,622	20,729	106,038	467,170	893,209	784,722	914,845	604,221	708,196
Physical environment	2,300,648	2,685,070	3,036,028	3,714,470	1,823,700	1,619,105	1,815,299	1,994,404	2,537,921	2,451,930
Human Services	154,204	222,323	292,974	257,715	377,850	243,726	254,154	248,825	308,985	325,499
Culture and recreation	1,535,669	1,767,946	2,051,661	1,743,213	2,327,697	3,190,812	3,223,007	3,761,822	4,284,425	3,996,031
Capital outlay	-	-	1,455,880	7,446,144	2,021,826	2,228,415	10,726,676	12,827,440	3,205,552	8,027,957
Debt service										
Principal	465,000	507,214	523,456	952,932	999,156	1,189,545	1,583,487	1,985,876	2,080,674	2,339,619
Interest	331,690	309,560	595,083	873,553	764,648	1,203,278	1,252,306	1,229,864	1,157,672	1,990,171
Total expenditures	\$ 25,300,117	\$ 28,338,055	\$ 31,439,771	\$ 39,255,673	\$ 34,287,451	\$ 36,589,335	\$ 49,169,492	\$ 55,861,717	\$ 48,859,129	\$ 65,848,066
Excess of revenues over (under) expenditures	1,526,430	2,325,120	477,105	(5,254,326)	1,794,800	2,521,802	(4,988,832)	(5,313,171)	4,780,015	3,335,588

Note

^a In 2006, the increase of public safety expenditures resulted from the recovery costs from Hurricane Wilma

CITY OF TAMARAC
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other financing sources (uses)										
Bonds issued	-	-	11,923,043	-	-	13,293,896	-	-	-	15,027,697
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	641,975	-	292,000	196,100	-	-	-	-	-
Transfers in	3,208,473	2,218,092	4,205,005	6,482,340	8,007,526	6,690,381	11,528,384	14,808,083	7,851,971	14,485,585
Transfers out	(3,341,670)	(2,218,092)	(4,205,005)	(6,482,340)	(7,807,526)	(6,448,225)	(11,283,974)	(13,130,303)	(10,782,471)	(14,202,585)
Total other financing sources (uses)	(133,197)	641,975	11,923,043	292,000	396,100	13,536,052	244,410	1,677,780	(2,930,500)	15,310,697
Net changes in fund balance	\$ 1,393,233	\$ 2,967,095	\$ 12,400,148	\$ (4,962,326)	\$ 2,190,900	\$ 16,057,854	\$ (4,744,422)	\$ (3,635,391)	\$ 1,849,515	\$ 18,646,285

Ratio of total debt service to noncapital expenditures

Total debt service	\$ 796,690	\$ 816,774	\$ 1,118,539	\$ 1,826,485	\$ 1,763,804	\$ 2,392,823	\$ 2,835,793	\$ 3,215,740	\$ 3,238,346	\$ 4,329,790
Total noncapital expenditures	25,300,117	28,338,055	29,983,891	31,809,529	32,265,625	34,360,920	38,442,816	43,034,277	45,653,577	57,820,109
Ratio	3%	3%	4%	6%	5%	7%	7%	7%	7%	7%

CITY OF TAMARAC
Program Revenues by Function/Program
 Last five fiscal years

	Program Revenues				
	2002	2003	2004	2005	2006
Function/Program					
Governmental activities:					
General government	\$ 2,976,621	\$ 1,304,092	\$ 1,433,280	\$ 1,479,201	\$ 1,372,508
Public Safety	4,935,418	6,884,070	10,228,121	10,720,180	20,945,895
Transportation	27,224	26,134	29,430	34,978	306,880
Culture/recreation	503,535	3,444,072	1,028,276	3,851,587	2,362,405
Physical environment	1,733,158	1,891,203	2,058,608	1,027,446	683,942
Economic environment	896,307	891,362	816,052	117,937	551,801
Human services	1,654	7,425	-	-	-
Subtotal governmental activities	<u>11,073,917</u>	<u>14,448,358</u>	<u>15,593,767</u>	<u>17,231,329</u>	<u>26,223,431</u>
Business-type activities					
Water/wastewater	16,656,216	16,970,766	19,360,363	20,149,971	19,923,696
Stormwater	2,031,287	3,047,932	3,088,907	3,822,657	5,490,487
Subtotal business-type activities	<u>18,687,503</u>	<u>20,018,698</u>	<u>22,449,270</u>	<u>23,972,628</u>	<u>25,414,183</u>
Total primary government	<u>\$ 29,761,420</u>	<u>\$ 34,467,056</u>	<u>\$ 38,043,037</u>	<u>\$ 41,203,957</u>	<u>\$ 51,637,614</u>

City of Tamarac
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property^a	Sales & Use	Franchise	Motor Fuel	Total
1997	\$ 8,139,771	\$ 2,493,915	\$ 3,129,920	\$ 6,540	\$ 13,770,146
1998	8,462,588	2,636,045	3,070,174	14,820	14,183,627
1999	8,887,777	2,766,192	3,081,570	10,001	14,745,540
2000	9,430,245	2,966,244	3,318,960	12,931	15,728,380
2001	11,796,562	3,131,981	3,446,183	14,718	18,389,444
2002	12,620,659	3,152,961	3,451,226	15,778	19,240,624
2003	13,782,545	3,257,611	3,517,044	16,567	20,573,767
2004	15,014,471	3,303,018	4,397,549	17,523	22,732,561
2005	16,659,988	3,449,337	4,053,946	17,240	24,180,511
2006	19,323,952	3,688,932	4,676,348	16,168	27,705,400
Change 1997 - 2006	137.4%	47.9%	49.4%	147.2%	101.2%

Note :

^a The City was able to keep its property tax rates fairly stable during the last five years of the schedule because of substantial growth in property tax values.

CITY OF TAMARAC

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousand of dollars)

Fiscal Year Ended September 30	Real Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property					
1997	* 1,451,183 *	491,528	115,059	\$ -	\$ 2,057,770	\$ 5.5222	* \$ 2,680,784 *	76.76%
1998	* 1,510,892 *	511,752	116,188	-	2,138,832	5.5099	* 2,786,389 *	76.76%
1999	* 1,583,155 *	536,228	125,407	-	2,244,790	5.4855	* 2,924,427 *	76.76%
2000	* 1,655,274 *	560,655	133,323	-	2,349,252	5.4900	* 3,060,516 *	76.76%
2001	* 1,716,240 *	581,305	154,834	-	2,452,379	6.5767	* 3,194,866 *	76.76%
2002	* 1,883,046 *	637,804	140,438	-	2,661,288	6.5434	* 3,467,024 *	76.76%
2003	* 2,160,882 *	731,909	167,385	-	3,060,176	6.4927	* 3,986,681 *	76.76%
2004	* 2,508,646 *	849,699	159,588	-	3,517,933	6.4549	* 4,252,101 *	76.76%
2005	3,015,505	860,344	186,698	-	4,062,547	6.4096	4,910,372	82.73%
2006	3,595,772	812,384	186,174	-	4,594,331	6.6029	6,227,747	70.78%

Source: Broward County Board of Equalization and Assessment.

Notes:

* Estimates based on 2005 and 2006 Broward County Residential Property Values, City of Tamarac Total Assessed Values and Personal Property amounts for years 1997 thru 2006.

CITY OF TAMARAC
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Tamarac			County			School District				South Florida Water Management District	North Broward Hospital District	Florida Inland Navigation District	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Children's Services				
1997	4.9999	0.5223	5.5222	7.0254	0.7270	7.7524	9.3820	0.5580	9.9400	-	0.7100	2.4200	0.0380	26.3826
1998	4.9999	0.5100	5.5099	7.1487	0.6893	7.8380	9.4460	0.5285	9.9745	-	0.6970	2.4087	0.0500	26.4781
1999	4.9999	0.4856	5.4855	6.9145	0.6562	7.5707	9.2390	0.4866	9.7256	-	0.6970	2.5000	0.0470	26.0258
2000	4.9999	0.4901	5.4900	6.8947	0.6763	7.5710	8.6740	0.4543	9.1283	-	0.6970	2.4895	0.0440	25.4198
2001	5.9999	0.5768	6.5767	6.8903	0.6347	7.5250	8.5410	0.4143	8.9553	-	0.6970	2.4803	0.0410	26.2753
2002	5.9999	0.5435	6.5434	6.6677	0.7328	7.4005	8.3590	0.3951	8.7541	0.3055	0.6970	2.4803	0.0385	26.2193
2003	5.9999	0.4928	6.4927	6.6685	0.6965	7.3650	8.5410	0.3415	8.8825	0.3316	0.6970	2.4803	0.0385	26.2876
2004	5.9999	0.4550	6.4549	6.6065	0.5815	7.1880	8.1240	0.2936	8.4176	0.3920	0.6970	2.5000	0.0385	25.6880
2005	5.9999	0.4097	6.4096	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695	0.4231	0.6970	2.4803	0.0385	25.3410
2006	6.2499	0.3530	6.6029	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.4231	0.6970	2.1746	0.0385	24.7814

CITY OF TAMARAC
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Advanced Business Assoc	\$ 61,785,557	1	2.52%			
Florida Power & Light, Co.	49,356,003	2	2.01%	\$ 29,439,674	2	1.96%
University Hospital, Ltd.	42,826,478	3	1.74%	33,142,953	1	2.21%
Samson Mgt (Hidden Harbor)	29,877,243	4	1.22%	17,794,306	5	1.18%
Inland Southeast Midway LLC	27,121,410	5	1.10%			
Monadnock Property Trust LLC	25,852,349	6	1.05%			
Jasmine at Tamarac	24,304,516	7	0.99%			
Alliance Partners LTD	24,279,914	8	0.99%			
Lexington Developers LLC	20,728,580	9	0.84%			
T T of Commercial Inc.	19,726,690	10	0.80%			
Total	<u>\$ 264,073,183</u>		<u>10.74%</u>	<u>\$ 80,376,933</u>		<u>5.35%</u>

Source: Broward County Revenue Collection Division

CITY OF TAMARAC
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands of dollars)

<u>Fiscal Year Ended September 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>		
		<u>Amount</u>	<u>Percentage Collected</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
1997	\$ 8,504	\$ 8,413	98.9%	\$ 3	\$ 8,416	99.0%	
1998	8,852	8,831	99.8%	10	8,841	99.9%	
1999	9,249	9,222	99.7%	8	9,230	99.8%	
2000	9,780	9,745	99.6%	29	9,774	99.9%	
2001	12,315	12,292	99.8%	1	12,293	99.8%	
2002	13,164	13,068	99.3%	-	13,068	99.3%	
2003	14,388	14,300	99.4%	7	14,307	99.4%	
2004	15,698	15,550	99.1%	21	15,571	99.2%	
2005	17,388	17,235	99.1%	7	17,242	99.2%	
2006	20,619	20,528	99.6%	7	20,535	99.6%	

CITY OF TAMARAC
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt			Other Government Activities Debt	
	General Obligation Bonds	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b	Sales Tax Increment Bonds	Capital Improvement Bonds
1997	\$ 5,575,000	0.388	\$ 119.03	-	-
1998	5,090,000	0.342	107.46	-	-
1999	7,835,000	0.495	160.46	-	-
2000	7,181,370	0.440	142.57	\$ 8,460,000	-
2001	6,492,461	0.383	129.28	8,170,000	-
2002	5,907,461	0.331	118.03	7,865,000	-
2003	5,153,050	0.264	103.86	20,575,000	-
2004	4,352,901	0.124	75.31	19,775,000	-
2005	3,506,769	0.086	59.23	18,945,000	-
2006	2,619,398	0.708	43.75	18,090,000	\$ 15,000,000

Business-Type Activities

Fiscal Year	Water & Sewer Revenue Bonds	Term Loan	Capital Improvement Revenue Bonds	Capital Leases	Total Primary Government ^d	Percentage of Personal Income ^c	Per Capita ^b
1997	\$ 20,815,000	-	-	\$ 292,985	\$ 26,682,985	2.60%	\$ 525.34
1998	19,815,000	-	-	306,928	25,211,928	2.26%	489.67
1999	18,770,000	-	-	360,232	26,965,232	2.29%	514.48
2000	17,670,000	-	-	377,395	33,688,765	2.60%	605.00
2001	16,500,000	-	-	431,682	31,594,143	2.34%	563.71
2002	15,265,000	-	-	386,726	29,424,187	2.11%	521.30
2003	13,965,000	-	-	382,376	40,075,426	2.73%	704.55
2004	12,585,000	-	-	411,579	37,124,480	2.42%	643.12
2005	11,115,000	-	\$ 9,370,000	431,726	43,368,495	2.69%	738.68
2006	3,495,000	\$ 6,000,000	9,030,000	-	54,234,398	3.21%	915.21

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Schedule 7, Assessed Value of Taxable Property for property value data

^b Population data can be found in Schedule 16, Demographic Statistics and Information

^c Personal Income based on an estimate of 2006 median household income (\$41,104) of the City of Tamarac.

^d Includes general bonded debt, sales tax increment debt, and business-type activities.

CITY OF TAMARAC
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts available in Debt Service Fund	Net General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value ^a of Property	Per Capita ^b
1997	\$ 5,575,000	(470,614)	\$ 6,045,614	0.388	\$ 119.03
1998	5,090,000	(442,727)	5,532,727	0.342	107.46
1999	7,835,000	(575,363)	8,410,363	0.495	160.46
2000	7,181,370	(757,257)	7,938,627	0.440	142.57
2001	6,492,461	(753,457)	7,245,918	0.383	129.28
2002	5,907,461	(754,572)	6,662,033	0.331	118.03
2003	5,153,050	(754,683)	5,907,733	0.264	103.86
2004	4,352,901	5,517	4,347,384	0.124	75.31
2005	3,506,769	29,407	3,477,362	0.086	59.23
2006	2,619,398	25,489	2,593,909	0.708	43.75

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Schedule 7, Assessed Value of Taxable Property for property value data

^b See the Schedule of Demographic and Economic Statistics for population data

City of Tamarac
 Direct and Overlapping Governmental Debt
 September 30, 2006

<u>Name of Government</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Broward County	\$ 575,392,288	2.38%	\$ 13,694,336
Broward County School District	54,055,669	2.38%	1,286,525
Total Overlapping Debt	<u>629,447,957</u>		<u>14,980,861</u>
City of Tamarac - Direct Debt	<u>2,593,909</u>	100.00%	<u>2,593,909</u>
Total Direct and Overlapping Debt	<u>\$ 632,041,866</u>		<u>\$ 17,574,770</u>

Sources:

Assessed value data used to estimate applicable percentages provided by Broward County Property Appraiser. The total debt outstanding provided by Broward County.

Notes:

Overlapping governments are those that coincide, at least, in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Tamarac. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the government's boundaries and dividing it by Broward County's total taxable assessed value.

CITY OF TAMARAC
Legal Debt Margin Information
September 30, 2006

The Charter of the City of Tamarac imposes no bonded debt limit. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF TAMARAC
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges ^b	Less: Operating Expenses ^c	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
1997 ^a	\$ 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	1,533,310	855,127	2,388,437	1.67
2005	17,199,830	13,569,636	3,630,194	1,725,580	851,263	2,576,843	1.41
2006	17,942,292	14,098,735	3,843,557	960,450	522,613	1,483,063	2.59

Notes:

Details regarding the government's outstanding debt can be found in the notes to the financial statements.

a In 1997, the Utilities East system was combined with the Utilities West system.

b Includes water and sewer service charges, and meter installations.

c Does not include interest, depreciation and amortization expenses.

d Principal payments for FY 2003 thru 2006 were made on October 1st.

City of Tamarac
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Median Household Income	Per Capita Income	Median Age	Percent High School Graduate or Higher	School Enrollment	Unemployment Rate
1997	50,792	\$ 32,062	\$ 21,376	n/a	n/a	1,357	5.3%
1998	51,488	33,364	21,642	n/a	n/a	1,326	4.9%
1999	52,413	34,290	22,243	n/a	n/a	1,326	4.4%
2000	55,588	36,004	23,355	52.9	83.5%	1,454	3.5%
2001	56,248	36,724	23,822	51.8	83.7%	1,454	4.4%
2002	56,915	37,385	24,251	50.8	83.9%	2,081	5.7%
2003	57,591	38,282	24,833	49.7	84.1%	3,772	5.2%
2004	58,274	39,201	25,528	48.7	84.3%	3,929	4.5%
2005	58,887	40,141	26,243	47.6	84.5%	3,929	4.3%
2006	59,586	41,104	26,978	46.5	84.7%	3,792	3.5%

Data Sources:

2000 U.S. Census, Florida Statistical Abstract produced by the State Bureau of Economic and Business Research and the University of Florida (1996-2005), and City of Tamarac Adopted Budget Documents 1998-2007

Per Capita Income source from 2001 & 2005 Bureau of Economic and Business Research.

Per Capita Income and Median Household Income other than 1999 are derived from an estimate of Broward County data.

Notes:

For Median Age, and Percent High School Graduate or Higher, from 2000 Census. No data available outside of 2000 U.S. Census

CITY OF TAMARAC
Major Employers-Number of Employees
Last Ten Fiscal Years

Employer	Number of Employees									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
City Furniture (Opened in 2001)	0	0	0	0	920	1,070	1,150	1,380	1,550	1,800
*Convergys Customer Mgmt CP	N/A	N/A	N/A	N/A	1,290	1,290	1,290	1,290	1,290	1,290
*University Hospital	N/A	N/A	N/A	N/A	1,000	1,000	1,000	1,000	1,000	1,000
*Technion Communications	N/A	N/A	N/A	N/A	650	650	650	650	650	650
*Publix Supermarkets (3)	N/A	N/A	N/A	N/A	625	625	625	625	625	510
City of Tamarac	314	344	334	359	370	372	377	396	369	398
*Arch Aluminum & Glass Co CP	N/A	N/A	N/A	N/A	160	160	160	160	160	290
*Aurafin CP	N/A	N/A	N/A	N/A	250	250	250	250	250	250
Heartland of Tamarac	141	145	150	155	161	161	172	185	201	220
*Toshiba CP (Opened in 2006)	0	0	0	0	0	0	0	0	0	185
*Walgreens (4)	N/A	N/A	N/A	N/A	87	87	87	87	87	185

Source:

* Data was obtained from Tamarac Chamber of Commerce. (Since information was not available for the years 2002 through 2005, the number of employees were based on year 2001.)

N/A - not available.

City of Tamarac
 Full-Time-Equivalent City Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Management Services	7	8	11	12	10	10	10	10	10	10
Finance	29	29	29	29	29	29	29	29	29	29
Planning	10	11	11	9	10	7	8	8	8	8
Building	24	24	25	25	25	24	25	24	25	24
Other	26	28	26	28	28	32	32	35	34	31
Police*										
Fire	59	75	76	93	93	93	93	106	108	108
Public Works										
Engineering	2	5	5	5	5	3	4	6	6	6
Other	58	61	51	53	56	58	58	61	61	62
Parks, Recreation, Bus	28	30	31	35	44	46	48	49	49	52
Transportation										
Water and Wastewater	71	73	69	70	70	70	70	68	68	68
Total	314	344	334	359	370	372	377	396	398	398

Notes:

* The City contracts for police services with the Broward County Sheriff's Office and in so doing does not maintain a municipal police force.

Sources:

City of Tamarac Adopted Budget Documents 1997-2006

CITY OF TAMARAC
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Building Permits Issued	6,909	5,776	5,268	5,071	5,388	5,064	5,821	5,785	6,649	9,843
Building Inspections Conducted	n/a	30,698	36,638	25,670	26,646	25,425	34,501	43,473	27,870	43,649
Police										
Physical Arrests	259	297	272	325	565	1,042	1,026	1,244	1,073	874
Traffic Violations	n/a	n/a	n/a	n/a	126	5,162	5,256	5,199	5,235	3,514
Fire										
Emergency Responses	8,106	8,666	9,230	10,277	11,093	10,560	10,281	11,172	15,725	8,563
Inspections	2,070	2,110	4,455	4,296	3,589	4,304	4,798	4,472	2,551	1,669
Refuse Collection										
Recyclables Collected (tons)	5,369	5,448	5,158	5,030	4,723	4,632	4,622	4,333	4,163	3,800
Other Public Works										
Street Resurfacing (miles)	n/a	10.33	20.65	36.53	34.04	20.48	n/a	7.60	0.50	3.00
Potholes Repaired ^(b)	n/a	n/a	n/a	n/a	1,093	2,136	186	305	100	6
Parks and Recreation										
Athletic Field Permits Issued	80	90	90	115	120	121	103	81	85	28
Water										
New Connections	293	193	217	143	37	63	54	739	145	727
Water Main Breaks ^(d)	n/a	n/a	n/a	12	31	35	21	30	21	35
Average Daily Consumption (millions of gallons)	5.6	6.1	5.7	5.9	5.6	6.4	6.4	6.5	6.2	6.5
Peak Daily Consumption (millions of gallons)	9.0	9.1	9.1	9.2	9.5	9.5	10.0	10.0	10.0	10.0
Wastewater										
Average Daily Sewage Treatment (millions of gallons) ^(e)	6.64	6.71	6.31	7.79	7.91	7.642	7.406	7.607	7.538	6.767
Transit ^(f)										
Total Route Miles	-	-	-	36,773	84,480	85,997	106,740	84,913	79,663	78,022
Passengers	-	-	-	3,788	20,488	30,068	37,422	35,973	43,401	43,781

Sources:

City of Tamarac Building and Code, Fire Rescue, Parks and Recreation, Public Works, Utilities departments; and Broward Sheriff's Office (District 7)

Notes:

^(b) no data before fiscal year 2001

^(d) no data before fiscal year 2000

^(e) no data for Tamarac East to Fort Lauderdale Wastewater before fiscal year 2002

^(f) transit service began April 2000

CITY OF TAMARAC
Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units						85	85	85	85	90
Fire stations	2	2	2	2	2	2	2	3	3	3
Highways and Streets										
Streets (miles)	140	140	140	140	140	140	140	136	136	120
Street lights	380	380	380	380	380	380	380	384	385	385
Culture and recreation										
Parks acreage	53.5	53.5	61.5	62.0	62.0	77.1	62.0	93.2	145.6	147.6
Parks	5	5	6	6	6	6	6	10	10	10
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	0	0	0	0	1	1	1	1	1	1
Aquatic Center										1
Water										
Water mains (miles)	220	220	223.5	227.3	231.4	233.2	233.2	236.8	243.0	249.7
Fire hydrants	1,652	1,708	1,731	1,765	1,769	1,857	1,893	1,944	1,893	2,029
Maximum daily capacity (millions of gallons)	20	20	20	20	20	20	20	20	20	20
Sewer										
Sanitary Sewers (miles)	170	172	175.4	176.4	177.4	178.8	180.6	182.2	181.0	185
Storm Sewers (miles)	96	96	96	96	96	96	96	77	76	76
Maximum daily capacity (millions of gallons)	0	0	0	0	0	0	0	0	0	8.04

COMPLIANCE SECTION

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

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

We have audited the financial statements of City of Tamarac, Florida (the City), as of and for the year ended September 30, 2006, and have issued our report thereon dated February 9, 2007. 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 to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*.

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.

BKR Garcia & Company PLLC

February 9, 2007

**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 financial statements of the City of Tamarac, Florida (the City) as of and for the year ended September 30, 2006, and have issued our report thereon dated February 9, 2007. 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*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance, Independent Auditor's Report on Compliance and on Internal Control over Compliance Applicable to each Major Federal Program and State Financial Assistance Projects in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 9, 2007, 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)(h) 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.**

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.

BKR Garcia & Company PLLC

February 9, 2007

LETTER TO MANAGEMENT

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 internal control over financial reporting and on compliance and other matters, 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 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, 2005.
2. The City of Tamarac complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were no significant findings and recommendations to improve the City's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2006.
4. 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.
5. There were no improper or illegal expenditures discovered within the scope of the audit that may not materially affect the financial statements.
6. 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.
7. 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.
8. The City of Tamarac has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
9. 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, 2006 financial audit report.
10. 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 WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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 Project Compliance Supplement, that are applicable to each of its major federal programs and State financial assistance projects for the year ended September 30, 2006. The City's major federal 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 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 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 programs and State financial assistance projects for the year ended September 30, 2006.

To the Honorable Mayor, City Commissioners
and City Manager

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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 program or State financial assistance project 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 reportable 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 caused by error or fraud that would be material in relation to a major federal 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.

BKR Garcia & Company PLLC

February 9, 2007



CITY OF TAMARAC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract Grant Number	Expenditures
U.S. Department of Agriculture			
Emergency Watershed Protection Program	10.904	69-4209-6-1609	\$ <u>691,183</u>
U.S. Department of Housing and Urban Development			
Pass-Through Broward County Community Development Block Grant	14.218	FY2005-2006	<u>127,670</u>
U.S. Department of Justice			
Local Law Enforcement Block Grant-2004	16.592	2004-LB-BX	<u>11,320</u>
U.S. Department of Transportation			
Highway Planning and Construction	20.205	ANY97	7,813
Highway Planning and Construction	20.205	AO178	<u>809,268</u>
Total U.S. Department of Homeland Security			<u>817,081</u>
U.S. Department of Homeland Security			
Fire Assistance Grant	85.554	N/A	34,350
State Domestic Preparedness Equipment Support	97.004	05DS-2N-13-00-16-317	30,000
Public Assistance Grant	97.036	06-WL-&K-11-16-02-548	<u>6,990,141</u>
Total U.S. Department of Homeland Security			<u>7,054,491</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,701,745</u>

N/A - Not Available

CITY OF TAMARAC
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

<u>State Agency Pass-through Entity Program Title</u>	<u>CSFA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
<i>Florida Department of Environmental Protection</i>			
Florida Recreation Development Assistance Program	37.017	F6276	\$ 35,568
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6103	<u>1,300,000</u>
<i>Total Florida Department of Environmental Protection</i>			<u>1,335,568</u>
<i>Florida Housing Finance Agency</i>			
State Housing Initiatives Partnership (S.H.I.P.)-FY 05-06	52.901	N/A	<u>473,333</u>
<i>Florida Department of Community Affairs</i>			
Public Assistance Grant	52.000	06-WL-&K-11-16-02-548	<u>368,282</u>
<i>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</i>			<u>\$ 2,177,183</u>

N/A - Not Available

CITY OF TAMARAC, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

**NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133 AND CHAPTER 10.550,
 RULES OF THE AUDITOR GENERAL**

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 2006, 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 awards and other grants with fiscal 2006 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 98 percent of total cash and noncash Federal program expenditures.

<u>Major Federal Program Description</u>	<u>Federal CFDA Number</u>	<u>Fiscal 2006 Expenditures</u>
Public Assistance Grant	97.036	\$ 6,990,141
Emergency Watershed Protection	10.904	691,183
Highway Planning and Construction	20.205	809,268

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 programs noted below. These programs represent all State financial assistance and other grants with fiscal 2006 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 77 percent of total cash and noncash State financial assistance projects.

<u>Major State Program Description</u>	<u>State CSFA Number</u>	<u>Fiscal 2006 Expenditures</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039	\$ 1,300,000
Public Assistance Grant	52.000	368,282

CITY OF TAMARAC, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(CONTINUED)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects include all Federal and State grants to the City of Tamarac, Florida that had activity during the fiscal year ended September 30, 2006. 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 2006 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 AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

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 internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

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. The auditors' report on compliance for the major federal programs and State financial assistance projects for the City of Tamarac, Florida expresses an unqualified opinion.
5. Audit findings relative to the major federal programs and State financial assistance projects for the City of Tamarac, Florida are reported in Parts C. and D. of this Schedule.
7. The program tested as major program includes:

<u>Federal Program</u>	<u>Federal CFDA #</u>
Public Assistance Grant	97.036
Emergency Watershed Protection	10.904
Highway Planning and Construction	20.205

<u>State Program</u>	<u>State CSFA #</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Public Assistance Grant	52.000

Dollar threshold to distinguish Type A and Type B Programs	\$300,000
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8. The City of Tamarac, Florida was determined to be a low-risk audit pursuant to OMB Circular A-133.

CITY OF TAMARAC, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(Continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECT AUDIT

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal 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.