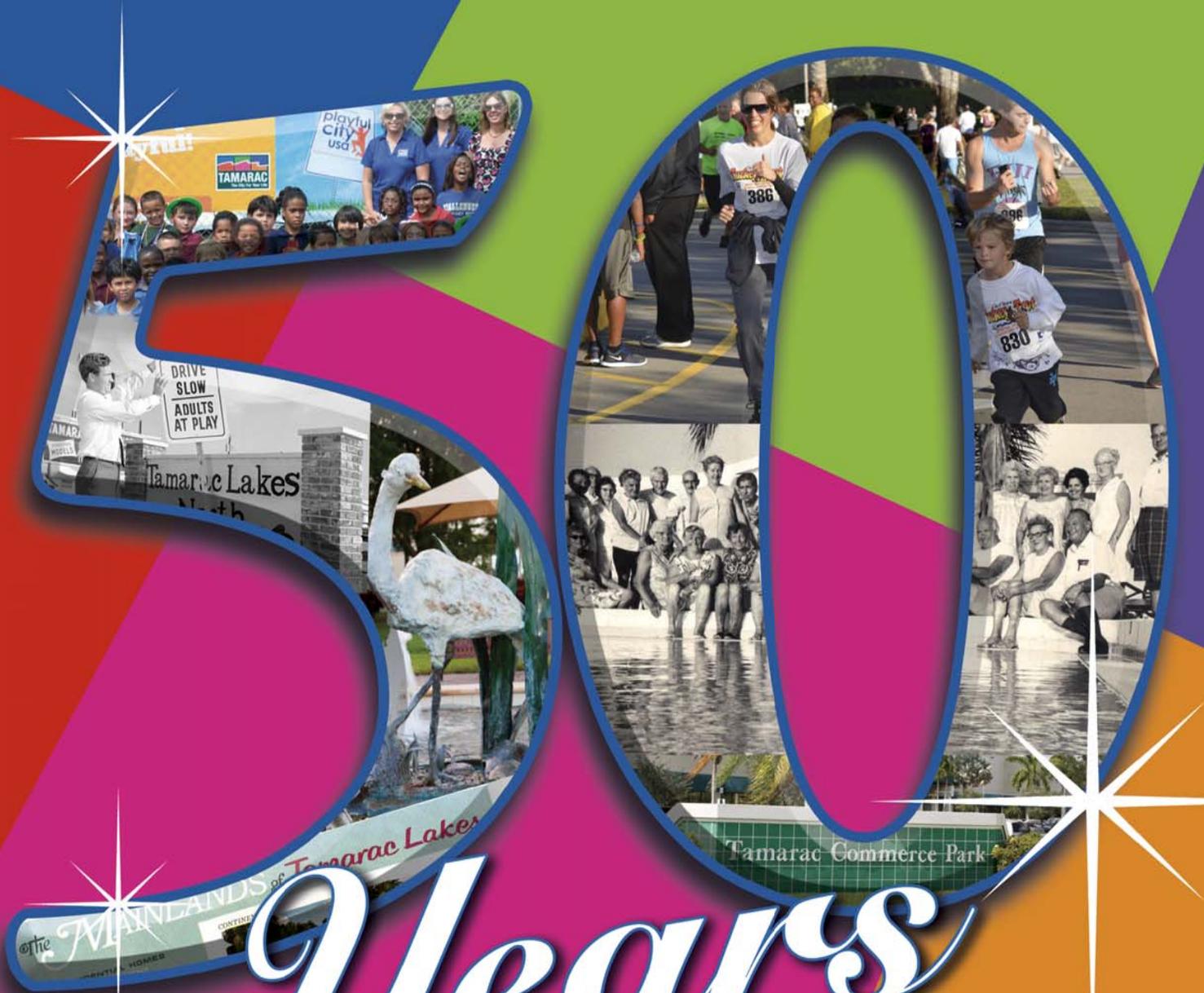
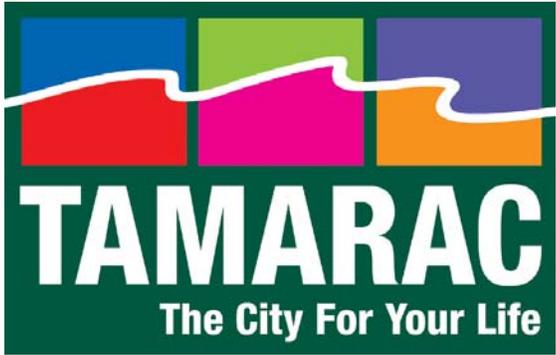
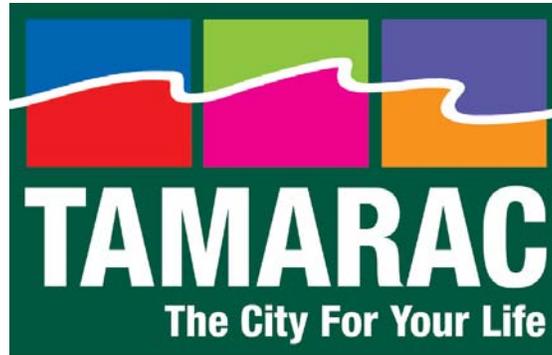


COMPREHENSIVE ANNUAL FINANCIAL REPORT



Years Young





2012

COMPREHENSIVE

ANNUAL FINANCIAL

REPORT

FOR THE

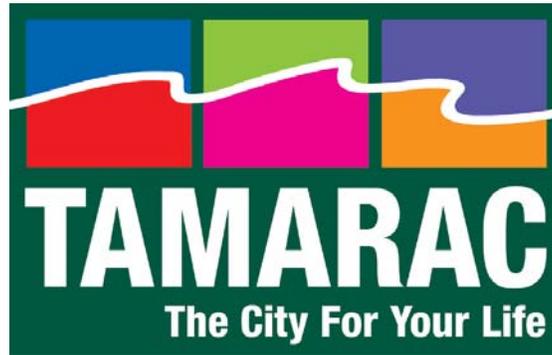
CITY OF TAMARAC,

FLORIDA

Fiscal Year Ended
September 30, 2012

Prepared by
FINANCIAL SERVICES

Mark C. Mason, CPA, Director of Financial Services
Christine Cajuste, CPA, Controller



CITY OF TAMARAC, FLORIDA

CITY COMMISSION

BETH TALABISCO, Mayor

HARRY DRESSLER, Vice Mayor

PAMELA BUSHNELL, Commissioner

PATRICIA ATKINS-GRAD, Commissioner

DIANE GLASSER, Commissioner

ADMINISTRATIVE STAFF

Michael C. Cernech
City Manager

Samuel S. Goren
City Attorney

Mark C. Mason, CPA
Director of Financial Services

Vision, Mission & Values

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:

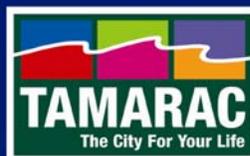
*We are:
"Committed to Excellence . . . Always"*

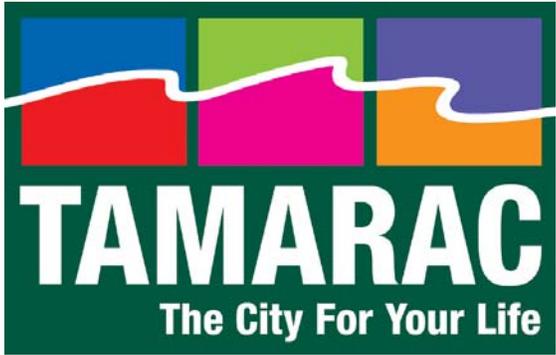
It is our job to foster and create an environment that:
Responds to the Customer
Creates and Innovates
Works as a Team
Achieves Results
Makes a Difference

Our Values:

As Stewards of the public trust, we value:

Vision
Integrity
Efficiency
Quality Service





CITY OF TAMARAC, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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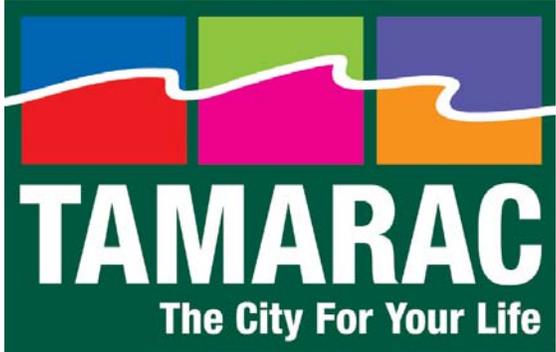
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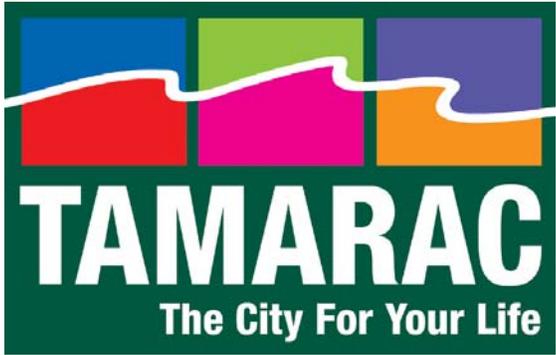
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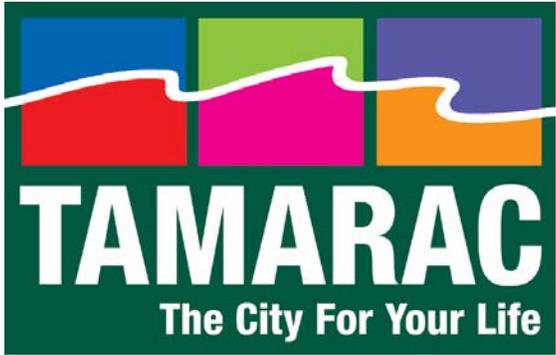
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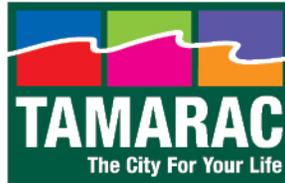


INTRODUCTORY SECTION



LETTER OF TRANSMITTAL





March 7, 2013

Honorable Mayor, City Commissioners and Pension Trustees
City of Tamarac, Florida

Dear Mayor, Commissioners and Pension Trustees:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Tamarac, Florida (the City) for the fiscal year ended September 30, 2012. Chapter 218.39, Florida Statutes and the City Charter require that a complete set of financial statements be published within 270 days (nine months) of fiscal year end and presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and those standards applicable to audits performed in accordance with Government Auditing Standards by licensed independent certified public accountants.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that sufficient, reliable, adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Commission. The City also maintains an encumbrance system that is employed as an extension of formal budgetary integration in all fund types. Encumbrances for governmental type funds outstanding at fiscal year-end are reported as committed or assigned designations of fund balance depending on the process by which the amounts are encumbered.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by GLSC & Company, a firm of licensed certified public accountants. The independent auditor has issued an unqualified ("Clean") opinion that the City's financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

"Committed to Excellence...Always."

TAMARAC.ORG

7525 N.W. 88th Avenue | Tamarac, Florida 33321-2401 | P: 954.597.3550 | F: 954.597.3560

EQUAL OPPORTUNITY EMPLOYER

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 61,102 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 sea level. The sub-tropical climate provides comfortable living year round.

The City provides many recreational facilities for residents. It is also home to the 500-acre Tamarac Commerce Park. Additionally, 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/ City Manager form of government. The policy-making body of the city is a City Commission composed of five members, four members elected by district on a nonpartisan basis and the Mayor. The Mayor is elected at-large on a nonpartisan basis and has one (1) vote. All terms run for a four (4) year period with the Mayor and two (2) commissioners being elected at one election and two years later, the remaining two (2) commissioners are elected. The City Commission is responsible for all policy-making functions of the government and retains the services of a City Manager and City Attorney. The City Manager is responsible for the administration of the City.

The City provides a comprehensive range of municipal services including general government, public safety (police and fire), public works, parks and recreation, community development, and utilities (water and sewer).

For additional information concerning our City, please visit our website at www.tamarac.org.

The City Commission is required to adopt a final budget no later than September 30 of the preceding fiscal year to which the budget applies. The annual budget serves as the foundation for the City of Tamarac's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Amendments to the City's operating budget in which appropriations are increased or decreased, transfers between departments, or transfers between funds must be approved by the City Commission. The amendments are presented in ordinance form and allow for public input. The City Charter authorizes the City Manager to transfer appropriations within an operating department of the general fund and within the fund as a whole for all other funds. Transfers are requested by the relevant operating managers through the department director. Transfers are reviewed and processed by the budget staff and approved by the City Manager. For additional budgetary information please refer to the Notes to the Budgetary Comparison Schedule in the Required Supplementary Information Section.

LOCAL ECONOMY

The City of Tamarac has had little growth in residential and commercial development this fiscal year. The real estate market has begun to rebound from the lows experienced in prior fiscal years. The City of Tamarac is viewed as a community that is favorable to business and has been a magnet for new businesses and employees' families. As a result and based upon evaluating median population age for the County the City has an estimated average age for 2010 of 47.6 years, versus 52.9 years in 2000. What began as a retirement community has become one of Broward County's most attractive areas for young families as well.

The City has focused its financial strategy on sustainability in the provision of services in the challenging economic climate that has affected Southeast Florida. This year continued to be challenging with a further reduction in taxable property values, very little construction activity, and very little growth in traditional revenue sources.

The total taxable assessed property value in Tamarac was \$3,883,284,328, \$3,229,109,048, \$2,594,386,538, \$2,496,995,116 and \$2,445,879,756 in calendar years 2008, 2009, 2010, 2011, and 2012 and for fiscal years 2009, 2010, 2011, 2012, and 2013, respectively. The total taxable assessed value from calendar year 2008 through calendar year 2012, and for fiscal year 2009 through fiscal year 2013, decreased 37.0%. New construction, annexations, etc. during that same period totaled \$69,643,706.

The reliance on ad valorem taxes decreased in fiscal year 2012. Fiscal year 2012 ad valorem receipts of \$16,031,177 represented 25.3% of the total revenue sources for the general fund. The Public Service Tax for electricity instituted in fiscal year 2011, reported a full year of revenue in fiscal year 2011 and resulted in ad valorem taxes representing 25.3% of total revenues a decrease of 13.4% below the 38.7% reported in 2011.

Global, national and state economics continue to be key factors in assessing the City's future fiscal picture. Changes in the global, national, state and local economies can affect both revenues and expenditures due to the impact on tax receipts, revenue sharing, and the costs of providing city services. The 2010 census and subsequent population growth has had little, although positive, impact on revenue sharing for the City with the shift of population internally within Broward County.

The City has made and continues to make significant progress 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 FY 2012, 2,285 business licenses were issued, 440 of these licenses were for new business. This compares to 2,155 issued in 2011. In 2012 several new businesses including, Renaissance Charter School, Aldi (Florida) Inc; Chevron Service Station; Dept. of Elder Affairs; Gemaire Distributors, LLC; Golden Krust Bakery; Henderson Behavioral Health, Inc; J. Entertainment & Productions; Jimmy John's; Plantation Farmers Market Co-Op; Rainbow USA; State Farm Mutual Automobile Insurance and Subway have made Tamarac home. This is in addition to the continued success of established businesses that have contributed significantly to the local business community, including but not limited to, Applebee's Restaurant (2007), Fedex Kinko (2008), Hampton Inn Business Hotel (2009), TD Bank, NA (2008), Rotelli's Restaurant (2008), Chase Bank (2007), Arrigo Dodge Dealership (2008), Dunkin Donuts(2010), Subway restaurant (2010), CVS Drug Store Chain (est. 2007), La Quinta Inn (2009), Charter School of Excellence (2010), 7-Eleven Convenience Store Chain (2011), Hearusa (2011), Arrigo Fiat Sawgrass (2011), Amicus Medical Group (2011), and Lakeside Discount Pharmacy (2011).

The City continues to market itself as a community of choice and we continue our partnership with the Tamarac Chamber of Commerce, while increasing our level of participation with the Greater Fort Lauderdale/Broward Economic Development Alliance (formerly the Broward Alliance).

In addition, the City provides support to low to moderate income Tamarac residents through housing rehabilitation and first time homebuyer assistance programs funded by the Community Development Grants programs including the State Housing Initiative Partnership (SHIP), Community Development Block Grants (CDBG), the Home Investments Partnership (HOME) and the Neighborhood Stabilization Program (NSP). NSP was established in FY 2008 to address issues pertaining to foreclosed and abandoned properties. In 2012 four properties were acquired and rehabilitated under the NSP3 Program. Additionally, eleven income eligible residents were approved for home rehabilitation services as part of the City's annual entitlement from federal and state grant programs.

MAJOR INITIATIVES

The City of Tamarac has a long-term 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.”

The City has developed a Strategic Plan in order to set a uniform direction towards achieving its mission, vision and values. The City’s Executive Team reviews the City’s Strategic Plan on an annual basis and updates the plan every year. The annual process identifies major issues or concerns through an environmental scan and strength, weaknesses, opportunities and threats (S.W.O.T.) analysis. Departments then develop action plans designed to achieve the City’s five strategic goals. The City then allocates resources providing for uniform progress towards the City’s stated strategic goals. Each goal further contributes to moving the City towards its long term vision.

Strategic Goals

1. **Inclusive Community** – The City of Tamarac is committed to providing programs and services that meet the needs of an increasingly diverse community.
2. **Healthy Financial Environment** – The City of Tamarac will utilize financial management to develop and maintain a healthy financial environment, encouraging and supporting economic development and redevelopment.
3. **Dynamic Organizational Culture** – The City of Tamarac will create and sustain a culture conducive to development and retention of a skilled workforce.
4. **Clear Communication** – The City of Tamarac will ensure effective communication within the organization and throughout the City, and enhance the visibility of City programs and services.
5. **A Vibrant Community** – The City of Tamarac will provide resources, initiatives and opportunities to continually revitalize our community and preserve the environment.

LONG-TERM FINANCIAL PLANNING

A significant measure of the City’s financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The City’s general fund balance had demonstrated positive trends over the past several years. Encumbrances are brought forward from the previous fiscal year and re-encumbered. In fiscal year 2012, the City decreased its fund balance by establishing a capital vehicle replacement fund and purchasing land for open space.

The City Council takes the responsibility of being stewards of the public’s funds very seriously and has adopted the following general fund reserve policy: reserve funds shall not be used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds. The City has adopted financial policies that will insure that the City maintains an appropriate fund balance in line with recommended best practices. The unassigned, undesignated amount of \$13.2 million in the general fund is 28.8% of the proposed general fund operating expenditures (including recurring transfers), leaving the City in a solid financial position to adequately prepare for the expected reductions in revenues caused by the changes in the property tax laws and the economic environment.

The City’s staff is charged with daily operations and involved in a variety of projects which are in accordance with the City’s Strategic Plan. The FY 2012 budget focused on maintaining the service levels, completing projects in progress, improving processes and practices, replacing existing infrastructure and equipment, and improving our financial position. The City Commission, through the budget process, has 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:

- Develop a water system master plan
- Complete the rehab of the West 8 MG Accelerator
- Emergency Generator Replacement at Water Plant
- Continue planning and development of the Tamarac Village concept along the NW 57th street corridor.
- Continue to pursue the high performance initiatives and the Governor's Sterling Award through efficiencies and training.
- Maintain a vehicle and equipment replacement plan for the City's fleet, fire rescue apparatus, light vehicles and personal computers.
- Construction of Bikeway Paths
- Construction of Mainlands Park
- Pine Island Road Pedestrian Overpass

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial management policies in the areas of operating management, debt management, accounts management, financial planning, and economic resources. These policies are approved annually through the budget process, with the most recent approval by the City Commission on September 19, 2012.

Economic conditions will affect the City's ability to realize its budgeted revenues in the categories of franchise fees, utility taxes, and state-shared revenues. Therefore, quarterly monitoring and conservatism (95% budgeting of certain revenue sources) should mitigate any unforeseen circumstances.

The annual budget should be maintained in such a manner as to avoid an operating fund deficit. The annual budget should show fiscal restraint. Expenditures should be managed to create a positive cash balance (surplus) in each fund at the end of the fiscal year.

The City maintains a prudent cash management and investment program in order to meet daily cash requirements, increase the amount available for investment, and earn the maximum rate of return on invested funds commensurate with appropriate security and safety of principle.

The City should maintain sufficient reserves in accordance with established policy to maintain fiscally sound levels in all funds.

The City shall maintain adequate protection from loss due to property damage or liabilities of the City. The City shall maintain a risk fund for workers' compensation and property/liability and ensure adequate resources are available to support the value of incurred but not reported (IBNR) claims.

The City is in compliance with its comprehensive debt management policy.

The City is in compliance with its investment policy.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tamarac for its Comprehensive Annual Financial Report for the year ended September 30, 2011. 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 24th 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 FY 2012 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 15th consecutive year Tamarac received the "Distinguished Budget Presentation Award."

In FY 2012, the City of Tamarac continued to make substantial progress on our journey to be a High Performance Organization (HPO). To further this initiative, the City utilizes the Florida Governor's Sterling framework, which focuses on leadership, strategic planning, focus on the customer and the workforce, information and knowledge management, process management, and results. As part of the Sterling process, the City undertook the Sterling Challenge in April 2008, an intermediate step to chart our progress toward becoming an HPO. The application and site visit resulted in a feedback report documenting both our Strengths and our Opportunities for improvement. The organization is currently using this report, combined with cross-functional improvement teams, to celebrate our strengths and address our opportunities for improvement. The City submitted its application for the Governor's Sterling Award in December 2012 and have scheduled a site visit for the last week of February 2013.

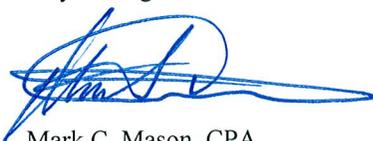
ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Financial Services Department staff. Their continuing effort toward improving the accounting and financial reporting system improves the quality of information reported to the City Commission, State and Federal Agencies, and the citizens of the City of Tamarac. We sincerely appreciate and commend them for their contributions toward the success of the organization.

Respectfully submitted,



Michael C. Cernech
City Manager



Mark C. Mason, CPA
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, 2011

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.



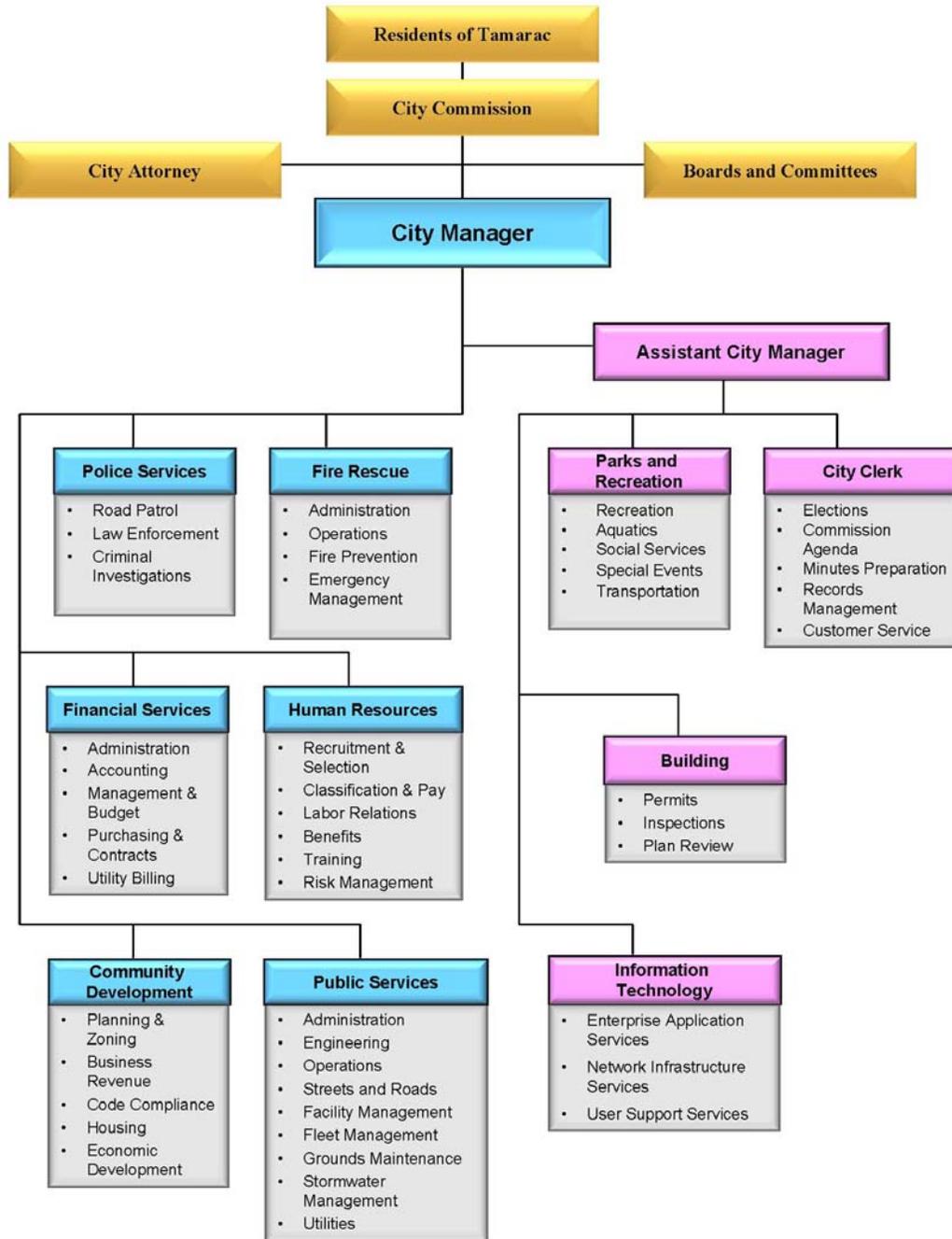
Christopher P. Moirice

President

Jeffrey R. Enos

Executive Director

City of Tamarac Organizational Chart



City of Tamarac, Florida
List of Principal Officers
September 30, 2012

ELECTED OFFICIALS

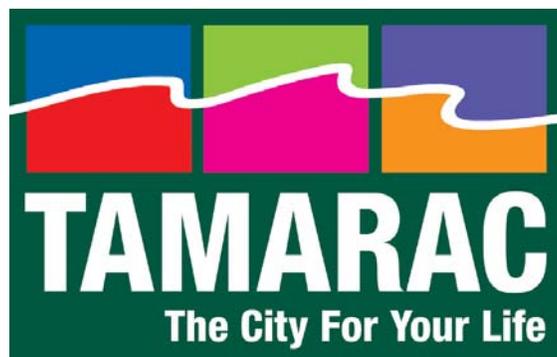
Mayor
Vice-Mayor
Commissioner
Commissioner
Commissioner

Beth Talabisco
Harry Dressler
Pamela Bushnell
Patricia Atkins-Grad
Diane Glasser

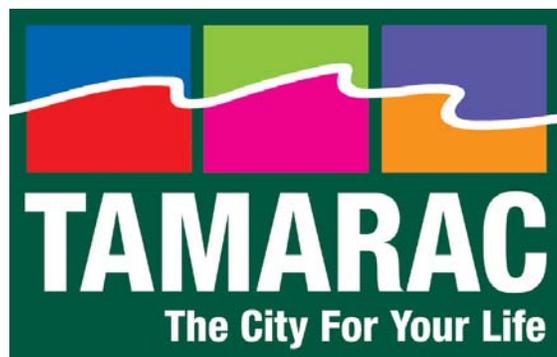
APPOINTED OFFICIALS

City Manager
City Attorney
Assistant City Manager
Chief Building Official
City Clerk
Director of Community Development
Director of Financial Services
Director of Information Technology
Director of Parks and Recreation
Director of Human Resources
Director of Public Services
Fire Chief

Michael C. Cernech
Samuel Goren
Diane Phillips
Claudio Grande
Pat Teufel
Jennifer Bramley
Mark C. Mason, CPA
Levent Sucuoglu
Gregory Warner
Maria Swanson
Jack Strain
Mike Burton



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commission, Pension Board of Trustees, 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 City of Tamarac, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. We also audited the Police Officer's Pension Trust Fund, the General Employees' Pension Trust Fund, the Elected and Appointed Officers and Non-Represented Employees Retirement Fund, and the Firefighters' Pension Trust Fund included in the accompanying notes to the financial statements as combining statements as of and for the year ended September 30, 2012. These financial statements are the responsibility of City of Tamarac, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the 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 opinions.

In our opinion, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Police Officer's Pension Trust Fund, the General Employees Retirement Fund, the Elected and Appointed Officers and Non-Represented Employees Retirement Fund, and the Firefighters' Pension Trust Fund of the City as of September 30, 2012, and changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2013, on our consideration of the City of Tamarac, Florida'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 results of that testing, and not to provide an opinion on 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, Pension Board of Trustees, and City Manager
City of Tamarac, Florida
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 17 and 75 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tamarac, Florida's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards 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 also not a required part of the financial statements. The combining and individual nonmajor fund financial statements on pages 83 through 99 and the schedule of expenditures of federal awards on page 129 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

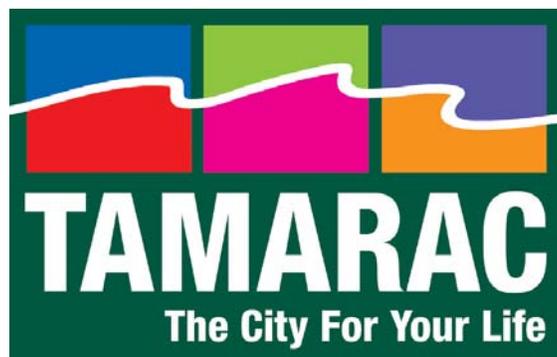
GLSC & Company, PLLC

March 7, 2013



GLSC & COMPANY, PLLC
certified public accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)



CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

The City of Tamarac's (the "City") discussion and analysis is a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2012. It 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, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and current known facts, please read it in conjunction with the City's financial statements (beginning on page 18) and letter of transmittal.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2012, the City's assets and deferred outflows exceeded its liabilities by \$223.6 million (net position). Governmental and business-type assets exceeded liabilities by \$147.1 million and \$76.5 million, respectively. Of this amount, \$64 million (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9.9 million during the current fiscal year. The City's net position increase is mainly attributable to a decrease in expenses and the addition of a new revenue source. Net position of our business-type activities increased by \$2.6 million, net position of our governmental activities increased by approximately \$7.3 million.
- During the year, the City had expenses that were \$7.3 million less than the \$63.6 million generated in taxes and other revenues for governmental programs, excluding transfers.
- In the City's business-type activities, revenues increased by \$1.9 million while expenses decreased by \$0.1 million.
- Total cost of all of the City's governmental activities decreased by \$0.8 million or 1% percent as a result of the decreased expenditures on Public Safety and Economic Environment.
- The General Fund's fund balance decreased by \$2.6 million for the year ended September 30, 2012.
- At the end of the current year, fund balance for the General Fund was \$23.7 million, or 50 percent of total general fund expenditures and transfers. Of this amount, \$10.2 million is *assigned* for economic stabilization, capital projects, economic development, recovery reserve and disaster reserve. The remaining reserved fund balances of \$0.29 million are non-spendable inventories and prepayments and amounts committed or restricted for public safety and economic development. These designations are in compliance with the City's fund balance and financial policies.
- The City's total debt decreased by \$1.5 million during the fiscal year mainly as a result of payments on existing bonds.

CITY OF TAMARAC, FLORIDA

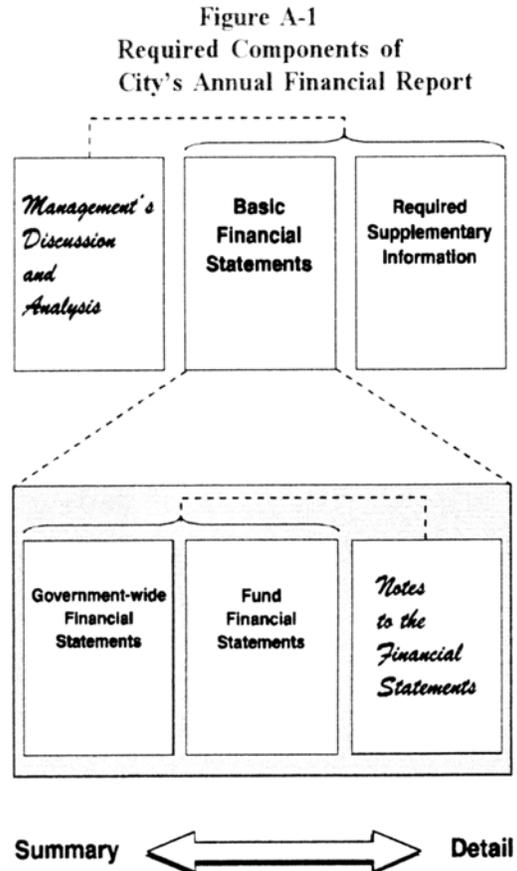
MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

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 an internal service fund. The basic financial statements include two kinds of statements that present different views of the City:

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

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



CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Government-wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 18-19) are designed in a manner similar to a private-sector business in that all governmental and business-type activities are presented in separate columns which add to a total for the Primary Government. Fiduciary funds are not included in the government-wide statements.

The focus of the Statement of Net position (the "Unrestricted Net position") is designed to be a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets, including infrastructure, and long-term obligations. Net position is the difference between the City's assets and deferred outflows and its liabilities. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving.

The Statement of Activities reflects the expenses of a given function, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

Governmental activities are supported by taxes and intergovernmental revenues whereas the business-type activities are primarily supported by user fees and charges for services. The governmental activities of the City include general government, public safety, public works, community development, parks and recreation, and transportation. The business-type activities of the City reflect private sector type operations (water and sewer and stormwater utility) where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate.

The City's funds are presented in separate fund financial statements. These funds are presented in a Governmental Fund Financial Statement and a Proprietary Fund (Business-type) Financial Statement. The City's major funds are presented in separate columns on the fund financial statements. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column on the fund financial statements.

The total columns on the Governmental Funds and Proprietary Funds (Business-type) Financial Statements (see pages 20-26) are not the same as the Governmental Activities column and the Business-type column on the Government-wide Financial Statements. The Governmental Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 21 and 23). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column in the Government-wide Statements. The Proprietary Funds (Business-type) total column requires reconciliation because the internal service fund is consolidated as part of the governmental activities, but a portion of the internal service funds is for business-type activities. This reconciliation is a result of the surplus elimination (see pages 24 and 25).

Governmental Fund Financial Statements

Governmental Fund Financial Statements (see pages 20-23) are prepared on the modified accrual basis using current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Four of the City's governmental funds, the General Fund, Fire Rescue Fund, Tamarac Village Fund and General Capital Projects Fund, are classified as major funds. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the nonmajor funds is found in the combining statements as supplemental financial data (see pages 83-95).

The City adopts an annual appropriated budget for the General Fund and the following Special Revenue and Capital Projects Funds: Impact Fees Funds, Public Arts Fund, Grants Fund, Local Option Gas Tax Fund, Housing Grant Programs Funds, Debt Service Fund, Public Service Facilities Construction Fund, Tamarac Village Fund, General Capital Projects Fund, 2005 Capital Improvement Projects Fund, Capital Equipment Fund, Golf Course Fund, Building Department Fund, and American Recovery and Reinvestment Act Fund. Budgetary comparisons have been presented for these funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund and major Special Revenue-Fire Rescue Fund are presented on pages 75-76 of the required supplementary information and other governmental funds are presented on pages 87-97 of the combining statements.

Proprietary Fund Financial Statements

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. 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 Fund Financial Statements (see pages 24-26), like government-wide financial statements, are prepared on the full accrual basis. Proprietary funds record both operating and nonoperating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

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.

Fiduciary Fund Financial Statement

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 operations. 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 of this report.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 to 74 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 non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 83 of this report.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

GOVERNMENT-WIDE STATEMENTS

The Government-wide Financial Statements were designed so that the user can determine if the City is in a better or worse financial condition from the prior year. The City's overall financial condition has remained stable.

Summary of Net position

The City's combined net position increased to \$223.6 million between fiscal years 2011 and 2012.

City of Tamarac, Florida Summary of Net position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 82.3	\$ 79.0	\$ 36.5	\$ 34.7	\$ 118.8	\$ 113.7
Capital assets	116.1	111.3	60.0	60.2	176.1	171.5
Total assets	198.4	190.3	96.5	94.9	294.9	285.2
Total deferred outflows of resources	0.2	-	1.3	-	1.5	-
Long-term debt outstanding	47.0	47.9	17.5	17.9	64.5	65.8
Other liabilities	4.5	2.6	3.8	3.0	8.3	5.6
Total liabilities	51.5	50.5	21.3	20.9	72.8	71.4
Net position:						
Net investment in capital assets	89.1	84.0	43.9	45.1	133.0	129.1
Restricted	18.7	16.0	7.9	8.1	26.6	24.1
Unrestricted	39.3	39.8	24.7	20.7	64.0	60.5
Total net position	\$ 147.1	\$ 139.8	\$ 76.5	\$ 73.9	\$ 223.6	\$ 213.7

Note: Totals may not add due to rounding.

The largest portion of the net position (71%) is restricted as to the purpose they can be used for or are invested in capital assets. The invested in capital assets, net of related debt is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure, and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. Unamortized bond issue costs "follow the debt" in calculating net position components for the statement of net position. That is, if debt is capital related; the deferred amounts are included in the calculation of invested in capital assets, net of related debt. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds affect restricted net position. If the debt proceeds are not restricted for capital or other purposes, the unamortized costs are included in the calculation of unrestricted net position. 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.

At the end of the current fiscal year, the City of Tamarac is able to report positive balances in all three categories of net position, 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. Maintaining a positive fund balance is an indication that the government is not spending down all its available resources and is able to fund future temporary shortfalls.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Summary of Changes in Net Position

The following table compares the Revenues and Expenses for the current and prior fiscal years.

City of Tamarac, Florida						
Summary of Changes in Net position						
<i>(in millions)</i>						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program revenues:						
Charges for services	\$ 24.9	\$ 21.4	\$ 26.8	\$ 25.0	\$ 51.7	\$ 46.4
Operating grants and contributions	1.3	2.5	-	-	1.3	2.5
Capital grants and contributions	1.4	0.3	0.1	-	1.5	0.3
General revenues						
Property taxes	16.2	16.4	-	-	16.2	16.4
Other taxes	13.4	12.6	-	-	13.4	12.6
Intergovernmental	6.0	5.1	-	-	6.0	5.1
Investment income	0.1	0.1	0.1	0.1	0.2	0.2
Other income	0.3	-	-	-	0.3	-
Total revenues	<u>63.6</u>	<u>58.4</u>	<u>27.0</u>	<u>25.1</u>	<u>90.6</u>	<u>83.5</u>
Expenses Program Activities						
Governmental Activities:						
General government	12.2	11.9	-	-	12.2	11.9
Public safety	30.8	30.9	-	-	30.8	30.9
Physical Environment	3.0	3.0	-	-	3.0	3.0
Transportation	2.0	1.8	-	-	2.0	1.8
Culture and recreation	5.0	4.6	-	-	5.0	4.6
Economic environment	1.4	2.4	-	-	1.4	2.4
Human services	0.3	0.3	-	-	0.3	0.3
Interest on long-term debt	1.3	1.9	-	-	1.3	1.9
Business-type Activities:						
Utilities	-	-	20.9	20.5	20.9	20.5
Stormwater	-	-	3.8	4.3	3.8	4.3
Total expenses	<u>56.0</u>	<u>56.8</u>	<u>24.7</u>	<u>24.8</u>	<u>80.7</u>	<u>81.6</u>
Increase in net position before transfers	7.6	1.6	2.3	0.3	9.9	1.9
Transfers in (out)	(0.3)	-	0.3	-	-	-
Increase (decrease) in net position	<u>7.3</u>	<u>1.6</u>	<u>2.6</u>	<u>0.3</u>	<u>9.9</u>	<u>1.9</u>
Net position, October 1	139.8	138.2	73.9	73.6	213.7	211.8
Net position, September 30	<u>\$ 147.1</u>	<u>\$ 139.8</u>	<u>\$ 76.5</u>	<u>\$ 73.9</u>	<u>\$ 223.6</u>	<u>\$ 213.7</u>

Note: Totals may not add due to rounding.

There was an increase of \$4 million in *unrestricted net position* reported in connection with the City's business-type activities. The increase is mainly due to increase in the amount of revenue collected in these funds, revenues increased by 1.9 million or 7.57% over the prior year which was attributable to the increase in the water and sewer as well as stormwater rates on October 1, 2011.

The unrestricted net position of governmental activities showed a decrease of \$0.5 million or 1% from last year due to net results of activities during the current fiscal year amounting to approximately \$7.3 million, increases in the city's net investment in capital assets of approximately \$5.1 million (mainly due to new completed and ongoing projects including the purchase of golf course property which are mostly financed by unrestricted funds) and increases in the restricted position of the Fire fund of \$2.4 million as a result of increased fire assessment fees. Additionally, grant revenues increased by \$1.1 million or 400% over the prior year.

CITY OF TAMARAC, FLORIDA

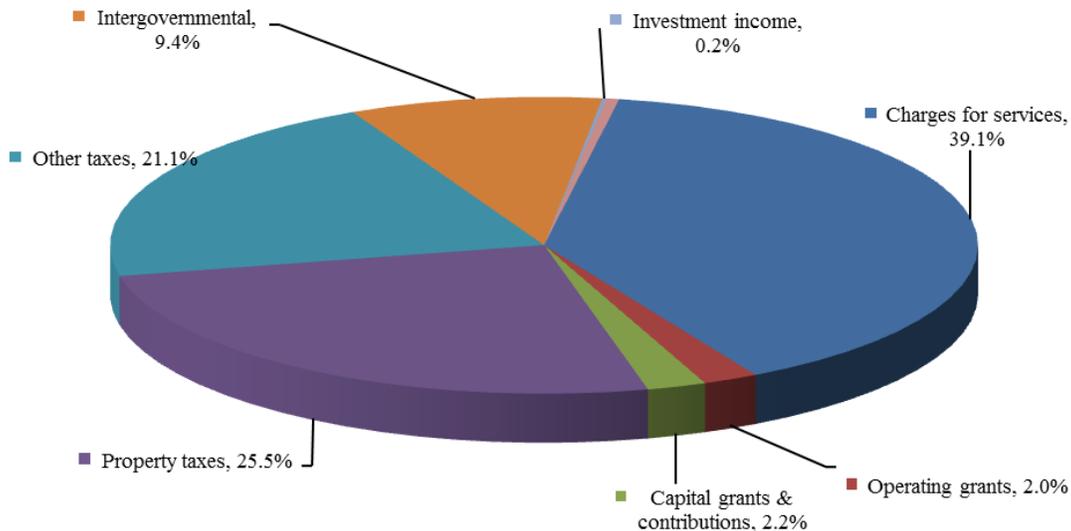
MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Governmental Activities

There was an increase in the City's governmental revenues in 2012, revenues increased by 5.2 million to \$63.6 million. Approximately 25.5% of the Governmental Activity's revenues come from property taxes, and 21.1% from other taxes. Another 39.1% come from fees charged for services, and most of the rest is federal, state and local aid.

The following is a chart of revenues by source of governmental activities by percent of total revenues.

Revenues by source-Governmental Activities



Charges for services reported in the governmental activities increased by \$3.5 million, or 16.4% in comparison to prior year. This was due mainly to the increase in Fire Rescue Assessment Fees \$2.4 million and decrease in fire protection service revenues by \$0.3 million. Additionally, Special Magistrates fees increased by \$0.2 million due to a Lien Amnesty Program in FY2012.

Operating grants and contributions reported in the governmental activities decreased \$1.2 million, or 48.0%, in comparison to prior year. This decrease was primarily due to revenue from the Neighborhood Stabilization Grant (NSP), much of the work on the second NSP grant was performed in 2011.

Capital grants and contributions reported in the governmental activities increased by \$1.1 million, or 400% in comparison to prior year. This increase was primarily due to significant funding received from a Federal Appropriation Grant for \$800,000.

Property taxes reported in the governmental activities decreased \$0.2 million, or 1.2%, in comparison to the prior year. Taxable assessed property valuation of \$2,496,995,116 for fiscal year 2012 represents a 4% decrease from the previous fiscal year. The millage rate increased from 6.5 in fiscal year 2011 to 6.685 or by 0.185 mills in fiscal year 2012. Additionally, the debt service millage rate increased from 0.0894 in fiscal year 2011 to 0.0924 in fiscal year 2012. This however still resulted in an approximately \$128,000 decrease in the tax from property taxation and results primarily from a decrease in the amount delinquent real estate taxes collected in fiscal year 2012 versus what was collected in fiscal year 2011.

Utility taxes increased \$.5 million or 15% in comparison to prior year due to the new electric utility tax instituted in fiscal year 2011 which recorded a full year of revenue in fiscal year 2012.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Gas taxes reported in the governmental activities increased by \$8,000, or 1.2% in comparison to the prior year. The 6 cent and 5 cent gas taxes are based on the number of gallons sold irrespective of the unit cost per gallon. As fuel prices decreased, consumer demand increased resulting in an increase in the number of gallons being sold.

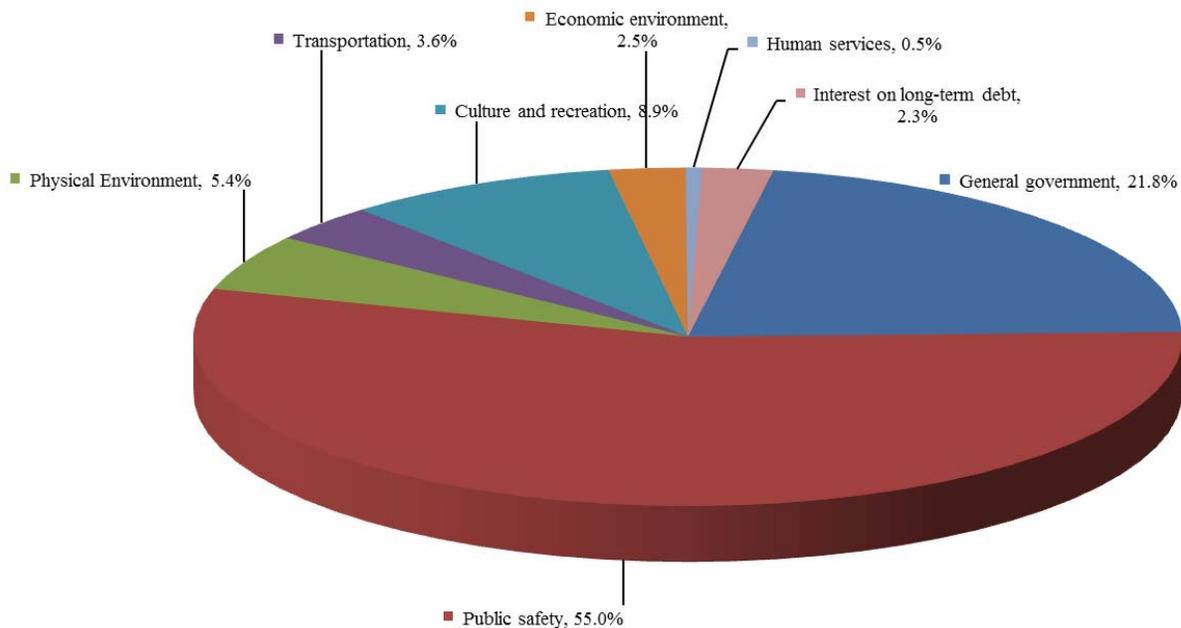
Franchise fees reported in the governmental activities increased \$0.5 million, or 10.2% in comparison to the prior year. Franchise fees are levied on a corporation or individual by the City in return for granting a privilege or permitting the use of public property subject to regulations. The City receives franchise fees for electricity, solid waste, and towing services. The increase was primarily due to a new contract with Waste Management Inc. for the provision of services to residential as well as commercial properties.

Communication taxes reported in the governmental activities decreased \$158,000, or 5.57% in comparison to the prior year. The decrease was due to a refund to consumers that was prorated across the State in fiscal year 2012.

Interest income reported in the governmental activities increased \$113,041 or 85% from the prior year. The increase was due to the general/national stabilization in interest rates between fiscal year 2011 and 2012.

The following is a chart of expenses by function of governmental activities by percent of total expenses.

Functional Expenses for Fiscal Year 2012



The City's governmental activities expenses cover a range of services with 55.0 percent related to public safety (see Figure A-3). The expenses for governmental activities decreased slightly to \$56.0 million, this is a 1.4% decrease compared to 2011. The increase in net position for governmental activities was \$7.3 million in 2012; this is reflective of the revenue increases coupled by the reduction in expenses.

The functional activities expenses were similar in some cases reporting slight changes compared to last year's expenses. There were decreases in public safety (\$0.1 million), interest on long-term debt (\$0.6 million), and economic environment (1.0 million). Increases were general government (\$0.3 million), transportation (\$0.1 million) and culture and recreation (\$0.4 million).

General government expenses reported in governmental activities increased \$0.3 million, or 2.5%, in comparison to the prior year. This is a result of increases in pension and other personnel costs during the year.

CITY OF TAMARAC, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Public Safety expenses reported in governmental activities decreased \$0.1 million, or 0.3%, in comparison to prior year due mainly to vacancy credits from Broward Sheriff’s Office.

Culture and Recreation expenses reported in governmental activities increased \$0.4 million, or 8.7%, in comparison to prior year. This is a result of increases in pension, other personnel costs and repairs and maintenance during the year. Additionally there was an increase in the number of programs offered to residents.

Economic Environment expenses reported in governmental activities decreased \$1.0 million, or 41.7%, in comparison to the prior year as a result of the usage of Neighborhood Stabilization Program funds used to assist qualified recipients in the purchase and renovation of foreclosed homes in 2012, which did not have the same level of activity in 2011.

The table below presents the cost of each of the City’s various public services—public safety, general administration, culture 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 on the City’s taxpayers by each of these services.

- The cost of all *governmental* activities this year was \$56.0 million. Some of that cost was financed by:
 - Those who directly benefited from the programs through charges for services (\$24.9 million), and
 - Other governments and organizations that subsidized certain programs from operating and capital grants and contributions (\$2.7 million).
- The remaining net cost of services or “public benefit” of governmental services were financed with \$28.6 million in taxes, franchise fees, unrestricted intergovernmental revenues and other revenues such as interest revenue.

City of Tamarac, Florida Net Cost of City’s Governmental Activities (in millions)

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Public safety	\$ 30.8	\$ 30.9	\$ 12.5	\$ 16.9
General government	12.2	11.9	6.9	5.5
Economic environment	1.4	2.4	0.3	0.6
Culture and recreation	5.0	4.6	3.5	3.9
Physical environment	3.0	3.0	1.9	1.8
Transportation	2.0	1.8	1.9	1.8
Human Services	0.3	0.3	0.3	0.3
Interest on long-term debt	1.3	1.9	1.3	1.9
Total	\$ 56.0	\$ 56.8	\$ 28.6	\$ 32.7

Business-type Activities

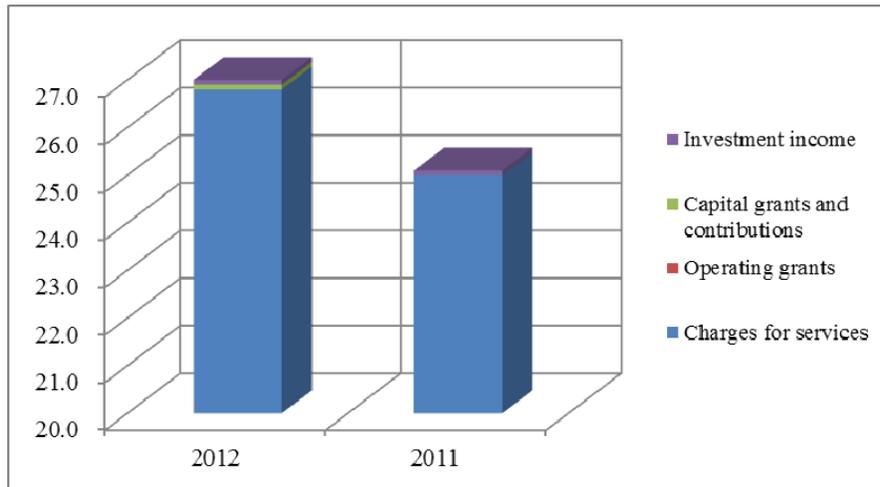
The business-type activities net position increased by \$2.6 million from the prior fiscal year. Revenues of the City’s business-type activities increased slightly by 7.6 percent to \$27.0 million and expenses decreased by 0.4 percent to \$24.7 million (see *Summary of Changes in Net Position*).

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

The following is a chart of revenues by source for business-type activities.

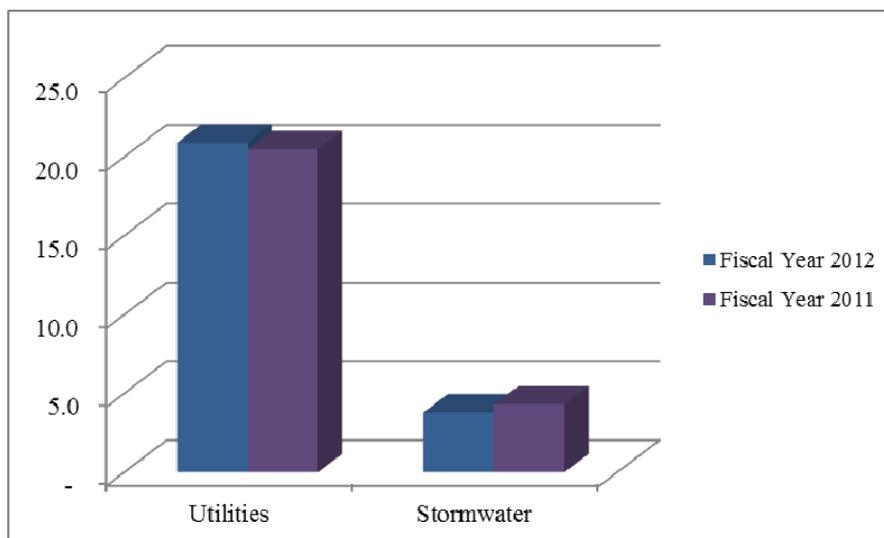
Revenues by source- Business-type Activities



For business-type activities Charges for services is the major source of revenues representing 99.3% of revenues in 2012. Charges for services increased by \$1.8 million or 7.2%, this was primarily due to increases in the rates in the Utilities and Stormwater fund that were effective on October 1, 2011.

There was an increase in investment interest earnings primarily due to the stabilization of the rates in fiscal year 2012. Investment earnings were \$119,298 or 0.37% of revenue which reflects the City's conservative investment approach. The amounts received for Capital Grants and Contributions as well as operating Grants and contributions was \$96,620 and had little effect on the results.

Expenses by Program- Business-type Activities



Water and sewer expenses reported in business-type activities increased by \$0.4 million, or 2.0%, in comparison to the prior year, this was a reflection of the increased cost of contractual services relating to cost of waste water disposal services. Stormwater reported a decrease of \$0.5 million or 11.6% under the prior year, this decrease was mainly due to a reduction in administrative charges for fiscal year 2012. Other enterprise funds' expenses reported

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

in business-type activities remained consistent year over year with slight increases in salaries, pension costs and some maintenance services.

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, unassigned 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 \$66.5 million, or an increase of \$0.9 million compared to last year's combined fund balances of \$65.6 million. Included in this year's total change in fund balances is a \$2.4 million excess of revenues over expenditures and transfers in the City's fire fund. The primary reasons for these changes in fund balances are as follows:

- The fund balance of the General Fund decreased by \$2.6 million mainly due to Capital Outlay for Land purchases of \$3.2 million that was funded by reserves, and a \$2 million transfer out to fund a Capital Vehicle Maintenance Fund and a \$2.6 million net revenue over expenditures, not including these two transactions. At the end of the year expenditures were 95% of budget.
- The Fire/Rescue Fund balance increased by \$2.4 million due mainly to an increase in Fire Rescue Assessment Fees in fiscal year 2012. The Fire Rescue Assessment Fees increased approximately \$3 million or 34% in fiscal year 2012. The Fire Rescue Assessment Fees increased from \$197 per residential unit in Fiscal year 2011 to \$265 in 2012.
- The Tamarac Village Fund decreased by \$0.3 million in fund balance, this is mainly due to debt service payments related to the real estate investments.
- General Capital Project Fund decreased by \$1.2 million due to completion of various capital projects in fiscal year 2012.

Proprietary Funds

The City's Proprietary Funds include the City's Enterprise Funds – Water and Wastewater 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/or services. The funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Water and wastewater operating revenue increased by \$1.6 million or 8% in FY12 this resulted mainly from a 5.95% adjustment to the fees in accordance with the City's Code of Ordinances. Operating expenses including depreciation increased by \$0.4 million mainly due to increased cost of waste water disposal services.
- Stormwater operating revenues increased minimally by \$92,969 or 2% over the prior fiscal year, mainly due to scheduled increases in stormwater fees. Operating expenses including depreciation decreased by \$0.5 million mainly due to controlled spending.

General Fund Budgetary Highlights

Over the course of the year, the City amended the General Fund budget two times. Budget amendments fall into two categories: (1) Amendments are approved for prior year encumbrances; and (2) supplemental appropriations to recognize and appropriate grant revenues which were received after the adoption of the budget, and to provide

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

appropriations for various other needs which had arisen since the adoption of the budget. Even with these adjustments, actual expenditures were \$2.1 million below final budgeted amounts. The most significant contributor to this variance was various departmental savings due to staff vacancies and tighter control over operating expenditures.

The fiscal year 2012 amended final budget of \$50.02 million increased slightly from the original General Fund budget of \$46.10 million primarily to cover various new projects undertaken during the fiscal year. With base revenues of \$43.8 million and \$2.2 million in operating transfers from the Building and Fire Funds, the Adopted Budget is balanced. The original General Fund budget consists of \$35.3 million base expenditures and \$10.8 million in operating transfers to the other funds.

Differences between the original budget and the final amended budget increased appropriations by \$3.9 million which primarily consists of Capital outlays for the purchase of the Golf Course property (\$3.75 million) for green space. Other items included increases in Police pensions, additional personnel and grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of related debt, for its governmental and business-type activities as of September 30, 2012 amounts to \$176.0 million (net of accumulated depreciation), or a 2.6% increase, in comparison to the prior year.

City of Tamarac, Florida Capital Assets (net of depreciation, in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Land	\$ 26.8	\$ 23.9	\$ 7.5	\$ 7.5	\$ 34.3	\$ 31.4
Intangibles-right-of-ways	0.1	0.1	-	-	0.1	0.1
Buildings and improvements	24.8	24.9	6.6	6.8	31.4	31.7
Improvements other than buildings	11.9	11.5	39.2	41.4	51.1	52.9
Equipment	2.1	1.9	1.1	0.8	3.2	2.7
Infrastructure	46.8	47.6	2.3	2.5	49.1	50.1
Public arts	0.4	0.4	-	-	0.4	0.4
Construction in progress	3.1	1.0	3.3	1.2	6.4	2.2
Total	\$ 116.0	\$ 111.3	\$ 60.0	\$ 60.2	\$ 176.0	\$ 171.5

Major capital asset purchases and projects during the fiscal year included the following:

- City Hall/BSO Parking Lot
- City Hall Roofing
- Nob Hill Road Median Improvement
- Tennis Court Lighting system
- Solar Panels
- Wastewater Pump Station, Renewal and Replacement
- Parallel Culvert
- Stormwater Gates installation
- Golf Course property

Additional information on the City's Capital Assets can be found on pages 47-49 of this report.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Long-term debt

At year-end the City had \$59.7 million in bonds outstanding— a decrease of \$1.5 million from last year— as shown in the following table. Of this amount, \$1.2 million comprises debt backed by the full faith and credit of the government and \$58.5 million in revenue bonds and notes backed by specific taxes and fee revenues. The debt position of the City is summarized below:

City of Tamarac, Florida Outstanding Debt (in millions)

	Governmental		Business-type		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 1.2	\$ 1.4	\$ -	\$ -	\$ 1.2	\$ 1.4
Revenue bonds and notes	41.5	42.4	17.0	17.4	58.5	59.8
Total	\$ 42.7	\$ 43.8	\$ 17.0	\$ 17.4	\$ 59.7	\$ 61.2

In 2012, the City entered into a new Capital Lease arrangement for the acquisition of a new Fire Truck.

In 2012, Moody's Ratings review affirmed the City's general obligation credit rating of A1. These ratings are reflective of the strong financial performance and credit position of the City. The following table shows the latest ratings for the City by the major rating agencies.

	Rating Agency					
	Moody's		Fitch		Standard & Poor's	
	2012	2011	2012	2011	2012	2011
<u>General Obligation Bonds</u>						
Current Underlying	A1	A1	AA	AA	AA	AA-
<u>Capital Improvement Revenue</u>						
Current Underlying	Aa3	A2	AA-	AA-	A+	A+
<u>Sales Tax Revenue (2010 & 2009)</u>						
Current Underlying	Aa3	A2	AA-	AA-	AA-	A+
Insured	N/A	N/A	N/A	N/A	BB+	BB+
<u>Water & Sewer Revenue</u>						
Current Underlying	Aa2	A1	AA	AA	AA-	AA-
Insured	A2	Aa3	N/A	N/A	AA+	AA+
<u>Stormwater Assessment Revenue</u>						
Current Underlying	A1	A1	AA	AA	AA-	A+

Additional information on the City of Tamarac's long-term debt can be found in Note 9 beginning on page 52 of this report.

CITY OF TAMARAC, FLORIDA

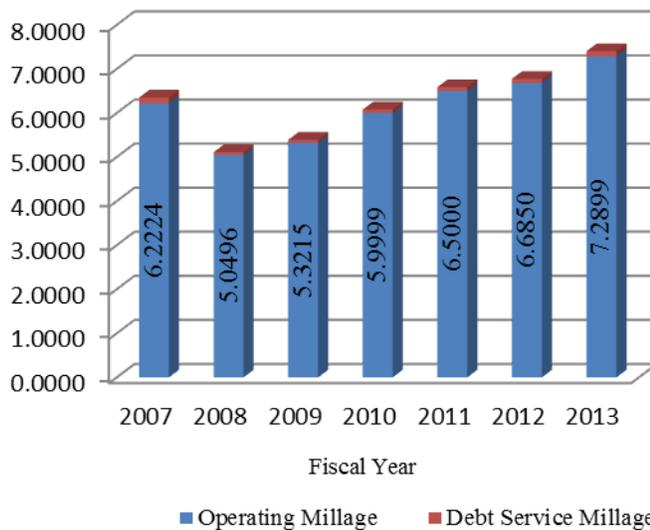
MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2012

Economic Factors and Next Year's Budget

According to the U.S. Bureau of Labor Statistics, the unemployment rate for the Broward County area in September 2012 was 7.6 percent, down from 9.5% in September 2011. 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 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) rely primarily on property taxes 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. It is anticipated that housing prices will continue to stay flat with bank owned properties, in-process foreclosures and new foreclosures that are being slowly released back into the system. There has been no sustained recovery in new housing starts in the construction industry, either nationwide or in Florida, and therefore sales tax revenues are projected to remain flat or with minor upticks for the foreseeable future.

Total City Millage



Fiscal Year	2007	2008	2009	2010	2011	2012	2013
Operating Millage	6.2224	5.0496	5.3215	5.9999	6.5000	6.6850	7.2899
Debt Service Millage	0.1305	0.0630	0.0701	0.0802	0.0894	0.0924	0.1128
Total Millage	6.3529	5.1126	5.3916	6.0801	6.5894	6.7774	7.4027

The operating millage for fiscal year 2012 was 6.6850 per thousand dollars of taxable value and the rate set for 2013 is 7.2899 per thousand dollars of taxable value. Despite the increase in the millage rate, there was a decline in revenue in 2012 and an expected increase in 2013 due to the increase in millage rates to fund additional staffing for Police Services.

CITY OF TAMARAC, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

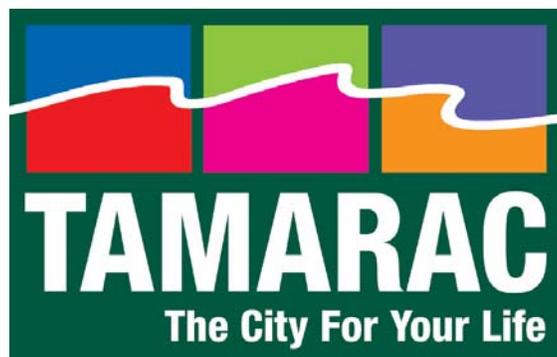
SEPTEMBER 30, 2012

The City is considered to be built out due to its limited vacant land available for development. Taxable assessed value decreased by 2% in calendar year 2011. The total taxable assessed property value in Tamarac was \$3,883,284,328, \$3,229,109,048, \$2,594,386,538, \$2,496,995,116 and \$2,445,879,756 in calendar years 2008, 2009, 2010, 2011, and 2012 and for fiscal years 2009, 2010, 2011, 2012, and 2013, respectively. The total taxable assessed value from calendar year 2008 through calendar year 2012, and for fiscal year 2009 through fiscal year 2013, decreased 37.0%. Property taxes are projected to be approximately the same on an annual basis. Over the past two years the City has seen very small increases in growth, including the one-time annexation in 2010. Currently the City has the potential of adding housing in the Sabal Palm North area; however the timing of the growth may be over three to four year period.

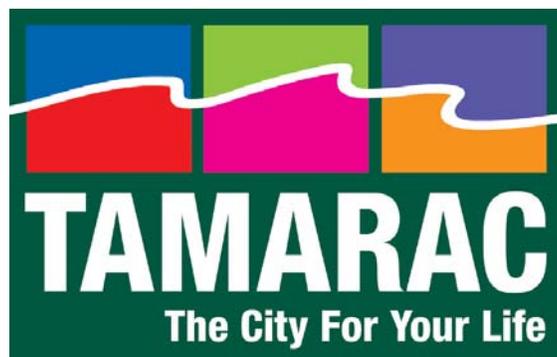
Overall, the adopted budget is an economical and prudent financial plan that will ensure quality public services and needed capital improvements for both today and in the future. Fiscal year 2013 budgeted expenditures and transfers for the General Fund are expected to be \$45.8 million, or 8.3 percent, less than fiscal year 2012. 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, while maintaining core services for the citizens of Tamarac.

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. Questions concerning any information contained in this report or for additional financial information, contact the Financial Services Department, 7525 NW. 88th Ave, Tamarac, Florida 33321.



BASIC FINANCIAL STATEMENTS



CITY OF TAMARAC, FLORIDA
STATEMENT OF NET POSITION
 SEPTEMBER 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and equity in pooled cash	\$ 51,151,376	\$ 22,656,125	\$ 73,807,501
Investments	13,830,569	6,922,616	20,753,185
Investment- Real Property	8,450,548	-	8,450,548
Accounts receivable - net	4,429,223	4,363,891	8,793,114
Internal balances	(895,741)	895,741	-
Inventories	673,549	264,858	938,407
Prepaid expenses	21,394	500	21,894
Other assets	930	-	930
Restricted assets:			
Cash and equity in pooled cash and investments	-	1,414,526	1,414,526
Net pension asset	4,629,024	-	4,629,024
Capital assets (net of accumulated depreciation):			
Land	26,747,298	7,460,603	34,207,901
Intangibles	114,430	-	114,430
Public art	462,480	-	462,480
Buildings and improvements	24,774,821	6,605,733	31,380,554
Improvements other than buildings	11,890,123	39,267,807	51,157,930
Equipment	2,159,286	1,064,319	3,223,605
Infrastructure	46,832,349	2,325,595	49,157,944
Construction in progress	3,085,608	3,285,075	6,370,683
Total assets	<u>198,357,267</u>	<u>96,527,389</u>	<u>294,884,656</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	236,336	1,305,365	1,541,701
Total deferred outflows of resources	<u>236,336</u>	<u>1,305,365</u>	<u>1,541,701</u>
LIABILITIES			
Accounts payable and other accrued liabilities	1,416,459	1,343,382	2,759,841
Accrued payroll	1,145,584	176,729	1,322,313
Accrued interest payable	1,154,664	885,726	2,040,390
Customer deposits	24,036	1,414,526	1,438,562
Unearned revenue	689,864	-	689,864
Noncurrent liabilities:			
Due within one year	2,947,988	568,225	3,516,213
Due in more than one year	44,134,475	16,914,860	61,049,335
Total liabilities	<u>51,513,069</u>	<u>21,303,448</u>	<u>72,816,517</u>
NET POSITION			
Net investment in capital assets	89,098,575	43,990,534	133,089,109
Restricted for:			
Renewal and replacement	-	5,725,771	5,725,771
Public safety	4,835,681	-	4,835,681
Transportation	756,576	-	756,576
Economic development	2,047,172	-	2,047,172
Capital improvement	10,294,924	685,870	10,980,794
Debt service	728,004	1,439,465	2,167,469
Unrestricted	39,319,602	24,687,666	64,007,268
Total net position	<u>\$ 147,080,534</u>	<u>\$ 76,529,306</u>	<u>\$ 223,609,840</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, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	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	\$ 12,197,860	\$ 5,217,332	\$ 84,764	\$ 11,179	\$ (6,884,585)	\$ -	\$ (6,884,585)
Public safety	30,837,435	17,669,883	-	663,404	(12,504,148)	-	(12,504,148)
Transportation	1,958,527	44,806	-	-	(1,913,721)	-	(1,913,721)
Culture and recreation	5,027,797	881,550	108,839	547,635	(3,489,773)	-	(3,489,773)
Physical environment	3,053,031	1,047,223	-	131,681	(1,874,127)	-	(1,874,127)
Economic environment	1,396,958	-	1,092,774	-	(304,184)	-	(304,184)
Human services	286,589	-	-	-	(286,589)	-	(286,589)
Interest on long-term debt	1,333,856	-	-	-	(1,333,856)	-	(1,333,856)
Total governmental activities	<u>56,092,053</u>	<u>24,860,794</u>	<u>1,286,377</u>	<u>1,353,899</u>	<u>(28,590,983)</u>	<u>-</u>	<u>(28,590,983)</u>
Business-type activities:							
Utilities	20,926,131	21,663,441	-	96,620	-	833,930	833,930
Stormwater	3,835,057	5,107,852	-	-	-	1,272,795	1,272,795
Total business activities	<u>24,761,188</u>	<u>26,771,293</u>	<u>-</u>	<u>96,620</u>	<u>-</u>	<u>2,106,725</u>	<u>2,106,725</u>
Total primary government	<u>\$ 80,853,241</u>	<u>\$ 51,632,087</u>	<u>\$ 1,286,377</u>	<u>\$ 1,450,519</u>	<u>(28,590,983)</u>	<u>2,106,725</u>	<u>(26,484,258)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					16,031,177	-	16,031,177
Property taxes, levied for debt service					222,068	-	222,068
Other taxes					8,556,815	-	8,556,815
Franchise fees					4,858,123	-	4,858,123
Intergovernmental not restricted to specific program					5,971,497	-	5,971,497
Investment income					244,526	119,298	363,824
Other income					289,351	-	289,351
Gain on disposal of capital assets					58,734	12,252	70,986
Transfers					(329,508)	329,508	-
Total general revenues					<u>35,902,783</u>	<u>461,058</u>	<u>36,363,841</u>
Change in net position					7,311,800	2,567,783	9,879,583
Net position, October 1					139,768,734	73,961,523	213,730,257
Net position, September 30					<u>\$ 147,080,534</u>	<u>\$ 76,529,306</u>	<u>\$ 223,609,840</u>

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

CITY OF TAMARAC, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

Major Funds

	<u>General</u>	<u>Special Revenue Fire Rescue</u>	<u>General Capital Projects</u>	<u>Tamarac Village</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and equity in pooled cash	\$ 18,205,480	\$ 2,867,419	\$ 10,176,491	\$ 163,688	\$ 13,629,217	\$ 45,042,295
Investments	4,918,095	1,053,578	2,823,506	43,986	3,403,706	12,242,871
Investment- real property	-	-	-	8,450,548	-	8,450,548
Accounts receivable - net	1,183,092	1,496,969	-	-	120,808	2,800,869
Due from other funds	291,834	-	345,740	-	-	637,574
Due from other governments	446,448	55,348	206,968	-	919,589	1,628,353
Other assets	930	-	-	-	-	930
Inventories	106,845	-	-	-	566,704	673,549
Prepaid items	21,394	-	-	-	-	21,394
Total assets	<u>\$ 25,174,118</u>	<u>\$ 5,473,314</u>	<u>\$ 13,552,705</u>	<u>\$ 8,658,222</u>	<u>\$ 18,640,024</u>	<u>\$ 71,498,383</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 563,309	\$ 38,795	\$ 135,635	\$ 35,000	\$ 505,255	\$ 1,277,994
Accrued payroll	376,670	712,239	-	-	44,505	1,133,414
Accrued principal and interest payable	-	63,554	-	109,486	981,624	1,154,664
Due to other funds	-	-	-	-	637,574	637,574
Due to other governmental units	827	-	4,749	-	62,836	68,412
Escrow deposits	24,036	-	-	-	-	24,036
Deferred revenue	<u>487,806</u>	<u>71,697</u>	<u>-</u>	<u>-</u>	<u>130,361</u>	<u>689,864</u>
Total liabilities	<u>1,452,648</u>	<u>886,285</u>	<u>140,384</u>	<u>144,486</u>	<u>2,362,155</u>	<u>4,985,958</u>
Fund Balances:						
Non spendable:						
Inventories and prepayments	128,239	-	-	-	566,704	694,943
Investment- real property	-	-	-	8,450,548	-	8,450,548
Restricted for:						
Public safety	10,741	4,587,029	-	-	237,911	4,835,681
Transportation	-	-	-	-	756,576	756,576
Debt service	-	-	-	-	728,004	728,004
Economic development	-	-	-	-	1,480,468	1,480,468
Capital projects	-	-	-	-	10,294,924	10,294,924
Committed for:						
Economic development	152,340	-	-	-	-	152,340
Capital projects	-	-	655,822	-	2,213,282	2,869,104
Assigned:						
Capital projects	4,700,000	-	12,756,499	-	-	17,456,499
Economic stabilization	3,000,000	-	-	-	-	3,000,000
Economic development	500,000	-	-	63,188	-	563,188
BSO- FRS Recovery reserve	1,000,000	-	-	-	-	1,000,000
Disaster reserve	1,000,000	-	-	-	-	1,000,000
Unassigned:						
General fund	<u>13,230,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,230,150</u>
Total fund balances	<u>23,721,470</u>	<u>4,587,029</u>	<u>13,412,321</u>	<u>8,513,736</u>	<u>16,277,869</u>	<u>66,512,425</u>
Total liabilities and fund balances	<u>\$ 25,174,118</u>	<u>\$ 5,473,314</u>	<u>\$ 13,552,705</u>	<u>\$ 8,658,222</u>	<u>\$ 18,640,024</u>	<u>\$ 71,498,383</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 POSITION
GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

Fund balances - total government funds (page 20) \$ 66,512,425

Amounts reported for governmental activities in the statement of net position 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		156,585,869
Less accumulated depreciation		(40,519,474)

Net pension assets/obligations resulting from overfunding/underfunding of the police, fire, non-represented and general employees pension plans are not reported in the funds as they are not available to pay for current period expenditures.

Net pension asset		4,629,024
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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	(42,329,410)	
Parking lot	<u>(260,800)</u>	(42,590,210)
OPEB Obligations attributable to retiree benefits financed from governmental fund types		(534,922)
Deferred charges on refunding		236,336
Compensated absences		(2,740,659)

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

		<u>5,502,145</u>
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Net position of governmental activities (page 18) \$ 147,080,534

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

CITY OF TAMARAC, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Major Funds</u>				<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Revenue Fire Rescue</u>	<u>General Capital Projects</u>	<u>Tamarac Village</u>		
REVENUES:						
Taxes:						
Property	\$ 16,031,177	\$ -	\$ -	\$ -	\$ 222,068	\$ 16,253,245
Other taxes	8,183,903	-	-	-	372,911	8,556,814
Franchise	4,858,123	-	-	-	-	4,858,123
Charges for services	1,568,465	2,451,045	-	-	162,035	4,181,545
Payment in lieu of taxes	1,307,327	-	-	-	-	1,307,327
Intergovernmental	5,839,569	105,880	847,095	-	1,809,044	8,601,588
Licenses and permits	707,898	-	-	-	2,181,193	2,889,091
Fines and forfeitures	734,987	-	-	-	418,126	1,153,113
Investment income	107,626	24,312	52,646	1,158	58,783	244,525
Donations from private resources	-	-	-	-	10,792	10,792
Program repayment	-	-	-	-	10,182	10,182
Other	3,583,817	2,304	266,256	-	29,848	3,882,225
Special assessments	-	11,787,249	-	-	-	11,787,249
Total revenues	<u>42,922,892</u>	<u>14,370,790</u>	<u>1,165,997</u>	<u>1,158</u>	<u>5,274,982</u>	<u>63,735,819</u>
EXPENDITURES:						
Current:						
General government	11,200,613	-	-	-	16,792	11,217,405
Public safety	13,534,894	15,470,915	-	-	1,635,122	30,640,931
Transportation	1,182,005	-	22,499	-	-	1,204,504
Culture and recreation	3,736,587	-	-	-	3,634	3,740,221
Physical environment	2,919,072	-	-	-	11,006	2,930,078
Economic environment	292,096	-	68,214	-	1,033,011	1,393,321
Human services	273,638	-	-	-	8,426	282,064
Debt service:						
Principal retirement	-	58,963	-	-	1,588,168	1,647,131
Interest and fiscal charges	-	4,591	-	220,376	1,078,353	1,303,320
Capital outlay	3,899,748	681,717	2,354,528	78,000	1,744,365	8,758,358
Total expenditures	<u>37,038,653</u>	<u>16,216,186</u>	<u>2,445,241</u>	<u>298,376</u>	<u>7,118,877</u>	<u>63,117,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,884,239</u>	<u>(1,845,396)</u>	<u>(1,279,244)</u>	<u>(297,218)</u>	<u>(1,843,895)</u>	<u>618,486</u>
Other financing sources (uses):						
Capital lease	-	607,667	-	-	-	607,667
Transfers in	2,206,900	5,970,102	40,500	-	6,303,412	14,520,914
Transfers out	(10,642,702)	(2,286,460)	-	-	(1,921,260)	(14,850,422)
Total other financing sources (uses)	<u>(8,435,802)</u>	<u>4,291,309</u>	<u>40,500</u>	<u>-</u>	<u>4,382,152</u>	<u>278,159</u>
Net change in fund balances	(2,551,563)	2,445,913	(1,238,744)	(297,218)	2,538,257	896,645
Fund balances - beginning	<u>26,273,033</u>	<u>2,141,116</u>	<u>14,651,065</u>	<u>8,810,954</u>	<u>13,739,612</u>	<u>65,615,780</u>
Fund balances - ending	<u>\$ 23,721,470</u>	<u>\$ 4,587,029</u>	<u>\$ 13,412,321</u>	<u>\$ 8,513,736</u>	<u>\$ 16,277,869</u>	<u>\$ 66,512,425</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, 2012

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

Net change in fund balances - total government funds (page 22) \$ 896,645

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays and capital transfers	\$ 8,087,994	
Less current year depreciation	<u>(3,281,789)</u>	4,806,205

The effect of various miscellaneous transactions involving capital assets is to decrease net assets (2,461)

Issuance of long term debt (e.g. bonds, capital leases) 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.

Bonds, note and leases

Principal repayments		1,647,131
Capital lease financing		(607,667)

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

Compensated absences	(203,092)	
Amortization of bond discount	(20,517)	
Amortization of bond issuance costs	(30,536)	
Increase in net pension assets	<u>1,283,657</u>	1,029,512

Contributions to the retiree benefits do not use current financial resources and are not recorded in full as expenditures in the governmental funds, however these disbursements increase the net OPEB obligations in the statement of activities. (155,753)

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. (301,813)

Change in net position of governmental activities (page 19) \$ 7,311,799

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

CITY OF TAMARAC, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2012

	<u>Business- type activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	<u>Activities</u>
ASSETS				Internal Service
				Insurance Service Fund
Current assets:				
Cash and equity in pooled cash and investments	\$ 13,586,056	\$ 9,070,069	\$ 22,656,125	\$ 6,109,081
Investments	4,532,690	2,389,926	6,922,616	1,587,698
Accounts receivable - net	3,632,574	731,317	4,363,891	-
Inventories	260,013	4,845	264,858	-
Prepaid expenses	500	-	500	-
Total current assets	<u>22,011,833</u>	<u>12,196,157</u>	<u>34,207,990</u>	<u>7,696,779</u>
Non-current assets:				
Restricted assets:				
Cash and equity in pooled cash and investments	1,406,419	8,107	1,414,526	-
Capital assets:				
Land	7,415,829	44,774	7,460,603	-
Buildings and improvements	7,334,209	1,480,000	8,814,209	-
Improvements other than building	88,763,340	3,492,274	92,255,614	-
Equipment	3,502,989	1,410,491	4,913,480	15,766
Infrastructure	58,974	28,479,682	28,538,656	-
Construction in progress	2,688,759	596,316	3,285,075	-
Total capital assets	109,764,100	35,503,537	145,267,637	15,766
Less accumulated depreciation	(56,849,255)	(28,409,250)	(85,258,505)	(15,766)
Total capital assets - net	<u>52,914,845</u>	<u>7,094,287</u>	<u>60,009,132</u>	<u>-</u>
Total non-current assets	<u>54,321,264</u>	<u>7,102,394</u>	<u>61,423,658</u>	<u>-</u>
Total assets	<u>76,333,097</u>	<u>19,298,551</u>	<u>95,631,648</u>	<u>7,696,779</u>
 DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges	939,103	366,262	1,305,365	-
Total deferred outflows of resources	<u>939,103</u>	<u>366,262</u>	<u>1,305,365</u>	<u>-</u>
 LIABILITIES				
Current liabilities:				
Accounts payable and other accrued liabilities	1,252,101	70,838	1,322,939	70,053
Accrued payroll	120,252	56,477	176,729	12,170
Accrued interest payable	569,697	316,029	885,726	-
Due to other governments	20,443	-	20,443	-
Claims payable	-	-	-	1,154,000
Bonds payable	260,000	240,000	500,000	-
Customer deposits	1,406,419	8,107	1,414,526	-
Compensated absences	74,511	14,391	88,902	6,256
Total current liabilities	<u>3,703,423</u>	<u>705,842</u>	<u>4,409,265</u>	<u>1,242,479</u>
Non-current liabilities:				
Bonds payable	12,715,234	3,335,720	16,050,954	-
Net OPEB obligations	120,066	3,864	123,930	5,797
Compensated absences	602,863	116,436	719,299	50,617
Total noncurrent liabilities	<u>13,438,163</u>	<u>3,456,020</u>	<u>16,894,183</u>	<u>56,414</u>
Total liabilities	<u>17,141,586</u>	<u>4,161,862</u>	<u>21,303,448</u>	<u>1,298,893</u>
 NET POSITION				
Invested in capital assets, net of related debt	41,878,386	3,518,567	45,396,953	-
Restricted for:				
Capital projects	685,870	-	685,870	-
Renewal and replacement	5,624,880	100,891	5,725,771	-
Debt service	896,953	542,512	1,439,465	-
Unrestricted	<u>11,044,525</u>	<u>11,340,981</u>	<u>22,385,506</u>	<u>6,397,886</u>
Total net position	<u>\$ 60,130,614</u>	<u>\$ 15,502,951</u>	<u>75,633,565</u>	<u>\$ 6,397,886</u>

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

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

895,741
\$ 76,529,306

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service - Insurance Service Fund
	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	
OPERATING REVENUES:				
Charges for services	\$ 21,658,903	\$ 5,106,492	\$ 26,765,395	\$ 1,149,618
Other	4,538	1,360	5,898	107,561
Total operating revenues	<u>21,663,441</u>	<u>5,107,852</u>	<u>26,771,293</u>	<u>1,257,179</u>
OPERATING EXPENSES:				
Salaries, wages and employee benefits	5,419,561	1,643,724	7,063,285	401,633
Contractual services, materials and supplies	8,242,889	1,630,209	9,873,098	111,597
Claims and claims adjustments	-	-	-	1,137,935
Depreciation	3,259,319	351,458	3,610,777	-
Other services and charges	3,253,825	5,741	3,259,566	-
Total operating expenses	<u>20,175,594</u>	<u>3,631,132</u>	<u>23,806,726</u>	<u>1,651,165</u>
Operating income (loss)	<u>1,487,847</u>	<u>1,476,720</u>	<u>2,964,567</u>	<u>(393,986)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	76,785	42,513	119,298	30,358
Interest expense	(639,394)	(162,058)	(801,452)	-
Debt service cost	(49,326)	(41,867)	(91,193)	-
Gain on disposal of fixed assets	12,252	-	12,252	-
Total nonoperating revenues (expenses)	<u>(599,683)</u>	<u>(161,412)</u>	<u>(761,095)</u>	<u>30,358</u>
Income (loss)	<u>888,164</u>	<u>1,315,308</u>	<u>2,203,472</u>	<u>(363,628)</u>
Capital contributions	96,620	-	96,620	-
Transfers in	329,508	-	329,508	-
Net contributions and transfers	<u>426,128</u>	<u>-</u>	<u>426,128</u>	<u>-</u>
Change in net position	1,314,292	1,315,308	2,629,600	(363,628)
Total net position, October 1	<u>58,816,322</u>	<u>14,187,643</u>		<u>6,761,514</u>
Total net position, September 30	<u>\$ 60,130,614</u>	<u>\$ 15,502,951</u>		<u>\$ 6,397,886</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.

(61,817)
\$ 2,567,783

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, 2012

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities
				Internal Service Insurance Service Fund
	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>	
Cash flows from operating activities:				
Cash received from customers (including other funds)	\$ 21,504,624	\$ 5,050,654	\$ 26,555,278	\$ 1,257,179
Payments to suppliers	(8,660,602)	(1,534,365)	(10,194,967)	(40,245)
Cash paid on claims	-	-	-	(1,343,935)
Payments to employees	(5,405,287)	(1,658,897)	(7,064,184)	(392,888)
Interfund service payments	(2,183,740)	(100,540)	(2,284,280)	-
Net cash provided by (used in) operating activities	<u>5,254,995</u>	<u>1,756,852</u>	<u>7,011,847</u>	<u>(519,889)</u>
Cash flows from noncapital financing activities:				
Transfers in	329,508	-	329,508	-
Net cash provided by noncapital financing activities	<u>329,508</u>	<u>-</u>	<u>329,508</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,722,815)	(593,457)	(3,316,272)	-
Proceeds from sale of capital assets	12,252	-	12,252	-
Principal paid on long-term debt	(237,894)	(226,429)	(464,323)	-
Interest paid	(687,395)	112,104	(575,291)	-
Net cash used in capital and related financing activities	<u>(3,635,852)</u>	<u>(707,782)</u>	<u>(4,343,634)</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	1,105,816	1,054,633	2,160,450	1,534,384
Purchases of investments	(773,765)	(737,951)	(1,511,717)	(1,073,644)
Interest income	76,785	42,513	119,298	30,358
Net cash provided by investing activities	<u>408,836</u>	<u>359,195</u>	<u>768,031</u>	<u>491,098</u>
Net increase (decrease) in cash and cash equivalents	2,357,487	1,408,265	3,765,752	(28,791)
Cash and cash equivalents at beginning of year	<u>12,634,988</u>	<u>7,669,911</u>	<u>20,304,899</u>	<u>6,137,872</u>
Cash and cash equivalents at end of year	<u>\$ 14,992,475</u>	<u>\$ 9,078,176</u>	<u>\$ 24,070,651</u>	<u>\$ 6,109,081</u>
Pooled cash and cash equivalents per statement of net assets:				
Unrestricted	\$ 13,586,056	\$ 9,070,069	\$ 22,656,125	\$ 6,109,081
Restricted	1,406,419	8,107	1,414,526	-
Total, September 30	<u>\$ 14,992,475</u>	<u>\$ 9,078,176</u>	<u>\$ 24,070,651</u>	<u>\$ 6,109,081</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,487,847	\$ 1,476,720	\$ 2,964,567	\$ (393,986)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,259,319	351,458	3,610,777	-
Change in assets and liabilities:				
Increase in accounts receivable	(136,455)	(55,713)	(192,168)	-
Decrease in inventories	20,662	-	20,662	-
Increase (decrease) in accounts payable	555,713	(33,376)	522,337	69,665
Increase (decrease) in accrued liabilities	10,805	(34,236)	(23,431)	5,372
Increase in due to other government	5,009	-	5,009	-
Increase in compensated absences	3,469	19,063	22,532	3,373
Increase in deferred charges	36,124	33,296	69,420	-
Increase in OPEB obligation	34,862	1,125	35,987	1,687
Decrease in estimated insurance claims payable	-	-	-	(206,000)
Decrease in customer deposits	(22,360)	(1,485)	(23,845)	-
Total adjustments	<u>3,767,148</u>	<u>280,132</u>	<u>4,047,280</u>	<u>(125,903)</u>
Net cash provided by (used in) operating activities	<u>\$ 5,254,995</u>	<u>\$ 1,756,852</u>	<u>\$ 7,011,847</u>	<u>\$ (519,889)</u>
Non-cash investing, capital and financing activities:				
Decrease in fair value of investments	\$ (24,366)	\$ (18,798)	\$ (43,164)	\$ -
Contributions of capital assets from developers	<u>\$ 96,620</u>	<u>\$ -</u>	<u>\$ 96,620</u>	<u>\$ -</u>

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

CITY OF TAMARAC, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2012

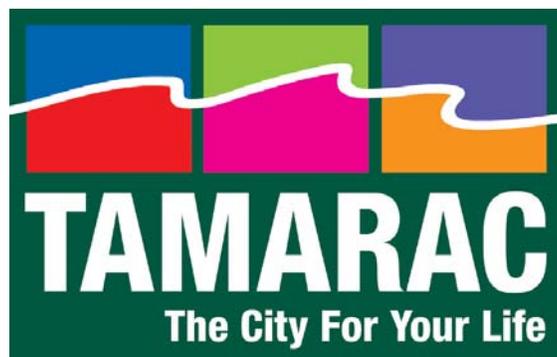
	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 5,111,927	\$ 249,165
Receivables:		
Interest and dividend receivables	67,283	-
Accounts receivables	-	375,428
Contributions receivable	47,126	-
Total receivables	114,409	375,428
Investments, at fair value		
Common stock	\$ 50,914,788	
Government securities	15,392,937	
Corporate bonds	14,620,084	
Mutual funds	36,770,371	-
	117,698,180	-
Total assets	122,924,516	624,593
LIABILITIES		
Accounts payable	52,399	624,593
Total liabilities	52,399	624,593
Net position held in trust for pension benefits and other purposes (A schedule of funding progress for each plan is presented on page 78-82)	\$ 122,872,117	\$ -

CITY OF TAMARAC, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 8,350,451
Employee	1,924,283
State	1,003,307
Total contributions	11,278,041
Investment income:	
Net appreciation in fair value of investments	14,710,956
Interest and dividends	1,981,315
Total investment income	16,692,271
Less investment expenses	(457,303)
Net investment income	16,234,968
Total additions	27,513,009
DEDUCTIONS	
Benefits paid and refunds	5,909,097
Administrative expenses	226,300
Total deductions	6,135,397
Change in net position	21,377,612
Net position, October 1	101,494,505
Net position, September 30	\$ 122,872,117

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, 2012

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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 range of municipal services authorized by its charter: public safety (Police and Fire), highways and streets, sanitation, health and social services, culture, recreation, bus transportation, planning and zoning, water and sewer, stormwater utility services and general administrative services.

The accounting policies of the City conform to Generally Accepted Accounting Principles 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.

B. 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 these criteria, one entity was evaluated for inclusion in the City's reporting entity with the following results:

Woodlands Neighborhood Improvement District (WNID): The City created the WNID pursuant to Section 163.501, Florida Statutes and Ordinance number O-2010-14 on June 9, 2010. The WNID serves a single neighborhood within the City to support planning and implementation of district improvements, including community policing. The WNID is governed by a separate Board appointed by the City Commission with taxing authority of up to 2 mills by referendum. The WNID is defined as a Dependent Special District by Florida Statute and the City Commission approves the budget. In fiscal year 2011 the WNID received a non-reimbursable grant in the amount of \$15,000 from the City as start-up cash. There were no other transactions; as such, the District has not been presented in the Financial Statements. The District does not publish individual component unit financial statements.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. 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

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. 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 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 ***Fire Rescue Special Revenue Fund*** accounts for revenue sources that are legally restricted for fire rescue purposes, including but not limited to Fire Assessment Fees, EMS fees and other revenues.

The ***General Capital Project Fund*** accounts for the construction of major capital projects other than those financed by the proprietary funds.

The ***Tamarac Village Fund*** accounts for the proceeds from the 2011 Line of Credit used for various Land Acquisition projects related to the Tamarac Village Project.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The City reports the following major proprietary funds:

The *Utilities Fund* is used to account for the provision of water and sewer services within the boundaries of the City.

The *Stormwater Management Fund* is used to account for the provision of stormwater maintenance and capital improvements within the City.

Additionally, the government reports the following fund types:

The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on long-term debt, other than bonds which are payable from proprietary funds.

The *Special Revenue Fund* accounts for resources that are legally restricted to expenditures for specified purposes.

The *Capital Project Fund* accounts for the construction of major capital projects other than those financed by the proprietary funds.

The *Internal Service Fund* is used to account for the financing of 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 employees, Elected Officials, Police Officers and Firefighters.

The *Agency Fund* is used to account for the City's collection of the Solid Waste Fees on behalf of Waste Management Inc.; these fees are remitted to Waste Management Inc. after reduction of the City's Franchise Fee revenue.

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 interfund service payments 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 SEPTEMBER 30, 2012

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 services. Operating expenses for enterprise funds and internal service funds include the cost of 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 to the extent possible, then unrestricted resources as necessary.

E. Assets, Liabilities, Deferred outflows/inflows of resources and Net Position

1. Cash, Cash Equivalents and Investments

Equity in pooled cash and cash equivalents includes cash on hand, investments with the State Board of Administration (SBA) and Florida Surplus Asset Fund Trust (FLSAFE) investment pools (Securities and Exchange Commission Rule 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. Each funds' equity in pooled investment is calculated based on the funds' pro rata share of equity in pooled cash. The Financial Services Director of the City of Tamarac is a member of the FLSAFE Board of Trustees. The SBA was created by section 218.405, Florida Statutes and FLSAFE was created pursuant to Florida Statute 163.01 and 218.415. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes and are reported at amortized cost.

For the purpose of the statement of cash flows for the proprietary fund types, cash and cash equivalents 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 investment accounts. Income earned from this pooling of investments is allocated monthly to the respective funds based upon average daily balances.

2. Investments

The City's investments, except the investment in real estate, are reported at fair value which is the amount a financial instrument could be exchanged for in a current transaction between willing parties. Generally, these are quoted market prices. Investments, including restricted investments, consist of mutual funds, U.S. Government securities, corporate debt and equity securities, mortgage-backed securities, asset-backed securities and securities of governmental agencies unconditionally guaranteed by the U.S. Government. The investment in real estate is valued at cost.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

3. 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 balances outstanding between the governmental activities and business-type 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.

4. Inventories, and Prepaid Items

Inventories are valued at cost, which approximates market, using the “first-in, first out” (FIFO) method. The costs of inventories, consisting primarily of expendable supplies held for consumption and assets held for resale, are recorded as expenditures when consumed rather than when purchased. The City’s Utilities Department maintains inventories for parts needs for line maintenance, additionally, the Information Technology Department maintain inventories for computer supplies. The Community Development Department holds inventory of Real Property for rehabilitation and resale.

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

5. 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 statement 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.

6. Capital Assets

Capital assets, which include land, intangibles, buildings and improvements, improvements other than buildings, 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 cost if actual historical cost is unavailable. 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, but expensed as incurred.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40-50
Improvements Other Than Buildings	20
Equipment	4-20
Infrastructure:	
Streets	35-40
Sidewalks	30
Light Poles (Concrete)	40
Pump Stations	30
Stormwater Lines	30
Culverts	30
Catch Basins	30

7. Deferred/outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has no items of the type that are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Deferred/Unearned Revenue

Deferred revenues are recorded for governmental fund receivables that are not both measurable and available. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. In addition, inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, or reimbursements due from Grantors are recorded as deferred revenue in the government-wide and the fund statements.

9. 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 and proprietary 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. A liability for these amounts is reported in governmental funds only if they matured, for example, as a result of employee resignation or retirements.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

10. 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, and proprietary fund type statement of net position. In the government-wide financial statements and proprietary funds, bond premiums and discounts, issuance costs, and deferred loss on defeasance are amortized over the life of the bonds using the straight-line method, which does not result in a material difference from the effective interest method. The face amount of the debt issued is reported net of bond premiums and discounts whereas issuance costs are recorded as other assets.

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

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

11. Nature and Purpose of Classification of Fund Equity and Net Position

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Net position of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents investment in capital assets such as, property, plant, equipment and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted consists of all assets that do not meet the definition of either of the other two components.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the City considers restricted funds to the extent possible to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned and finally unassigned funds as needed, unless the City Commission has provided otherwise in its commitments or assignments options. The City Commission commits or assigns funds via Resolution or Ordinance which require a majority vote of the City Commission.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

12. Recently Issued Accounting Pronouncements

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements* (GASB 60), addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public public partnership that state and local governments are increasingly entering into. The requirements of GASB 60 are effective in fiscal year 2013. Its implementation did not have a material impact on the City's financial statements.

GASB Statement 61, *The Financial Reporting Entity: Omnibus* (GASB 61), amends GASB 14 and GASB 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e. blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective in fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 61 may have on its financial statements.

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62) incorporates into GASB's authoritative literature, certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of GASB 62 are effective for fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 62 may have on its financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63) was issued to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The requirements of GASB 63 are effective for fiscal year 2013. The City has reported the required deferred outflows in the Financial Statements. See Notes on page 33 for additional information regarding the effect on the Financial Statements.

GASB Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53* (GASB 64) was issued to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. GASB 64 sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of GASB 64 are effective for fiscal year 2012. GASB 64 did not have a material impact on the City's financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 is effective for fiscal year 2014 and was early implemented during the fiscal year 2012. See Notes on page 33 for additional information regarding the effect on the Financial Statements.

GASB Statement No 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The requirements of GASB 66 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 62 may have on its financial statements.

GASB Statement No. 67 *Financial Reporting for Pension Plans*—an amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The requirements of GASB 67 is effective for fiscal year 2015. The provisions of this statement is expected to have a material effect on the City's Financial Statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of GASB Statement No. 27. Statement No. 68, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. The requirements of GASB 68 is effective for fiscal year 2015. The provisions of this statement is expected to have a material effect on the City's Financial Statements.

13. Special Assessments

The City levies a special assessment against benefited property owners for Fire Fees.

14. 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. 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, respectively. 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 up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the fiscal year ended September 30, 2012 was 6.7899 mills.

Taxes are due on March 31st, 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.

There were no material delinquent property taxes at September 30, 2012; therefore an allowance for uncollectible taxes has not been recorded.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance-Related Legal and Contractual Provisions

The City has no violations of finance-related legal and contractual provisions.

2. Deficit Fund Balances of individual funds

The City has no excess of expenditures over appropriations in the General Fund, Fire Rescue Fund, General Capital Projects Fund or Other Governmental funds.

3. Prior Year's Net Assets and Fund Balances

There were no changes during the fiscal year that had an effect on the Government Wide and Governmental Fund financial statements in the prior year.

4. Compliance with Bond Rate Covenant

Water and Waste Water Revenues

The water and sewer (Utility) revenue bond resolution requires the City to fix, establish and revise the same from time to time, whenever necessary, maintain and collect such fees, rates or other charges for the product, services and facilities of the system, which will always provide in each fiscal year (1) net revenues, each fiscal year sufficient to pay (110%) of the annual debt service on all outstanding bonds becoming due in such fiscal year and (2) net revenues in each fiscal year adequate to pay at least one hundred percent (100%) of (a) the annual debt service on all outstanding bonds becoming due in such fiscal year and (b) any amounts required to be deposited into the Reserve Fund, and the Reserve for Renewal, Replacement and Improvement Fund.

For fiscal year ended September 30, 2012, the water and sewer 110% test was 577% and the 100% test was 180%.

Stormwater Revenues

The Stormwater revenue Bond resolution requires the City to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals, and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues in each fiscal year sufficient to pay 125% of the Bond Service Requirement in the applicable bond year, plus 100% of any amount required by the terms hereof to be deposited into the Reserve Fund, and the Reserve for Renewal, Replacement and Improvement Fund.

For fiscal year ended September 30, 2012, the stormwater test 110% calculation was 476% and the 100% test was 211%.

Sales Tax Revenue

Sales Tax Bond Resolutions for the Series 2002, the Series 2009 and the Series 2010 Sales Tax Bond (collectively, the "Bonds") covenants that the estimated Pledged Revenues will be sufficient to pay the principal of and interest on the Bonds as the same become due.

For fiscal year ended September 30, 2012, the Sales Tax Revenue was 215% of the maximum annual debt service of the bonds.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Covenant to Budget and Appropriate

Resolutions for the City's 2005 Capital Improvement Bond, the 2011 Line of Credit and the 2012 Capital Lease are secured by Covenant to Budget and Appropriate (CB&A), additionally the City's Sales Tax Bonds and Stormwater Revenue Bond are covered by a back-up CB&A. Resolutions for the various Bonds and note require that the average of the Pledgeable Non-Ad Valorem Revenues for the two most recent Fiscal Years for which audited financial statements of the Issuer are available is equal to or greater than 2.0x the projected maximum annual debt service for all issues.

For fiscal year ended September 30, 2012 and 2011, the CB&A coverage for the City was 5.07 and 4.88 respectively and average is 4.97.

NOTE 4. DETAILED NOTES

1. Deposits and Investments

a. Cash and Cash Equivalents

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds, excluding pension 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 each fund's equity balances.

As of September 30, 2012, the City had the following cash equivalents:

	<u>Amounts</u>
Demand Deposits	\$ 34,982,141
FLSAFE	38,024,808
Short term Portfolio	<u>1,230,291</u>
Total	<u>\$ 74,237,240</u>

Deposits

The carrying amounts of the City's cash deposits were \$34,982,141 including petty cash on hand of \$2,825 as of September 30, 2012. Bank balances before reconciling items were \$37,139,369 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.

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 SEPTEMBER 30, 2012

b. Investments Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. On June 9, 2010, the City of Tamarac adopted a revised comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City’s cash and investment assets. The City maintains a common cash and investment pool for the use of all funds. The investment policy applies to all cash and investments held or controlled by the City with the exception of Pension Funds and funds related to the issuance of debt.

The City’s investment policy allows for the following investments: The Florida State Board of Administration’s Local Government Surplus Funds Trust Fund (Florida PRIME), United States Government Securities, United States Government Agencies, Federal Instrumentalities, Non-Negotiable Interest Bearing Time Certificates of Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Bankers’ Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools, Corporate Obligations or Corporate Notes, Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), and Bond Funds.

As of September 30, 2012, the City had the following investments types and effective duration presented in terms of years:

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>	<u>Rating</u>
Florida Prime (SBA)	\$ 82	0	N/A
Florida Safe Investment Pool	38,024,808	0	AAAm
Certificates of Deposits	1,546,000	0.20	N/A
Money Market Fund	1,230,290	0	AAAm
US Government Agency Securities	5,053,016	0.56	AA+
Corporate Notes	<u>14,346,792</u>	1.05	A1
	<u>\$ 60,200,988</u>		
Portfolio Weighted Average Duration		0.35	

c. Interest Rate Risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. As a means 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.

d. 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 Standard and Poor’s (S&P) and Moody’s Investor Services, respectively.

Commercial Paper of any United States company that is rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper). If the commercial paper is backed by a letter of credit (“LOC”), the long-term debt of the LOC provider must be rated “A” or better by at least two nationally recognized rating agencies.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

As of September 30, 2012, the City had the following exposure as a percentage of total investments:

<u>Security Type</u>	<u>S&P Credit Rating</u>	<u>Percentage of Portfolio</u>
US Government Agency Securities	AA+	5.40%
Corporate Notes	AA	15.36%

e. Concentration of Credit Risk.

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio.

A maximum of 100% of available funds may be invested in United States Government Securities, 75% of available funds may be invested in United States Government Instrumentalities, 50% of available funds may be invested in the Florida Prime (formally SBA), in United States Government Obligations and in Intergovernmental investment pools, 25% of available funds may be invested in commercial paper by any US Corporation, bankers' acceptances, repurchase agreements, registered investment companies (mutual funds) and in bond funds, 20% of available funds may be invested in state and local government debts, and corporate obligations or corporate notes, 15% of available funds may be invested in mortgage-backed securities and 10% of available funds may be invested in certificates of deposits and asset backed securities.

f. Custodial Credit Risk.

Custodial credit risk for investments 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 investments at September 30, 2012 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.

g. Local Government Investment Pool.

At September 30, 2012, the City had \$38,024,808 invested in the Florida Surplus Asset Fund Trust (FLSAFE), an investment vehicle established by state statute for local government entities in Florida to pool surplus funds. The Board of Trustees, which is primarily comprised of five (5) government officials of participating entities that have investment responsibility for their respective government entity, administers and enforces the requirements of creating and operating the FLSAFE. FLSAFE operates similarly to money market funds and each share is equal in value to \$1.00. FLSAFE is rated AAAm by Standard & Poor's. Investments are limited to those allowed by the Indenture of Trust. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodial's internal records identify the investments owned by the participating governments.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

h. Investment in Real Property

In December 2010 the City adopted via Resolution R-2010-158 and R-2010-163 the purchase of real property consisting of eight vacant lots located between 91st and 94th Avenues on the North side of Commercial Boulevard and vacant land located immediately East and West of 91st Avenue on the North side of Commercial Boulevard. The total amount paid for all parcels was \$8,450,548.

As of September 30, 2012, the market value of the investment properties is estimated to be \$5,494,202, this is considered a temporary impairment.

i. Employee Pension Plans

The Employee Pension Plan investments are held separately from those of other City funds. As prescribed by the plan documents, the plan is authorized to invest plan assets in obligations of the U.S. Government, stocks, corporate bonds, and various mutual and money market funds, which are held by the plan and not in the City's name. The plan investments are being held by Voyager Asset Management, American Realty Advisors, Fifth Third Bank, Florida Municipal Pension Trust Fund, State Street Global Advisors, and USB Trumbull Properties LP, which consisted of the following:

	General Employees Pension	Police Pension	Firefighters Pension	Non-represented Employees Pension
Common stock	\$ 12,019,888	\$ 2,035,794	\$ 59	\$ -
Government securities, corporate bonds and mortgage backed securities	10,714,237	1,854,980	17,443,804	-
Mutual funds	10,166,813	953,662	3,075,689	22,574,206
Money market funds	1,454,920	624,699	2,843,264	-
Total	\$ 34,355,858	\$ 5,469,135	\$ 23,362,816	\$ 22,574,206

General Employees' Pension Trust Fund

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

Investment type	Investment Maturities (in Years)				
	Fair value	Less than 1	1 to 5	6 to 10	More than 10
Corporate bonds	\$ 3,200,300	\$ 88,108	\$ 785,687	\$ 1,776,302	\$ 550,203
Mortgages	2,351,715		634	142,997	2,208,084
US Agencies	331,016	331,016	-	-	-
CMBS	548,195		16,163	64,485	467,547
US Treasuries	2,244,569	-	570,800	1,471,878	201,891
Convertible Bonds	2,038,442	242,202	1,065,595	71,070	659,575
Total	\$ 10,714,237	\$ 661,326	\$ 2,438,879	\$ 3,526,732	\$ 4,087,300

Although the Plan has a formal investment policy, it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However all investment managers are fiduciaries of the fund and must meet the requirements of Chapter 112.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The Plan's Investment Policy 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 Standard and Poor's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 5,862,153
AA	426,869
A	1,221,796
BBB	1,912,417
<BBB	767,484
Unrated	523,518
<i>Total</i>	<u>\$ 10,714,237</u>

In accordance with the Plan's Investment Policy there was no investment in a single issuer exceeding 5% of Plan Net Assets that require concentration of credit risk disclosures. Short term investments totaling \$1,454,920 are held in a money market fund at Fifth Third Bank rated AAAM by Standard & Pooers.

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>
Corporate bonds	\$ 730,560	\$ 20,267	\$ 468,255	\$ 242,038
Agency MBS	498,771	-	498,771	-
US Agencies	400,034	50,015	350,019	-
US Treasuries	225,615	35,022	91,601	98,992
Total	<u>\$ 1,854,980</u>	<u>\$ 105,304</u>	<u>\$ 1,408,646</u>	<u>\$ 341,030</u>

Although the Plan has a formal investment policy, it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However all investment managers are fiduciaries of the fund and must meet the requirements of Chapter 112.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The investment policy 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 using and average of Standard and Poor's Investors Services, as follows:

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 498,772
AA+	625,648
AA	23,148
AA-	70,507
A+	223,769
A	230,769
A-	141,775
BBB+	40,592
<i>Total</i>	<u>\$ 1,854,980</u>

In accordance with the Plan's Investment Policy there was no investment in a single issuer exceeding 5% of Plan Net Assets that require concentration of credit risk disclosures. Short term investments totaling \$439,215 are held in a money market fund at Fifth Third Bank rated AAAm by Standard & Poors.

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>
US Treasuries	\$ 3,266,787	\$ -	\$ 848,742	\$ 375,833	\$ 2,042,212
US Agencies	1,558,626	1,020,430	457,794	80,402	-
Agency MBS	7,877,974	509	5,416,998	2,460,467	-
Asset-Backed Securities	3,516,927	1,600,269	1,916,658	-	-
Corporates	1,223,490	-	381,957	756,701	84,832
<i>Total</i>	<u>\$ 17,443,804</u>	<u>\$ 2,621,208</u>	<u>\$ 9,022,149</u>	<u>\$ 3,673,403</u>	<u>\$ 2,127,044</u>

Although the Plan has a formal investment policy, it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However all investment managers are fiduciaries of the fund and must meet the requirements of Chapter 112.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The investment policy 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 using an average of Moody's, Fitch, and Standard and Poor's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 16,220,314
AA	266,177
A+	92,245
A	490,523
A-	374,545
<i>Total</i>	<u>\$ 17,443,804</u>

In accordance with the Plan's Investment Policy there was no investment in a single issuer exceeding 5% of Plan Net Assets that require concentration of credit risk disclosures. Short term investments totaling \$1,161,726 are held in a money market fund at Fifth Third Bank rated AAAM by Standard & Poors.

The City of Tamarac Firefighters' Pension Trust Fund is the lead plaintiff in a securities lawsuit, expected exposure to the plan is immaterial to the Financial Statements.

Elected and Appointed Officers and Non-represented Employee Retirement Fund

The Elected and Appointed Officers and Non-represented Employee Retirement Fund's total investments of \$22,574,206 is in mutual funds at September 30, 2012.

The Fund's Investment Guidelines regarding bond duration states that the Portfolio should maintain a duration equal to the Barclays Capital A+ Aggregate Index plus or minus 30% but no greater than seven years. The Portfolio duration as of 9/30/2012 is within these guidelines with a duration of 4.66 years.

The Fund holds shares in the Florida Municipal Investment Trust Fund. The Fund participates in the Fund A portfolio, which has an asset allocation as follows:

Cash	2.40%
Broad Market High Quality Bond	38.70%
Large Cap Equity	38.60%
Small Cap Equity	10.40%
International Blend	9.90%

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The Florida Municipal Investment Trust Board Market High Quality Bond Fund mitigates interest rate risk by limiting the duration and maturity of its investments. At September 30, 2012 it reported to its investors a duration of 4.66 years. State law limits investment in debt securities to those with the top 3 ratings issued by the nationally recognized statistical rating organizations. The Florida Municipal Investment Trust Board Market High Quality Fund had a Fitch rating of AA.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

2. Receivables and payables

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

	General Fund	Fire Rescue Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Receivables:					
Gross accounts receivable	\$ 1,195,021	\$ 1,497,618	\$ -	\$ 2,100,897	\$ 4,793,536
Due from other governments	446,448	55,348	206,968	919,589	1,628,353
Gross receivables	<u>1,641,469</u>	<u>1,552,966</u>	<u>206,968</u>	<u>3,020,486</u>	<u>6,421,889</u>
Less: Allowance for uncollectibles	(11,929)	(649)	-	(1,980,089)	(1,992,667)
Net total receivables	<u><u>\$ 1,629,540</u></u>	<u><u>\$ 1,552,317</u></u>	<u><u>\$ 206,968</u></u>	<u><u>\$ 1,040,397</u></u>	<u><u>\$ 4,429,222</u></u>

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

	Utilities Fund	Stormwater Fund	Total
Receivables:			
Customers, gross	\$ 3,654,600	\$ 736,206	\$ 4,390,806
Less: Allowance for uncollectibles	(22,026)	(4,889)	(26,915)
Net total receivables	<u><u>\$ 3,632,574</u></u>	<u><u>\$ 731,317</u></u>	<u><u>\$ 4,363,891</u></u>

Payables at September 30, 2012 were as follows:

	General Fund	Fire Rescue Fund	General Capital Projects Fund	Tamarac Village Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Governmental activities:							
Accounts & accrued liabilities	\$ 563,309	\$ 38,795	\$ 135,635	\$ 35,000	\$ 505,255	\$ 70,053	\$ 1,348,047
Accrued payroll	376,670	712,239	-	-	44,505	12,170	1,145,584
Due to other governments	827	-	4,749	-	62,836	-	68,412
Total governmental activities	<u><u>\$ 940,806</u></u>	<u><u>\$ 751,034</u></u>	<u><u>\$ 140,384</u></u>	<u><u>\$ 35,000</u></u>	<u><u>\$ 612,596</u></u>	<u><u>\$ 82,223</u></u>	<u><u>\$ 2,562,043</u></u>
Business-type activities:							
Accounts & accrued liabilities	\$ 1,252,101	\$ 70,838	\$ 1,322,939				
Accrued payroll	120,252	56,477	176,729				
Due to City of North Lauderdale	20,443	-	20,443				
Total business-type activities	<u><u>\$ 1,392,796</u></u>	<u><u>\$ 127,315</u></u>	<u><u>\$ 1,520,111</u></u>				

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

3. Intergovernmental Revenue

Intergovernmental revenue at September 30, 2012 is as follows:

Governmental activities:

	General Fund	Fire Rescue Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Shared Revenues					
Federal shared revenue	\$ -	\$ 58,541	\$ 663,404	\$ 1,691,427	\$ 2,413,372
State shared revenue	5,035,674	47,339	132,931	91,569	5,307,513
Local shared revenue	803,895	-	50,760	26,048	880,703
Total	<u>\$ 5,839,569</u>	<u>\$ 105,880</u>	<u>\$ 847,095</u>	<u>\$ 1,809,044</u>	<u>\$ 8,601,588</u>

4. Interest Income

Interest income as of September 30, 2012 is as follows:

	Governmental Funds	Enterprise Funds	Internal Service Fund	Total
Investment income	\$ 241,450	\$ 119,298	\$ 30,358	\$ 391,106
Interest received from tax collector	3,075	-	-	3,075
Total	<u>\$ 244,525</u>	<u>\$ 119,298</u>	<u>\$ 30,358</u>	<u>\$ 394,181</u>

5. Other Revenue

Other revenue as of September 30, 2012 is as follows:

	Governmental Funds	Enterprise Funds	Internal Service Fund	Total
Administrative charges	\$ 2,418,810	\$ -	\$ 107,561	\$ 2,526,371
Telecommunications tower rental income	629,128	-	-	629,128
Rental income	60,470	-	-	60,470
School board shared utilities costs	38,207	-	-	38,207
Fleet charges- Interlocal	198,809	-	-	198,809
Solar energy rebates	266,243	-	-	266,243
Other	270,558	5,898	-	276,456
Total	<u>\$ 3,882,225</u>	<u>\$ 5,898</u>	<u>\$ 107,561</u>	<u>\$ 3,995,684</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2012 was as follows:

Capital assets activity for the year ended September 30 2012 was as follows:

	Balance October 1, 2011	Additions	Retirements	Balance September 30, 2012
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 23,918,234	\$ 2,829,064	\$ -	\$ 26,747,298
Intangibles	114,430	-	-	114,430
Construction in progress	973,621	3,237,927	1,125,940	3,085,608
Other	462,480	-	-	462,480
Total assets not being depreciated	<u>25,468,765</u>	<u>6,066,991</u>	<u>1,125,940</u>	<u>30,409,816</u>
Capital assets being depreciated:				
Buildings and improvements	37,055,515	989,912	-	38,045,427
Improvements Other Than Buildings	14,950,026	1,183,567	-	16,133,593
Infrastructure	56,442,935	-	-	56,442,935
Equipment	14,882,339	973,464	301,705	15,554,098
Total capital assets being depreciated	<u>123,330,815</u>	<u>3,146,943</u>	<u>301,705</u>	<u>126,176,053</u>
Less accumulated depreciation for:				
Building and Improvements	(12,163,828)	(1,106,778)	-	(13,270,606)
Improvements other than building	(3,545,418)	(698,052)	-	(4,243,470)
Infrastructure	(8,839,045)	(771,541)	-	(9,610,586)
Equipment	(12,988,637)	(705,419)	299,244	(13,394,812)
Total accumulated depreciation	<u>(37,536,928)</u>	<u>(3,281,790)</u>	<u>299,244</u>	<u>(40,519,474)</u>
Net capital assets being depreciated	<u>85,793,887</u>	<u>(134,847)</u>	<u>2,461</u>	<u>85,656,579</u>
Governmental activity capital assets, net	<u>\$ 111,262,652</u>	<u>\$ 5,932,144</u>	<u>\$ 1,128,401</u>	<u>\$ 116,066,395</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The following is a summary of capital assets in the Enterprise Funds at September 30, 2012:

	Balance October 1, 2011	Additions	Retirements	Balance September 30, 2012
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 7,460,603	\$ -	\$ -	\$ 7,460,603
Construction in progress	1,192,890	3,094,132	1,001,947	3,285,075
Total assets not being depreciated	8,653,493	3,094,132	1,001,947	10,745,678
Capital assets being depreciated:				
Buildings and improvements	8,814,209	-	-	8,814,209
Improvements Other Than Buildings	91,388,983	866,631	-	92,255,614
Infrastructure	28,538,656	-	-	28,538,656
Equipment	4,642,129	454,074	182,723	4,913,480
Total capital assets being depreciated	133,383,977	1,320,705	182,723	134,521,959
Less accumulated depreciation for:				
Building	(2,006,660)	(201,816)	-	(2,208,476)
Improvements other than building	(49,951,412)	(3,036,395)	-	(52,987,807)
Infrastructure	(26,112,729)	(100,332)	-	(26,213,061)
Equipment	(3,759,650)	(272,234)	182,723	(3,849,161)
Total accumulated depreciation	(81,830,451)	(3,610,777)	182,723	(85,258,505)
Net capital assets being depreciated	51,553,526	(2,290,072)	-	49,263,454
Business-type activity capital assets, net	\$ 60,207,019	\$ 804,060	\$ 1,001,947	\$ 60,009,132

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

General government	\$ 723,686
Public Safety	592,602
Transportation	732,690
Culture/recreation	1,216,027
Physical environment	16,591
Human services	194
Total depreciation expense - governmental activities	\$ 3,281,790

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

Business-type activities:

Utilites	\$ 3,259,319
Stormwater	351,458
Total depreciation expense-business-type activities	\$ 3,610,777

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 6. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments: The City has active construction projects as of September 30, 2012. The projects include culverts, headwalls and sidewalk installations, infrastructure improvements, induction lighting installations, and water and sewer improvements. At the end of the current fiscal year, the City's commitments with contractors are as follows:

		Total Contract	Spent to Date	Remaining Commitment
Governmental activities:				
CDBG Fund:				
Sidewalk installation at Lagos de Campo Blvd	(1)	199,580	(125,484)	74,096
General Capital Project Fund:				
Induction Lighting	(2)	404,749	(167,719)	237,030
Public Services Facilities Fund:				
Bikeway Paths Phase I	(3)	1,101,100	(496,391)	604,709
Total governmental activities		\$ 1,705,429	\$ (789,594)	\$ 915,835
Business-type activities:				
Stormwater Fund:				
Citywide culvert/headwall installations	(4)	\$ 45,778	\$ (35,285)	\$ 10,493
Utilities Fund:				
Filter backwash water recovery	(5)	1,465,700	(1,456,090)	9,610
Sanitary sewer mains and pipe rehabilitation	(6)	1,540,000	(710,850)	829,150
Filters 3 & 4 and greenleaf filter rehabilitation	(7)	358,000	(335,541)	22,459
Total business-type activities		\$ 3,409,478	\$ (2,537,766)	\$ 871,711

- (1) The sidewalk installation at Lagos de Campo Blvd is funded by federal grants in the community development block grant fund.
- (2) The Induction Lighting project is funded by the general capital project fund and federal funds.
- (3) The Bikeway Paths project is funded by the public services facilities fund and federal funds.
- (4) The citywide culvert and headwall installations are funded by federal grants and the stormwater fund.
- (5) The design of the filter backwash water recovery is funded by debt proceeds and will be repaid by water and sewer user fees.
- (6) The sanitary sewer mains and pipe rehabilitation is funded by the utilities fund.
- (7) The filters 3 & 4 and greenleaf filter rehabilitation is funded by the utilities fund.

Encumbrances: Encumbrance accounting is utilized to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by vendors in the next year were as follows:

Governmental Funds:	
General Fund	\$ 154,928
Fire Rescue	5,685
General Capital	655,823
Nonmajor governmental funds	1,447,897
	2,264,334
Business-type funds:	
Water and Sewer	1,173,062
Stormwater	77,079
	1,250,140
Total	\$ 3,514,474

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 7. OPERATING LEASES

The City has entered into various lease agreements for copiers and towers. These leases are accounted for as operating leases. The leases are generally for a 3, 4 or 5-year term and include renewal option. The City entered into two four year lease agreement with Dell Financial Services to lease 135 desktops and laptops for \$108,659 and 112 desktops and laptops for \$102,752 at an annual cost of \$27,165 and \$25,681, respectively.

The following schedule reflects the operating lease obligations for governmental activities and business-type activities for the next five years.

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2013	\$ 76,082	\$ 2,120	\$ 78,202
2014	73,580	2,120	75,700
2015	53,566	-	53,566
2016	26,401	-	26,401
2017	720	-	720
	<u>\$ 230,349</u>	<u>\$ 4,240</u>	<u>\$ 234,589</u>

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2012 consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose for Balance</u>	<u>Amount</u>
General	Nonmajor Governmental Fund (Neighborhood Stabilization Grant)	Unreimbursed expense payments	\$ 105,461
	Nonmajor Governmental Fund (Community Development Block Grant Fund)	Unreimbursed expense payments	186,373
General Capital Projects	Nonmajor Governmental Fund (Golf Course Fund)	Advance loan	<u>345,740</u>
Total			<u>\$ 637,574</u>

The outstanding balances between funds result mainly from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) reimbursements are received, and (3) payments between funds are made.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Interfund Transfers for the year ended September 30, 2012, consisted of the following:

<u>Transfer Out</u>	Transfer In					<u>Total</u>
	<u>General Fund</u>	<u>Fire Rescue</u>	<u>General Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Enterprise Fund Utilities</u>	
General fund	\$ -	\$ 5,970,102 ⁽¹⁾	\$ -	\$ 4,672,600 ⁽²⁾	\$ -	\$ 10,642,702
Fire rescue fund	1,845,460 ⁽³⁾	-	-	441,000 ⁽⁴⁾	-	2,286,460
Nonmajor governmental funds	361,440 ⁽⁵⁾	-	40,500 ⁽³⁾	1,189,812 ⁽⁶⁾	329,508 ⁽⁷⁾	1,921,260
Total	\$ 2,206,900	\$ 5,970,102	\$ 40,500	\$ 6,303,412	\$ 329,508	\$ 14,850,422

Transfers are used to (1) move funds 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:

- (1) \$5,970,102 was transferred from General Fund to Fire Rescue Fund to supplement the cost of Rescue services;
- (2) \$2,672,600 was transferred from General Fund to Revenue Bond Fund to cover the cost of debt service for the 2005 Capital Improvement Revenue Bond and the 2002 and 2009 Sales Tax Revenue Bond; and \$2,000,000 was transferred from General Fund to Nonmajor Governmental Fund (Capital Equipment Replacement Fund) to cover the costs of replacing various equipment;
- (3) \$1,845,460 was transferred from Fire Rescue Fund to General Fund to cover the costs of administrative charges, and \$40,500 was transferred from Parks and Recreation Fund to General Capital Projects Fund to fund the costs of certain capital projects;
- (4) \$441,000 was transferred from Fire Fund to Nonmajor Governmental Fund (Capital Equipment Replacement Fund) to cover the costs of replacing various equipment;
- (5) \$361,440 was transferred from Nonmajor Governmental Fund (Building Fund) to General Fund to cover the costs of administrative charges;
- (6) \$4,020 was transferred from Nonmajor Governmental Fund (Grants Fund) to Nonmajor Governmental Fund (State Affordable Housing Assistance Fund) to cover certain expenses and \$1,185,792 from Nonmajor Governmental Funds (Parks and Recreation Fund and Trafficways Improvement Fund) to Nonmajor Governmental Fund (Public Service Facilities Fund) to cover the costs of various capital projects;
- (7) \$329,508 was transferred from Nonmajor Governmental Fund (Trafficways Improvement Fund) to Utilities Fund to cover the costs of certain capital projects.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 9. LONG-TERM DEBT

Long-term debt at September 30, 2012 is comprised of the following:

General Long-term Debt

General Obligation Bonds

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

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 matures in varying annual installments through 2018. Bond proceeds were used to build the City of Tamarac Community Center. The bonds will be repaid from ad valorem taxes levied by the City upon the taxable real property within the City.

\$ 1,159,263

Revenue Bonds

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

Governmental

Capital Improvement Revenue Bonds Series 2005 issued 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.

13,745,000

Sales Tax Revenue Refunding Bonds, Series 2009 in the amount of \$5,350,000 issued to refund the Series 1999 Sales Tax Bond. The 2009 Refunding Revenue bonds bear an interest rate of 3.7% and matures in varying annual installments through 2019. The bonds will be repaid solely from and is secured by a lien on and pledge of the half-cent sales tax revenues and, if necessary, from non ad valorem Revenues budgeted and appropriated by the City in accordance with the Resolution.

4,060,000

On December 8, 2010, the City Commission adopted Resolution R-2010-161, the City issued Sales Tax Refunding Revenue Bond, Series 2010 in the amount of \$9,501,000. The purpose is to provide a partial refunding of the Sales Tax Revenue Bond, Series 2002 in order to take advantage of favorable market conditions, to achieve interest savings on the existing bond and to provide new money in the amount of \$703,127 to refund a note payable related to real property slated for a passive park. The bond was issued at an interest rate of 2.25% with no extension of the Series 2002 maturity date of April 1, 2022. The bond is secured by a lien on and pledge of the half-cent sales tax revenue and, if necessary, from non ad valorem Revenues budgeted and appropriated by the City in accordance with the Resolution.

9,362,000

\$ 27,167,000

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Revenue Note

In February, 2011, the City issued a \$20 million Taxable Redevelopment Revenue Note, Series 2011 initially as a line of credit with RBC Bank and the amount may be drawn until April 1, 2014. The line of credit bears a variable interest rate equal to one (1) month LIBOR rate plus 1.35% per annum and accrues based on the outstanding amount drawn, payable semi-annually beginning October 1, 2011 and on each subsequent April 1 and October 1 through April 1, 2014 (the "Conversion Date"). No principal amount is due prior to conversion date.

Effective April 1, 2014, the line of credit shall automatically convert into a term loan with interest rate equal to any of the following based on City's election on March 1, 2014 (a) variable interest rate equal to one (1) month LIBOR rate plus 1.35 per annum; (b) fixed interest rate to be determined one month prior to the conversion date. The principal and interest of the term loan shall be payable semi-annually on each April 1 and October 1 beginning October 1, 2014 through 2021.

The Note was issued to finance the acquisition of real property within the City to be used for development and/or redevelopment purposes and is secured by non-ad valorem revenues. As of September 30, 2012, the City has \$13,771,509 outstanding.

Business-type

Water and Sewer Utility Revenue Refunding Bonds, Series 2009 in the amount of \$14,020,000.

The bonds were a combined refunding and new money issue, partial refunding of the Capital Improvement Revenue Bond Series 2004 and refunding of the Capital Improvement Revenue Note Series 2006. The 2009 Revenue bonds bear interest at rates varying from 3% to 5% and mature in varying annual installments through 2039. The new money as well as the refunding of the Capital Improvement Note will finance acquisition, construction and equipping of certain capital improvements to the City's water and waste water facilities. The bonds will be repaid from revenues derived from water and sewer service charges.

\$ 13,290,000

Stormwater System Refunding Bond, Series 2009 in the amount of \$4,345,000. The Bond was a partial refunding of the Capital Improvement Revenue Bonds, Series 2004. The 2009 Revenue bonds bear an interest rate of 4.15% and matures in varying annual installments through 2024.

These bonds were issued to finance the acquisition, construction and equipping of certain capital improvements to the City's stormwater utility system and related capital expenditures. The bonds and the interest are secured by and payable from revenues derived from the storm water service charges and, if necessary, from non ad valorem Revenues budgeted and appropriated by the City in accordance with the Resolution.

3,670,000

\$ 16,960,000

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Summary of debt service requirements to maturity are as follows:

	Governmental Activities				Business-type activities	
	General Obligation Bonds		Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
Year ending September 30,						
2013	\$ 212,884	\$ 49,489	\$ 1,464,000	\$ 977,713	\$ 500,000	\$ 781,699
2014	221,972	40,401	1,538,000	932,680	520,000	761,339
2015	231,448	30,925	1,612,000	884,748	550,000	738,814
2016	241,328	21,044	1,695,000	833,580	575,000	714,991
2017	251,631	10,742	1,776,000	779,488	595,000	690,079
2018-2022	-	-	10,272,000	3,026,715	3,390,000	3,045,204
2023-2027	-	-	4,815,000	1,713,475	2,935,000	2,319,969
Thereafter	-	-	3,995,000	410,250	7,895,000	2,790,038
Total	\$ 1,159,263	\$ 152,601	\$ 27,167,000	\$ 9,558,648	\$ 16,960,000	\$ 11,842,133

As of September 30, 2012, the City was in compliance with all revenue bond and note covenants.

The City has performed the required arbitrage liability computations in accordance with the Internal Revenue Service (IRS) arbitrage regulations. As of October 1, 2011, there is no rebatable arbitrage liability for any of the outstanding bond issues.

Parking Lot Remediation

As of September 30, 2012, 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.

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, 2012, the City of Tamarac has issued \$18,100,000 of Industrial Revenue Bonds.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Long-term liability activity for the year ended September 30, 2012 was as follows:

	October 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	September 30, <u>2012</u>	Due within <u>One Year</u>
Governmental activities:					
Bonds, notes and leases payable					
General obligation	\$ 1,363,431	\$ -	\$ (204,168)	\$ 1,159,263	\$ 212,884
Revenue bonds	28,551,000	-	(1,384,000)	27,167,000	1,464,000
Redevelopment note	13,771,509	-	-	13,771,509	-
Capital lease	-	607,667	(58,963)	548,704	118,391
Less deferred amounts:					
On refunding	(337,583)	-	20,517	(317,066)	(20,517)
Total bonds and notes payable	<u>43,348,357</u>	<u>607,667</u>	<u>(1,626,614)</u>	<u>42,329,410</u>	<u>1,774,758</u>
Other liabilities:					
Compensated absences	2,591,067	417,728	(211,261)	2,797,534	307,730
Claims and judgments	1,360,000	1,137,936	(1,343,936)	1,154,000	865,500
OPEB obligations	383,279	157,440	-	540,719	-
Parking lot remediation	260,800	-	-	260,800	-
Total other liabilities	<u>4,595,146</u>	<u>1,713,104</u>	<u>(1,555,197)</u>	<u>4,753,053</u>	<u>1,173,230</u>
Governmental activity long-term liabilities	<u>\$ 47,943,503</u>	<u>\$ 2,320,771</u>	<u>\$ (3,181,811)</u>	<u>\$ 47,082,463</u>	<u>\$ 2,947,988</u>
Business-type activities:					
Bonds and notes payable					
Water and sewer revenue refunding bonds	\$ 13,540,000	\$ -	\$ (250,000)	\$ 13,290,000	\$ 260,000
Stormwater Refunding Revenue Note	3,905,000	-	(235,000)	3,670,000	240,000
Less deferred amounts:					
For issuance discounts	(175,188)	-	6,488	(168,700)	(6,487)
On refunding	(254,536)	-	14,190	(240,346)	(14,190)
Total bonds and notes payable	<u>17,015,276</u>	<u>-</u>	<u>(464,322)</u>	<u>16,550,954</u>	<u>479,323</u>
Other liabilities:					
Compensated absences	785,669	86,559	(64,027)	808,201	88,902
OPEB Obligations	87,944	35,986	-	123,930	-
Total other liabilities	<u>873,613</u>	<u>122,545</u>	<u>(64,027)</u>	<u>932,131</u>	<u>88,902</u>
Business-type activity long-term liabilities	<u>\$ 17,888,889</u>	<u>\$ 122,545</u>	<u>\$ (528,349)</u>	<u>\$ 17,483,085</u>	<u>\$ 568,225</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The 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, OPEB obligations and compensated absences are generally liquidated by the General Fund.

NOTE 10. CAPITAL LEASE

\$607,667 capital lease to Banc of America Public Capital Corp. to finance Aerial Fire Apparatus acquisition. The lease is collateralized by the related equipment. The lease requires ten semi-annual payments of \$63,554, including principal and interest accruing at 1.69% beginning October 1, 2011 through April 1, 2017. Gross amount of equipment acquired was \$607,667.

\$548,704

NOTE 11. FUTURE REVENUES THAT ARE PLEDGED

The City has pledged various future revenue sources for various debt issues. For the water and sewer system and the stormwater system, the City has pledged future customer revenues, net of certain operating expenses. The following table provides a summary of the pledged revenues for the City's outstanding debt issues. Additional information regarding the City's pledged revenue can be found in note 3.

<u>Pledged Revenue</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Revenue</u>	<u>% of Revenues to Principal and Interest Paid</u>
Water and Sewer Net Revenue	\$24,067,656	\$ 889,394	\$ 3,912,331	440%
Stormwater Net Revenue	4,734,475	397,058	1,888,895	476%
Half Cent Sales Tax	15,320,623	1,316,560	3,319,822	252%
Covenant to Budget and Appropriate	35,176,534	1,106,219	26,891,715	2431%

NOTE 12. RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds at September 30, 2012 pertains to the following:

Customer deposits	\$ <u>1,414,526</u>
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CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 13. FUND BALANCE

As of September 30, 2012, fund balances are composed of the following:

	General	Fire Rescue	General Capital Projects	Tamarac Village	Nonmajor Governmental	Total Governmental Funds
Nonspendable:						
Inventories	\$ 128,239	\$ -	\$ -	\$ -	\$ 566,704	\$ 694,943
Investment- real property	-	-	-	8,450,548	-	8,450,548
Restricted:						
Public safety	10,741	4,587,029	-	-	237,911	4,835,681
Transportation	-	-	-	-	756,576	756,576
Debt service	-	-	-	-	728,004	728,004
Economic development	-	-	-	-	1,480,468	1,480,468
Capital projects	-	-	-	-	10,294,924	10,294,924
Committed:						
Community development	152,340	-	-	-	-	152,340
Capital projects	-	-	655,822	-	2,213,282	2,869,104
Assigned:						
Capital projects:						
Capital vehicles and equipment	\$ 500,000	-	-	-	-	-
Facilities maintenance	400,000	-	-	-	-	-
Land acquisition	3,000,000	-	-	-	-	-
Technology replacement	800,000	4,700,000	-	-	-	4,700,000
Mainland parks	823,030	-	-	-	-	-
Citywide Entry Signage	335,000	-	-	-	-	-
Pedestrian Overpass	1,232,000	-	-	-	-	-
Football Field Press Box	200,000	-	-	-	-	-
Other projects	10,166,469	-	12,756,499	-	-	12,756,499
Economic stablization	3,000,000	-	-	-	-	3,000,000
Economic development	500,000	-	-	63,188	-	563,188
BSO- FRS Recovery reserve	1,000,000	-	-	-	-	1,000,000
Disaster reserve	1,000,000	-	-	-	-	1,000,000
Unassigned	13,230,150	-	-	-	-	13,230,150
Total fund balances	\$ 23,721,470	\$ 4,587,029	\$ 13,412,321	\$ 8,513,736	\$ 16,277,869	\$ 66,512,425

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City has four defined benefit single-employer pension plans:

- General Employees' Pension Plan
- Police Officers' Pension Plan
- Firefighters' Pension Plan
- Elected and Appointed Officers and Non-Represented Employees' Pension Plan

The City accounts for all four plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the plans. Plan assets are valued at fair value for financial statement purposes, as reported within the annual trustee statements.

The defined benefit plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. Financial statements for the individual pension plans are presented below since separate GAAP financial reports have not been issued for the individual plans.

The City also has some employees who are in a defined contribution plan established under the provisions of Section 401(a) of the Internal Revenue Code.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

CITY OF TAMARAC, FLORIDA COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS September 30, 2012

	Pension Trust Funds				Total
	General	Police	Firefighters	Elected and	
	Employees	Officers		Appointed and	
	Retirement	Retirement	Retirement	Non-represented	
				Employees	
				Retirement	
ASSETS					
Cash and cash equivalents	\$ 1,572,357	\$ 629,679	\$ 2,909,779	\$ 112	\$ 5,111,927
Receivables:					
Interest and dividends	-	11,578	55,705	-	67,283
Contributions receivable	-	-	-	47,126	47,126
Investments, at fair value:					
Common stock	12,019,888	2,035,794	36,859,106	-	50,914,788
Government securities	4,955,641	1,124,419	9,312,877	-	15,392,937
Corporate bonds	5,758,597	730,560	8,130,927	-	14,620,084
Mutual funds	10,166,813	953,662	3,075,689	22,574,207	36,770,371
Total investments, at fair value	<u>32,900,939</u>	<u>4,844,435</u>	<u>57,378,599</u>	<u>22,574,207</u>	<u>117,698,180</u>
Total assets	<u>34,473,296</u>	<u>5,485,692</u>	<u>60,344,083</u>	<u>22,621,445</u>	<u>122,924,516</u>
LIABILITIES					
Accounts payable	7,422	7,759	26,697	10,521	52,399
Net position held in trust for pension benefits					
(A schedule of funding progress for each plan is presented on page 77-81)	<u>\$ 34,465,874</u>	<u>\$ 5,477,933</u>	<u>\$ 60,317,386</u>	<u>\$ 22,610,924</u>	<u>\$ 122,872,117</u>

CITY OF TAMARAC, FLORIDA COMBINING STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Pension Trust Funds				Total
	General	Police	Firefighters	Elected and	
	Employees	Officers		Appointed and	
	Retirement	Retirement	Retirement	Non-represented	
				Employees	
				Retirement	
ADDITIONS					
Contributions:					
Employer	\$ 1,775,842	\$ 289,464	\$ 4,073,426	\$ 2,211,719	\$ 8,350,451
Employee	509,262	-	701,587	713,434	1,924,283
State	-	411,159	592,148	-	1,003,307
Total contributions	<u>2,285,104</u>	<u>700,623</u>	<u>5,367,161</u>	<u>2,925,153</u>	<u>11,278,041</u>
Investment income:					
Net appreciation in fair value of investments	4,344,622	626,144	6,636,226	3,103,964	14,710,956
Interest and dividend income	631,363	126,490	1,223,405	57	1,981,315
Total investment income	<u>4,975,985</u>	<u>752,634</u>	<u>7,859,631</u>	<u>3,104,021</u>	<u>16,692,271</u>
Less investment expenses	(119,961)	(46,512)	(252,484)	(38,346)	(457,303)
Net investment income	<u>4,856,024</u>	<u>706,122</u>	<u>7,607,147</u>	<u>3,065,675</u>	<u>16,234,968</u>
Total additions	<u>7,141,128</u>	<u>1,406,745</u>	<u>12,974,308</u>	<u>5,990,828</u>	<u>27,513,009</u>
DEDUCTIONS					
Benefits paid and refunds	1,543,670	1,226,835	2,444,384	694,208	5,909,097
Administrative expenses	74,201	60,302	66,449	25,348	226,300
Total deductions	<u>1,617,871</u>	<u>1,287,137</u>	<u>2,510,833</u>	<u>719,556</u>	<u>6,135,397</u>
Change in net position	5,523,257	119,608	10,463,475	5,271,272	21,377,612
Net position, October 1	28,942,617	5,358,325	49,853,911	17,339,652	101,494,505
Net position, September 30	<u>\$ 34,465,874</u>	<u>\$ 5,477,933</u>	<u>\$ 60,317,386</u>	<u>\$ 22,610,924</u>	<u>\$ 122,872,117</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

A. General Employees' Pension Plan

Current membership is comprised of the following:

Retirees and beneficiaries of deceased retirees currently receiving benefits	132
Employees no longer with the City entitled to benefits but not yet receiving them	42
Active employees	165

Plan Description

All City full-time permanent employees, except for certain administrative employees, management employees, and Firefighters are required to participate in the General Employees' Pension Plan (General Plan). The Plan was established by the City in accordance with City ordinance and Florida Statutes. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. The General Plan provides that a cost-of-living adjustment of up to 2% may be payable for any year in which the Plan has an actuarial gain. The General Employees may participate in a Deferred Retirement Option Plan (DROP) for up to 36 months upon reaching normal retirement age. There are currently no participants in the DROP. A Board of Trustees administers the General Plan. All costs of administering the plan are paid from plan assets.

Funded Status and Funding Policy

The funded status as of October 1, 2011, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/11	\$ 27,593	\$ 34,959	\$ 7,366	79%	\$ 6,411	115%

Employees contribute 7% of their compensation. The City contributes the remaining amounts at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. The current rate is 24.34% of annual covered payroll.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Annual Pension Cost and Net Pension Asset

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7% rate of return, (b) 5% projected salary increase, (c) inflation at 3.5%, (d) 2% cost of living adjustment lump sum in any year in which the plan has an actuarial gain. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability (UAAL) is being amortized over a period of up to thirty years. The City's annual pension cost for the fiscal year ended September 30, 2012 was \$1,561,155.

Development of Net Pension Asset (NPA)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protections of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980.

The annual pension cost and net pension asset for the General Plan for fiscal year ended September 30, 2012 is as follows:

Fiscal year ending	Annual pension cost	Percentage of APC contributed	Net pension (asset)/ obligation
9/30/10	1,510,011	121%	(154,014)
9/30/11	1,540,613	112%	(345,416)
9/30/12	1,561,155	114%	(560,103)

	General <u>Employees</u>
Annual required contribution	\$ 1,560,203
Interest on net pension obligation/(assets)	(12,540)
Adjustment to annual required contribution	<u>13,492</u>
Annual pension cost	1,561,155
Contributions made	<u>1,775,842</u>
(Increase) decrease in net pension obligation/(asset)	(214,687)
Net pension obligation/(asset) at beginning of year	<u>(345,416)</u>
Net pension obligation/(asset) at end of year	<u><u>\$ (560,103)</u></u>

Concentration of Investments

This plan does not have a concentration of investments that are not direct governmental obligations or agency securities that exceed 5% or more of plan net assets.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

B. Police Officers' Pension Plan

The Police Officers' Pension Plan is a closed plan. Current membership is comprised of the following:

Retirees and beneficiaries of deceased retirees currently receiving benefits	38
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Plan Description

Certain members of the Broward Sheriff's Office who were formerly City of Tamarac Police Officers, who chose to stay in the City's Pension Plan are the only participants of the Tamarac Police Officers' Pension Plan (Police Plan). This is a closed plan with no active employees. All participants are retirees, beneficiaries of deceased retirees. The Police Plan was established by the City in accordance with City ordinance and Florida Statutes. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. The Police Plan provides that a cost-of-living adjustment of up to 2% may be payable for any year in which the Plan has an actuarial gain. A Board of Trustees administers the Police Plan. All costs of administering the plan are paid from plan assets.

Funded Status and Funding Policy

The funded status as of October 1, 2011, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/11	\$ 5,917	\$ 10,775	\$ 4,857	55%	\$ N/A	N/A

Employees (previously active) effectively contributed 5% of their compensation by taking a 5% reduction in pay upon transferring to the Broward Sheriff's Office. The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Police Officers' Pension Plan for fiscal year 2012 was \$411,159. The City recognized \$233,874 of these funds as part of the required contribution for fiscal year 2012. The remaining amount of \$177,285 was held for distribution to retirees and beneficiaries according to plan provisions. The City contributes the remaining amounts at actuarially determined rates that are designated to accumulate sufficient assets to pay benefits when due. The current year's required contribution was \$289,464.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Annual Pension Cost and Net Pension Asset

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% rate of return (changed from previous rate of 7.25%), (b) No projected salary increase, (c) inflation at 3.25%, (d) 2% cost of living adjustment lump sum in any year in which the plan has an actuarial gain. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability (UAAL) is being amortized over an equivalent single amortization period of twenty years. The City's annual pension cost for the fiscal year ended September 30, 2012 was \$335,507.

Fiscal year ending	Annual pension cost	Percentage of APC contributed	Net pension (asset)/ obligation
9/30/10	314,853	112%	(29,118)
9/30/11	374,578	107%	(54,766)
9/30/12	335,507	156%	(242,597)

Development of Net Pension Asset (NPA)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protections of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980.

The annual pension cost and net pension asset for the Police Plan for fiscal year ended September 30, 2012 is as follows:

	<u>Police Officers</u>
Annual required contribution	\$ 523,338
Interest on net pension obligation/(assets)	14,138
Adjustment to annual required contribution	(201,969)
Annual pension cost	335,507
Contributions made	523,338
(Increase) decrease in net pension obligation/(asset)	(187,831)
Net pension obligation/(asset) at beginning of year	(54,766)
Net pension obligation/(asset) at end of year	\$ (242,597)

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Concentration of Investments

This plan does not have a concentration of investments that are not direct governmental obligations or agency securities that exceed 5% or more of plan net assets.

C. Firefighters' Pension Plan

Current membership is comprised of the following:

Retirees and beneficiaries of deceased retirees currently receiving benefits	23
Employees no longer with the City entitled to benefits but not yet receiving them	3
Employees participating in Deferred Retirement Option Plan (DROP)	5
Active employees	85

Plan Description

All City full-time permanent firefighters, and certain Fire Department management employees are required to participate in the Firefighters' Pension Plan (Fire Plan). The Fire Plan was established by the City in accordance with City Ordinance and Florida Statutes. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. The Fire Plan provides that a cost-of-living adjustment of up to 2% may be payable for any year in which the Plan has an actuarial gain. 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 cost-of-living adjustment was increased to 2.25% for participants who retire on or after March 1, 2007. And a supplemental benefit (additional benefit) was implemented for eligible active participants based on accrued, unused sick leave at 3% of average final compensation. 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. In 2007, the DROP participation period was increased from 36 months to 60 months with a minimum of 30 years of service. A Board of Trustees administers the Firefighters' Plan. All costs of administering the plan are paid from plan assets.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Funded Status and Funding Policy

The funded status as of October 1, 2011, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/11	\$ 45,935	\$ 72,535	\$ 26,600	63%	\$ 7,391	360%

Employees contribute 9% of their compensation. The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Firefighters' Pension Plan for fiscal year 2012 was \$592,148. The City recognized these funds as part of the required contribution for fiscal year 2012. The City contributes the remaining amounts at actuarially determined rates that are designated to accumulate sufficient assets to pay benefits when due. The current rate is 56.86% of annual covered payroll.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual Pension Cost and Net Pension Asset

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7% rate of return, (b) 5% projected salary increase, (c) inflation at 3%, (d) 2.25% cost of living adjustment. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount over a period of thirty years. The City's annual pension cost for the fiscal year ended September 30, 2012 was \$4,207,881.

Fiscal year ending	Annual pension cost	Percentage of APC contributed	Net pension (asset)/ obligation
9/30/10	3,586,458	126%	(1,211,703)
9/30/11	3,868,429	111%	(1,647,068)
9/30/12	4,207,881	111%	(2,104,761)

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Development of Net Pension Asset (NPA)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protections of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980.

The annual pension cost and net pension asset for the Firefighters' Plan for fiscal year ended September 30, 2011 is as follows:

	<u>Firefighters</u>
Annual required contribution	\$ 4,202,764
Interest on net pension obligation/(assets)	(67,402)
Adjustment to annual required contribution	72,519
Annual pension cost	4,207,881
Contributions made	4,665,574
(Increase) decrease in net pension obligation/(asset)	(457,693)
Net pension obligation/(asset) at beginning of year	(1,647,068)
Net pension obligation/(asset) at end of year	\$ (2,104,761)

Concentration of Investments

This plan does not have a concentration of investments that are not direct governmental obligations or agency securities that exceed 5% or more of plan net assets.

D. Elected and Appointed Officers and Non-Represented Employees' Pension Plan

Current membership is comprised of the following:

Retirees and beneficiaries of deceased retirees currently receiving benefits	18
Employees no longer with the City entitled to benefits but not yet receiving them	15
Active employees	73

Plan Description

All City full-time permanent employees who are not part of a bargaining unit, except for certain administrative and management employees who were participating in the defined contribution plan prior to 10/1/06 who elected to remain in the defined contribution plan are required to participate in the Elected and Appointed Officers and Non-Represented Employees' Pension Plan (Management Plan). The Plan was established by the City in accordance with City ordinance and Florida Statutes. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The Management Plan provides that a 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 Board of Trustees administers the Management Plan. All costs of administering the plan are paid from plan assets.

Funded Status and Funding Policy

The funded status as of October 1, 2011, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/11	\$ 15,665	\$ 29,624	\$ 13,958	53%	\$ 4,993	280%

Employees contribute 10% of their compensation. The City contributes the remaining amounts at actuarially determined rates that are designated to accumulate sufficient assets to pay benefits when due. The current rate is 36.17% of annual covered payroll.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual Pension Cost and Net Pension Asset

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7% rate of return, (b) 5% projected salary increase, (c) inflation at 3.5%, (d) 2% cost of living adjustment. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a period of thirty years, payroll is assumed to increase at the rate of 4% per year. The City's annual pension cost for the fiscal year ended September 30, 2012 was \$1,788,273.

Fiscal year ending	Annual pension cost	Percentage of APC contributed	Net pension (asset)/ obligation
9/30/10	1,528,317	154%	(1,090,657)
9/30/11	1,751,520	112%	(1,298,117)
9/30/12	1,788,273	124%	(1,721,563)

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Development of Net Pension Asset (NPA)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protections of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980.

The annual pension cost and net pension asset for the Non-Represented Employees' Plan for fiscal year ended September 30, 2012 is as follows:

	Elected and Appointed and Non-Rep. <u>Employees</u>
Annual required contribution	\$ 1,805,899
Interest on net pension obligation/(assets)	(46,112)
Adjustment to annual required contribution	<u>28,486</u>
Annual pension cost	1,788,273
Contributions made	<u>2,211,719</u>
(Increase) decrease in net pension obligation/(asset)	(423,446)
Net pension obligation/(asset) at beginning of year	<u>(1,298,117)</u>
Net pension obligation/(asset) at end of year	<u>\$ (1,721,563)</u>

Concentration of Investments

This plan does not have a concentration of investments that are not direct governmental obligations or agency securities that exceed 5% or more of plan net assets.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The actuarial assumptions presented below were determined as part of the actuarial valuations at the dates indicated.

	Elected and Appointed and Non-represented Employees' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Contribution rates (% of Payroll):				
City*	36.17%	24.34%	N/A***	56.86%
State of Florida*	0.00%	0.00%	N/A***	7.60%
Plan members*	10.00%	7.00%	N/A***	9.00%
Annual pension cost*	\$1,788,273	\$1,561,155	\$335,507	\$4,207,881
Contributions made	\$2,211,719	\$1,775,842	\$523,338	\$4,665,574
Actuarial valuation date	10/1/2011	10/1/2011	10/1/2011	10/1/2011
Actuarial cost method*	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method*	Level percentage, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Asset Valuation Method	5-year smoothed market	3-year smoothed market	4-year smoothed market	3-year smoothed market
Remaining amortization period*	30 years	30 years	20 years	30 years
Actuarial assumptions:				
Investment rate of return*	7.00%	7.00%	7.00%	7.00%
Projected salary increases*	5.00%	5.00%	N/A	5.00%
Includes inflation at *	3.50%	3.50%	3.25%	3.00%
Cost-of-living adjustments applied**	2.00%	None	None	2.25%

*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 General Employees' and Police Officer' Plans did not have actuarial gains in the current year. The non-represented employees' plan provides a 2% annual cost-of-living adjustment beginning January 1 five years after retirement. The firefighters' plan provides a 2% annual cost-of-living adjustment for participants retiring on or after October 1, 2008 and a 2.25% cost-of-living adjustment for participants retiring on or after March 1, 2007, beginning January 1 three years after retirement.

***There is no payroll for the police officers' plan because it is a closed plan. All participants have retired or terminated with vested benefits.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

C. OTHER POST EMPLOYMENT BENEFITS

The City of Tamarac provides Post Employment Benefits Other than Pensions (OPEB) to employees as mandated by Florida Statutes 112.0801. The City of Tamarac, Florida has no formal plan that administers the City's post-employment healthcare, dental and life insurance coverage to eligible individuals, which include all regular employees of the City who retire from active service and are eligible for retirement or disability benefits under the general employee, or management pension plan. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. The retiree healthcare and life insurance plan does not issue a financial report since there are no significant assets and liabilities to report as of the end of the fiscal year 2012.

Funding Policy. The cost of retiree healthcare and life insurance benefits for certain retirees who were covered by the early retirement program window are eligible to receive subsidized postemployment health care up to age 65. The subsidy varies by individual depending on the retiree's election to use his/her early retirement window "point" to receive a partial or full subsidy toward the regular monthly premium. The City contributed approximately \$65,573 during the fiscal year 2012 as the City's portion of their health costs on a "pay as you go" funding basis.

Retirees not covered by the early retirement program pay the full insurance premium for medical and life insurance coverage as determined by the insurance carrier. Premium varies depending on whether retirees elect coverage under a health maintenance organization (HMO) plan, under a point-of-service (POS) plan, or a preferred provider organization (PPO) plan and whether the retiree elects single or family coverage. The monthly health insurance premium rates for retirees for the fiscal year 2012 range from \$472 to \$531 for single coverage, from \$1,177 to \$1,322 for retiree and spousal coverage, and \$1,313 for family coverage. The monthly dental insurance premium rates for the fiscal year 2012 were \$13 for retiree up to \$88 for retiree with two or more family members.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other post employment benefit (OPEB) cost is calculated based on annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year ended September 30, 2012, the amount actually contributed and the changes in the City's net OPEB obligation:

Annual required contributions	\$	270,000
Interest on the Net OPEB Obligation		16,000
Adjustment to the ARC		<u>(27,000)</u>
Annual OPEB Cost		259,000
Contribution made		<u>65,573</u>
Increase in Net OPEB obligation		193,427
Net OPEB obligation at beginning of the year		<u>471,222</u>
Net OPEB obligation at end of the year	\$	<u>664,649</u>

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

The City's annual OPEB cost, the percentage of annual OPEB cost contribution and the net OPEB obligation for fiscal year ended September 30, 2012 are as follows:

Annual OPEB Cost	\$ 259,000
Percentage of Annual OPEB Cost Contributed	25%
Net OPEB Obligation	\$ 664,649

Funded Status and Funding Progress. As of October 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,092,000, all of which was unfunded. The covered payroll (annual payroll of active employees) was \$20,127,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.4 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents the current year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Method and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

On the October 1, 2011 actuarial valuation, the projected unit credit cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement. The actuarial assumption included a 4 percent investment rate of return and annual healthcare costs trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after 9 years, investment rate of return included a 2.75 percent inflation rate assumption. The investment rate was based on the expected long-term return on the assets which will be used to provide the OPEB benefits being valued. If there are no invested assets, which is the case where the City has no benefit trust designated to pay the promised benefits, the actuary used the expected long-term on the City surplus fund in the calculation. The City's OPEB unfunded actuarial accrued liability is being amortized as a level dollar payment on a 20-year open period.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

NOTE 15. OTHER INFORMATION

A. 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, and 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.

The Florida Legislature pursuant to Florida Statute §768.28, must approve liability awards in excess of \$200,000 per person, \$300,000 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.

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 City adjusts 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
Workers' compensation	25,000
Crime	10,000
Property damage	50,000
Property damage (named storm) - 5% of the total insured value per damaged location subject to the minimum property damage deductible of \$50,000 whichever is greater in any one occurrence.	

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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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 \$1,154,000 reported at September 30, 2012 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.

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

<u>September 30</u>		<u>Liability</u>		<u>Estimates</u>		<u>(Credits)</u>		<u>Liability</u>
2011	\$	1,160,000	\$	1,438,057	\$	(1,238,057)	\$	1,360,000
2012		1,360,000		1,137,935		(1,343,935)		1,154,000

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.

At the end of Fiscal Year 2012, the City has certain amounts set aside for the payments of claims, these claims are being evaluated but have not yet been settled and the amount attributable to the short-term liability is not determinable.

B COMMITMENTS AND CONTINGENCIES

1. Pending litigation

The City is defendant in various 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.

2. 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 through the Broward County Sheriff's Office payroll. The City of Tamarac pays Broward County for the police services based on an ongoing contract with annual renewals.. The City recorded expenses of \$11,346,259 under this contract for the fiscal year ended September 30, 2012.

3. 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, 2012, the City recorded expenses of \$5,663,076 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.

CITY OF TAMARAC, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2012

4. Interlocal Agreement with City of North Lauderdale

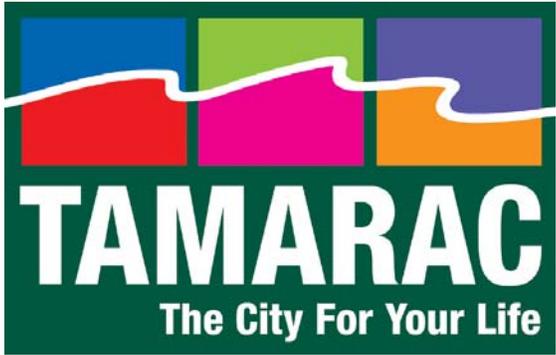
In February 2011 the City entered into an agreement with the City of North Lauderdale to provide fleet maintenance and repairs to the City of North Lauderdale's Fire Department. In September 2011, this agreement was extended to include the City of North Lauderdale's Public Works Department. Under this agreement the City of Tamarac provides in-house and contracted service for preventative maintenance and repair services to North Lauderdale's vehicles and equipment, to include the provision of recommendations on replacement cycles of vehicles and equipment serviced under the agreement. The City of North Lauderdale is charged an annual fee for preventative maintenance and additional charges for all unscheduled repairs to include the cost for labor and parts. The agreement is effective for one (1) year beginning October 1, 2011 with two (2) one year renewals but may be terminated by each party with the provision of sixty (60) days' notice of the intention to terminate. The City recorded revenue of \$198,809 under this contract for the fiscal year ended September 30, 2012.

5. Termination Benefits

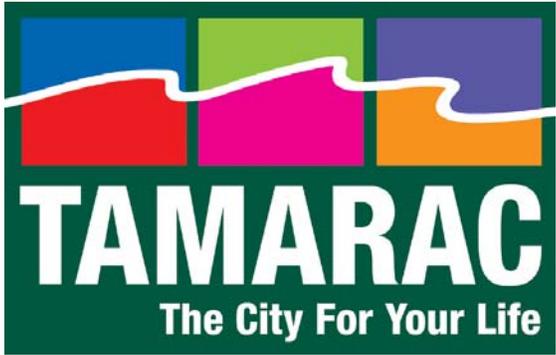
In June 2010 the City offered to Employees a Voluntary Separation Incentive Plan (VSIP). The purpose of the plan was to reduce and contain costs through savings in personnel expenses. Eligible employees were offered incentives for participating in the plan, the incentives consisted of twenty (20) weeks of base pay or the continuation of insurance coverage for up to (3) years or a combination of pay and insurance coverage. A total of fourteen (14) employees were approved for VSIP resulting in a total payout of \$227,520 in base salary and \$79,659 in insurance premium benefits, in fiscal years 2010, 2011 and 2012, and an additional \$10,799 in insurance premium is expected to be paid in fiscal year 2013, the total \$10,799 has been accrued in fiscal year 2012.

6. Golf Course Lease

On December 21, 2011 the City entered into a lease arrangement with Sandtrap Management Inc. for the maintenance and operation of the Colony West Golf Course. The agreement is for an initial term of three (3) years beginning December 21, 2011 with one five (5) year renewal. The initial annual lease is \$100,000 per year increasing incrementally by \$25,000 on March 1, 2013 and 2014 respectively. Additionally, the City will receive a percentage of Gross Revenue exceeding \$3,000,000 as of March 15, 2013. All revenue from this lease arrangement is committed to Capital Improvements of the Golf Course. The Golf Course was acquired by the City in December 2011 at a cost of \$3.3 million and recorded depreciation in the amount of \$84,878 as of September 30, 2013. The carrying amount of the Golf Course property was \$3.22 million as of September 30, 2012. The City recorded \$75,000 in revenue from this arrangement in fiscal year 2012.



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



CITY OF TAMARAC, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 28,666,687	\$ 28,666,687	\$ 29,073,203	\$ 406,516
Charges for services	1,019,150	1,028,614	1,568,465	539,851
Payment in lieu of taxes	1,307,327	1,307,327	1,307,327	-
Intergovernmental	5,053,853	5,096,029	5,839,569	743,540
Licenses and permits	711,095	711,095	707,898	(3,197)
Fines and forfeitures	439,000	439,000	734,987	295,987
Donations from private resources	10,000	12,135	-	(12,135)
Investment income	185,000	185,000	107,626	(77,374)
Miscellaneous	3,355,310	3,414,810	3,583,817	169,007
Total revenues	<u>40,747,422</u>	<u>40,860,697</u>	<u>42,922,892</u>	<u>2,062,195</u>
Expenditures:				
Commission	712,432	692,432	658,841	33,591
City manager	1,474,045	1,474,045	1,350,068	123,977
City attorney	415,670	542,813	533,527	9,286
City clerk	574,424	654,424	622,665	31,759
Human resources	1,005,266	1,005,266	911,519	93,747
Finance	2,638,901	2,638,901	2,410,128	228,773
Information technology	1,597,132	1,597,132	1,566,284	30,848
Public works	6,958,889	7,019,449	6,350,714	668,735
Parks and recreation	4,055,128	4,069,171	3,954,317	114,854
Police	11,711,836	11,870,992	11,797,967	73,025
Community development	1,411,399	1,435,734	1,346,467	89,267
Non-departmental	<u>2,702,282</u>	<u>6,178,144</u>	<u>5,536,156</u>	<u>641,988</u>
Total expenditures	<u>35,257,404</u>	<u>39,178,503</u>	<u>37,038,653</u>	<u>2,139,850</u>
Excess of revenues over expenditures	<u>5,490,018</u>	<u>1,682,194</u>	<u>5,884,239</u>	<u>4,202,045</u>
Other financing sources (uses):				
Transfers in	2,206,900	2,206,900	2,206,900	-
Transfers out	(10,841,350)	(10,841,350)	(10,642,702)	198,648
Reserves	<u>3,144,432</u>	<u>6,952,256</u>	<u>-</u>	<u>(6,952,256)</u>
Total other financing (uses)	<u>(5,490,018)</u>	<u>(1,682,194)</u>	<u>(8,435,802)</u>	<u>(6,753,608)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,551,563)</u>	<u>\$ (2,551,563)</u>
Budgetary fund balances, October 1			<u>26,273,033</u>	
Budgetary fund balances, September 30			<u>\$ 23,721,470</u>	

See notes to required supplementary information.

CITY OF TAMARAC, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE RESCUE SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,240,000	\$ 2,240,000	\$ 2,451,045	\$ 211,045
Intergovernmental	38,280	109,174	105,880	(3,294)
Fire rescue assessment	10,471,708	10,471,708	11,787,249	1,315,541
Investment income	16,000	16,000	24,312	8,312
Miscellaneous	-	-	2,304	2,304
Total revenues	<u>12,765,988</u>	<u>12,836,882</u>	<u>14,370,790</u>	<u>1,533,908</u>
Expenditures:				
Current:				
Public safety	16,149,630	16,173,745	15,485,981	687,764
Debt service:				
Principal retirement	220,000	201,784	58,963	142,821
Interest and fiscal charges	-	-	4,591	(4,591)
Capital outlay	<u>80,000</u>	<u>752,662</u>	<u>666,651</u>	<u>86,011</u>
Total expenditures	<u>16,449,630</u>	<u>17,128,191</u>	<u>16,216,186</u>	<u>912,005</u>
(Deficiency) of revenues (under) expenditures	<u>(3,683,642)</u>	<u>(4,291,309)</u>	<u>(1,845,396)</u>	<u>2,445,913</u>
Other financing sources (uses):				
Issuance of debt	-	607,667	607,667	-
Transfers in	5,970,102	5,970,102	5,970,102	-
Transfers out	<u>(2,286,460)</u>	<u>(2,286,460)</u>	<u>(2,286,460)</u>	<u>-</u>
Total other financing sources	<u>3,683,642</u>	<u>4,291,309</u>	<u>4,291,309</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,445,913	<u>\$ 2,445,913</u>
Budgetary fund balances, October 1			<u>2,141,116</u>	
Budgetary fund balances, September 30			<u>\$ 4,587,029</u>	

See notes to required supplementary information.

CITY OF TAMARAC, FLORIDA

NOTE TO BUDGETARY COMPARISON SCHEDULE FISCAL YEAR ENDED SEPTEMBER 30, 2012

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 four (4) special revenue funds: Law Enforcement Forfeiture, 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 them.
2. Public hearings are held to obtain taxpayer comments.
3. On or before September 30, the budget is legally enacted by the City Commission through passage of an Ordinance pursuant to Florida Statute.
4. The level of control at which expenditures may not exceed the budget is at the departmental level. The City Commission approves these levels annually by Ordinance. The City Manager is authorized to transfer budgeted amounts within individual departments; any revisions that alter the total expenditures of any department 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. Pursuant to Financial Policy, every appropriation, except an appropriation for Capital Improvement Expenditure and multi-year grants, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a Capital Improvement Expenditure or multi-year grant shall continue in force, i.e. not required to be re-budgeted, until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from an encumbrance of the appropriation unless extended by action of the City Commission.
6. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for reporting of Encumbrance, Capital Leases, and sale of Capital Assets. Annual appropriated budgets are adopted for General, certain Special Revenue, and Debt Service Funds. Project length financial plans and budgets are adopted for the Capital Project Funds.

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
(Unaudited)

Elected and Appointed Officers and Non-Represented Employees' Pension Fund

Schedule of Funding Progress

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	(5) Funded Ratio (2)/(3)	(6) Covered Payroll	(7) UAAL As % of Covered Payroll (4)/(6)
10/1/04	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
10/1/05	3,695,925	12,112,950	8,427,025	30.5%	3,796,333	222.0%
10/1/06	6,051,404	14,140,443	8,089,039	42.8	4,157,248	194.6%
10/1/07	8,287,371	17,271,459	8,984,088	48.0	4,701,787	191.1%
10/1/08	9,628,373	19,348,956	9,720,583	49.8	4,517,584	215.2%
10/1/09	11,195,853	22,028,355	10,832,502	50.8	4,833,856	224.1%
10/1/10	13,583,013	27,179,851	13,569,838	50.0	5,261,520	258.4%
10/1/11	15,665,465	29,623,846	13,958,381	52.9	4,992,711	279.6%

Schedule of Contributions from Employer

Year ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed
2005	\$ N/A	\$ N/A	N/A
2006	1,173,947	1,173,947	100%
2007	924,832	924,832	100%
2008	1,423,538	1,423,538	100%
2009	1,363,166	1,693,211	124%
2010	1,528,317 ⁽¹⁾	2,356,704	154%
2011	1,763,595 ⁽¹⁾	1,958,980	111%
2012	1,805,889 ⁽¹⁾	2,211,719	122%

(1) Annual Required Contribution as stated in Actuarial Valuation. Actual Annual Required Contribution based on % of actual payroll was \$1,979,591 for FY2010 with Percentage Contributed at 119%, \$1,958,977 for FY2011 with Percentage Contributed at 100% and \$2,211,719 for FY2012 with Percentage Contributed at 100%.

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
(Unaudited)

General Employees' Pension Fund

Schedule of Funding Progress

(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)
10/1/04	\$ 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%
10/1/06	20,634,647	26,352,967	5,718,320	78.3	6,278,039	91.1%
10/1/07	23,422,600	28,221,518	4,798,918	83.0	6,189,215	77.5%
10/1/08	24,439,985	30,788,532	6,348,547	79.4	6,222,769	102.0%
10/1/09	25,078,465	31,414,192	6,335,727	79.8	6,544,201	96.8%
10/1/10	26,016,099	33,372,754	7,356,655	78.0	6,275,679	117.2%
10/1/11	27,593,467	34,959,304	7,365,837	78.9	6,411,284	114.9%

Schedule of Contributions from Employer

Year ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed
2005	\$ 1,089,674	\$ 1,077,311	99%
2006	788,126	759,534	96%
2007	1,473,927	1,454,833	99%
2008	1,272,374	1,210,466	95%
2009	1,508,999	1,556,604	103%
2010	1,511,787 ⁽¹⁾	1,832,030	121%
2011	1,540,679 ⁽¹⁾	1,732,015	112%
2012	1,560,203 ⁽¹⁾	1,775,842	114%

(1) Annual Required Contribution as stated in Actuarial Valuation. Actual Annual Required Contribution based on % of actual payroll was \$1,831,544 for FY2010 with Percentage Contributed at 100%, \$1,732,014 for FY2011 with Percentage Contributed at 100%, and \$1,770,776 with Percentage Contributed at just over 100%.

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
(Unaudited)

Police Officers' Pension Fund

Schedule of Funding Progress

(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)
10/1/04	\$ 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%
10/1/06	8,466,037	11,172,170	2,706,133	75.8	92,805	2,915.9%
10/1/07	8,755,871	11,182,761	2,426,890	78.3	0	N/A
10/1/08	8,414,770	10,919,691	2,504,921	77.1	0	N/A
10/1/09	7,381,283	11,029,438	3,648,155	66.9	0	N/A
10/1/10	6,987,165	10,934,493	3,947,328	63.9	0	N/A
10/1/11	5,917,212	10,774,685	4,857,473	54.9	0	N/A

Schedule of Contributions from Employer and Other Contributing Parties

Year ended September 30,	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2005	\$ 270,107	\$ 36,233	\$ 375,378	152%
2006	268,566	34,962	381,440	155%
2007	280,740	46,866	442,849	174%
2008	238,889	5,015	505,905	214%
2009	247,146	10,215	233,874	214%
2010	364,182	130,308	233,874	100%
2011	400,226	166,352	233,874	100%
2012	523,338	289,464	233,874	100%

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

(Unaudited)

Firefighters' Pension Fund

Schedule of Funding Progress

(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)
10/1/04	\$ 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%
10/1/06	30,210,509	43,488,781	13,278,272	69.5	5,356,655	247.9%
10/1/07	34,978,331	50,390,174	15,411,843	69.4	6,815,386	226.1%
10/1/08	37,279,328	55,016,609	17,737,281	67.8	6,721,811	263.9%
10/1/09	39,571,421	61,732,038	22,160,662	64.1	6,839,210	324.0%
10/1/10	41,934,384	66,529,729	24,595,345	63.0	6,971,283	352.8%
10/1/11	45,934,902	72,534,525	26,599,623	63.3	7,390,906	359.9%

Schedule of Contributions from Employer and Other Contributing Parties

Year ended September 30,	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2005	\$ 2,177,432	\$ 1,875,217	\$ 405,609	105%
2006	2,114,870	1,776,532	436,987	104%
2007	2,335,191	1,840,192	607,139	105%
2008	3,073,819	2,369,256	688,142	99%
2009	3,291,348	2,638,716	599,378	98%
2010	3,585,160	3,927,689	577,192	126%
2011	3,865,619	3,709,823	593,971	111%
2012	4,202,764	4,073,426	592,148	111%

(1) Annual Required Contribution as stated in Actuarial Valuation. Actual Annual Required Contribution based on % of actual payroll was \$3,907,085 for FY2010 with Percentage Contributed at 115%, \$4,302,532 for FY2011 with Percentage Contributed at 100% and \$4,432,477 for FY2012 with 105% Contributed.

City of Tamarac, Florida
EMPLOYEES' PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
(Unaudited)

City of Tamarac Other Post Employment Benefits (OPEB)

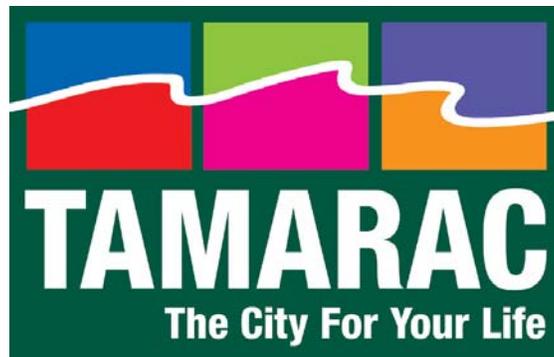
Schedule of Funding Progress

(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)
10/1/07	\$ -	\$1,250,000	\$1,250,000	0%	\$19,762,000	6.3%
10/1/08	\$ -	1,041,000	1,041,000	0	18,633,000	5.6%
10/1/10	\$ -	1,041,000	1,041,000	0	18,633,000	5.6%
10/1/11	\$ -	2,092,000	2,092,000	0	20,127,000	10.4%

Schedule of Contributions from Employer

Year ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed
2008	\$ 107,000	\$ 58,267	54%
2009	140,000	52,374	37%
2010	140,000	37,687	27%
2011	267,000	69,591	26%
2012	270,000	65,573	24%

COMBINING FINANCIAL STATEMENTS



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

Impact Fee Funds: Consist of :-**Drainage Improvement Fund** – used to account for the collection of drainage impact fees to be used for upgrading drainage and drainage retention. **Parks and Recreation Improvement Fund** –used 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** – used 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 for all contributions received from art fees, grants, donations that are restricted for public art projects within the City.

Local Option Gas Tax Fund – to account for the collection of gas taxes used to fund the construction of new roads and sidewalks, intersection improvements and improvements of the City’s existing transportation network.

Building Department Fund – to account for the collection of permit fees, inspection fees, and other fees and charges, and for the operational expenditures related to the Building Department.

Grants Fund – to 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.

Housing Grants: Consist of :-Community Development Block Grant Program Fund – used 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. **State Housing Initiative Partnership** –used to account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City. **Neighborhood Stabilization Program** –used to account for funds received from the U.S. Department of Housing and Urban Development to address foreclosures and abandoned properties within the City.

American Recovery and Reinvestment Act Fund (ARRA) – to account for funds received from the U.S. Department of Energy under the American Recover and Reinvestment Act and to account for funds received from the U.S. Department of Agriculture under the American Recovery and Reinvestment Act.

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

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

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

Debt Service Fund

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 and the City’s revenue bonds (Street Improvement Program) which are payable from sales tax revenue and non-ad valorem revenues appropriated by the City.

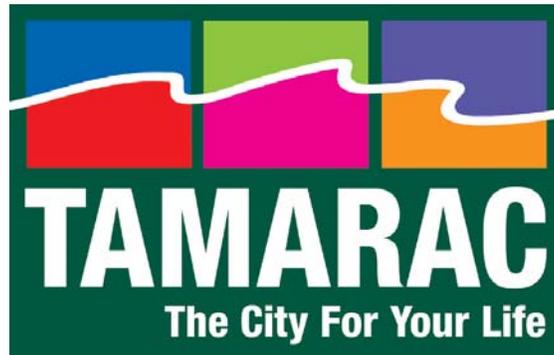
Capital Projects Funds

Public Service Facilities Construction Fund – to account for the proceeds from the Series 2002 Sales Tax Revenue Bonds and impact fees 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.

2005 Capital Improvement Projects Fund – to account for the proceeds from the Series 2005 Capital Improvement Revenue Bonds used for various construction projects including the Sports Complex Expansion and the Recreation center Demolition/Construction.

Capital Equipment Fund – to budget for and fund purchases of governmental fund vehicles and equipment.

Golf Course Fund – to account for the proceeds from the lease of the Colony West Golf Course and fund Capital Improvements to the site.



CITY OF TAMARAC, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

Special Revenue

	Law Enforcement Trust-State	Law Enforcement Trust-Federal	Impact Fee Funds	Public Arts	Local Option Gas Tax	Building Department	Grants	Housing Grant Programs	ARRA	Donations and Sponsorship	Streetscape Improvements
ASSETS											
Cash and equity in pooled cash	\$ 155,193	\$ 30,493	\$ -	\$ 1,372,077	\$ 609,955	\$ 736,759	\$ 95,121	\$ 34,935	\$ 20,561	\$ 38,205	\$ 506,175
Investments	39,797	8,378	-	360,269	146,621	188,513	23,040	6,284	6,284	10,473	134,054
Accounts receivable - net	-	-	-	-	-	-	511	-	-	-	-
Due from other governments	-	4,050	-	-	-	-	2,421	388,868	-	-	-
Inventories	-	-	-	-	-	-	-	566,704	-	-	-
Total assets	<u>\$ 194,990</u>	<u>\$ 42,921</u>	<u>\$ -</u>	<u>\$ 1,732,346</u>	<u>\$ 756,576</u>	<u>\$ 925,272</u>	<u>\$ 121,093</u>	<u>\$ 996,791</u>	<u>\$ 26,845</u>	<u>\$ 48,678</u>	<u>\$ 640,229</u>
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,492	\$ 1,751	\$ 31,991	\$ -	\$ 79	\$ -
Accrued liabilities	-	-	-	-	-	41,759	-	2,746	-	-	-
Accrued bonds and interest payable	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	291,834	-	-	-
Due to other governments	-	-	-	-	-	1,380	61,456	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	103,516	26,845	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,631</u>	<u>63,207</u>	<u>430,087</u>	<u>26,845</u>	<u>79</u>	<u>-</u>
FUND BALANCES											
Non spendable:											
Inventories and prepayments	-	-	-	-	-	-	-	566,704	-	-	-
Restricted for:											
Economic development	-	-	-	378,045	-	875,641	57,886	-	-	48,599	-
Transportation	-	-	-	-	756,576	-	-	-	-	-	-
Capital improvements	-	-	-	1,354,301	-	-	-	-	-	-	640,229
Public safety	194,990	42,921	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Committed for:											
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>194,990</u>	<u>42,921</u>	<u>-</u>	<u>1,732,346</u>	<u>756,576</u>	<u>875,641</u>	<u>57,886</u>	<u>566,704</u>	<u>-</u>	<u>48,599</u>	<u>640,229</u>
Total liabilities and fund balances	<u>\$ 194,990</u>	<u>\$ 42,921</u>	<u>\$ -</u>	<u>\$ 1,732,346</u>	<u>\$ 756,576</u>	<u>\$ 925,272</u>	<u>\$ 121,093</u>	<u>\$ 996,791</u>	<u>\$ 26,845</u>	<u>\$ 48,678</u>	<u>\$ 640,229</u>

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012

	Special Revenue	Debt Service		Capital Projects Fund			Total Nonmajor Governmental Funds	
		Fund		Public Services Facilities Construction	2005 Capital Improvement Projects	Capital Equipment	Golf Course	Total
		State Affordable Housing Assistance	Debt Service Fund					
ASSETS								
Cash and equity in pooled cash	\$ -	\$ 1,399,629	\$ 3,201,700	\$ 3,249,900	\$ 1,770,659	\$ 407,855	\$ 13,629,217	
Investments	-	309,999	862,971	865,065	431,485	10,473	3,403,706	
Accounts receivable - net	120,297	-	-	-	-	-	120,808	
Due from other governments	-	-	524,250	-	-	-	919,589	
Inventories	-	-	-	-	-	-	566,704	
Total assets	<u>\$ 120,297</u>	<u>\$ 1,709,628</u>	<u>\$ 4,588,921</u>	<u>\$ 4,114,965</u>	<u>\$ 2,202,144</u>	<u>\$ 418,328</u>	<u>\$ 18,640,024</u>	
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 403,492	\$ -	\$ 61,450	\$ -	\$ 505,255	
Accrued liabilities	-	-	-	-	-	-	44,505	
Accrued bonds and interest payable	-	981,624	-	-	-	-	981,624	
Due to other funds	-	-	-	-	-	345,740	637,574	
Due to other governments	-	-	-	-	-	-	62,836	
Deferred revenues	-	-	-	-	-	-	130,361	
Total liabilities	<u>-</u>	<u>981,624</u>	<u>403,492</u>	<u>-</u>	<u>61,450</u>	<u>345,740</u>	<u>2,362,155</u>	
FUND BALANCES								
Non spendable:								
Inventories and prepayments	-	-	-	-	-	-	566,704	
Restricted for:								
Economic development	120,297	-	-	-	-	-	1,480,468	
Transportation	-	-	-	-	-	-	756,576	
Capital improvements	-	-	4,185,429	4,114,965	-	-	10,294,924	
Public safety	-	-	-	-	-	-	237,911	
Debt service	-	728,004	-	-	-	-	728,004	
Committed for:								
Capital projects	-	-	-	-	2,140,694	72,588	2,213,282	
Total fund balances	<u>120,297</u>	<u>728,004</u>	<u>4,185,429</u>	<u>4,114,965</u>	<u>2,140,694</u>	<u>72,588</u>	<u>16,277,869</u>	
Total liabilities and fund balances	<u>\$ 120,297</u>	<u>\$ 1,709,628</u>	<u>\$ 4,588,921</u>	<u>\$ 4,114,965</u>	<u>\$ 2,202,144</u>	<u>\$ 418,328</u>	<u>\$ 18,640,024</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue										
	Law Enforcement Trust-State	Law Enforcement Trust-Federal	Impact Fee Funds	Public Arts	Local Option Gas Tax	Building Department	Grants	Housing Grant Programs	ARRA	Donations and Sponsorship	Streetscape Improvements
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 372,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	87,035	-	-	-	-	-	-	-
Intergovernmental	13,684	12,364	-	-	-	-	9,256	1,084,511	84,764	-	-
Licenses and permits	-	-	-	-	-	2,181,193	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	418,126	-	-	-	-	-
Investment Income	728	132	3,761	6,491	2,114	2,268	140	123	-	192	2,459
Donations from private sources	-	-	-	-	-	-	-	-	-	10,792	-
Program repayment	-	-	-	-	-	-	-	10,182	-	-	-
Miscellaneous	-	-	-	-	-	6,752	-	-	-	-	-
Total revenues	<u>14,412</u>	<u>12,496</u>	<u>3,761</u>	<u>93,526</u>	<u>375,025</u>	<u>2,608,339</u>	<u>9,396</u>	<u>1,094,816</u>	<u>84,764</u>	<u>10,984</u>	<u>2,459</u>
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	16,792	-	-
Public safety	6,290	-	-	-	-	1,628,267	-	-	-	565	-
Physical Environment	-	-	-	-	-	-	11,006	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	1,134	-
Economic environment	-	-	-	-	-	-	-	498,374	-	-	-
Human services	-	-	-	-	-	-	-	-	-	8,426	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,798	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	67,972	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	125,484	-	-	-
Total expenditures	<u>6,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631,065</u>	<u>11,006</u>	<u>623,858</u>	<u>84,764</u>	<u>10,125</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>8,122</u>	<u>12,496</u>	<u>3,761</u>	<u>93,526</u>	<u>375,025</u>	<u>977,274</u>	<u>(1,610)</u>	<u>470,958</u>	<u>-</u>	<u>859</u>	<u>2,459</u>
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,555,800)	-	-	(361,440)	-	(4,020)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,555,800)</u>	<u>-</u>	<u>-</u>	<u>(361,440)</u>	<u>-</u>	<u>(4,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,122	12,496	(1,552,039)	93,526	375,025	615,834	(1,610)	466,938	-	859	2,459
Fund balances, October 1	186,868	30,425	1,552,039	1,638,820	381,551	259,807	59,496	99,766	-	47,740	637,770
Fund balances, September 30	<u>\$ 194,990</u>	<u>\$ 42,921</u>	<u>\$ -</u>	<u>\$ 1,732,346</u>	<u>\$ 756,576</u>	<u>\$ 875,641</u>	<u>\$ 57,886</u>	<u>\$ 566,704</u>	<u>\$ -</u>	<u>\$ 48,599</u>	<u>\$ 640,229</u>

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Debt Service		Capital Projects Fund				Total Nonmajor Governmental Funds
	Special Revenue	Fund	Public Services Facilities Construction	2005		Golf Course	
	State Affordable Housing Assistance	Debt Service Fund		Capital Improvement Projects	Capital Equipment		
Revenues:							
Taxes	\$ -	\$ 222,068	\$ -	\$ -	\$ -	\$ -	\$ 594,979
Charges for services	-	-	-	-	-	75,000	162,035
Intergovernmental	-	-	524,250	80,215	-	-	1,809,044
Licenses and permits	-	-	-	-	-	-	2,181,193
Fines and forfeitures	-	-	-	-	-	-	418,126
Investment Income	-	5,151	13,216	17,144	4,776	88	58,783
Donations from private sources	-	-	-	-	-	-	10,792
Program repayment	-	-	-	-	-	-	10,182
Miscellaneous	-	-	-	-	23,096	-	29,848
Total revenues	-	227,219	537,466	97,359	27,872	75,088	5,274,982
Expenditures:							
Current:							
General government	-	-	-	-	-	-	16,792
Public safety	-	-	-	-	-	-	1,635,122
Physical Environment	-	-	-	-	-	-	11,006
Culture and recreation	-	-	-	-	-	2,500	3,634
Economic environment	534,637	-	-	-	-	-	1,033,011
Human services	-	-	-	-	-	-	8,426
Debt service:							
Principal retirement	-	1,588,168	-	-	-	-	1,588,168
Interest and fiscal charges	-	1,078,353	-	-	-	-	1,078,353
Capital outlay:							
General government	-	-	-	-	104,187	-	104,187
Public safety	-	-	-	15,345	208,135	-	226,278
Transportation	-	-	604,132	-	15,856	-	619,988
Physical Environment	-	-	-	-	-	-	67,972
Culture and recreation	-	-	-	600,456	-	-	600,456
Economic environment	-	-	-	-	-	-	125,484
Total expenditures	534,637	2,666,521	604,132	615,801	328,178	2,500	7,118,877
Excess (deficiency) of revenues over expenditures	(534,637)	(2,439,302)	(66,666)	(518,442)	(300,306)	72,588	(1,843,895)
Other financing sources (uses):							
Transfers in	4,020	2,672,600	1,185,792	-	2,441,000	-	6,303,412
Transfers out	-	-	-	-	-	-	(1,921,260)
Total other financing sources (uses)	4,020	2,672,600	1,185,792	-	2,441,000	-	4,382,152
Net change in fund balance	(530,617)	233,298	1,119,126	(518,442)	2,140,694	72,588	2,538,257
Fund balances, October 1	650,914	494,706	3,066,303	4,633,407	-	-	13,739,612
Fund balances, September 30	\$ 120,297	\$ 728,004	\$ 4,185,429	\$ 4,114,965	\$ 2,140,694	\$ 72,588	\$ 16,277,869

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
IMPACT FEE FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Investment income	\$ -	\$ 7,329	\$ 3,761	\$ (3,568)
Miscellaneous	244,674	244,674	-	(244,674)
Total revenues	<u>244,674</u>	<u>252,003</u>	<u>3,761</u>	<u>(248,242)</u>
Expenditures:				
Current:				
Culture / recreation	230,921	-	-	-
Transportation	1,032,377	-	-	-
Total expenditures	<u>1,263,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,018,624)</u>	<u>252,003</u>	<u>3,761</u>	<u>(248,242)</u>
Other financing sources (uses):				
Transfers out	(40,500)	(1,555,801)	(1,555,800)	1
Reserves	1,059,124	1,303,798	-	(1,303,798)
Total other financing sources(uses)	<u>1,018,624</u>	<u>(252,003)</u>	<u>(1,555,800)</u>	<u>(1,303,797)</u>
Net change in fund balance	\$ -	\$ -	(1,552,039)	\$ (1,552,039)
Fund balances at beginning of year			1,552,039	
Fund balances at end of year			<u>\$ -</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
PUBLIC ARTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 87,035	\$ 52,035
Investment income	10,000	10,000	6,491	(3,509)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>93,526</u>	<u>48,526</u>
Expenditures:				
Current:				
Capital Outlay:				
Culture / recreation	1,593,470	2,163,470	-	2,163,470
Total expenditures	<u>1,593,470</u>	<u>2,163,470</u>	<u>-</u>	<u>2,163,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,548,470)</u>	<u>(2,118,470)</u>	<u>93,526</u>	<u>2,211,996</u>
Other financing sources:				
Reserves	1,548,470	2,118,470	-	(2,118,470)
Total other financing	<u>1,548,470</u>	<u>2,118,470</u>	<u>-</u>	<u>(2,118,470)</u>
Net change in fund balance	\$ -	\$ -	93,526	\$ 93,526
Fund balances at beginning of year			1,638,820	
Fund balances at end of year			<u>\$ 1,732,346</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
LOCAL OPTION GAS TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 442,574	\$ 442,574	\$ 372,911	\$ (69,663)
Investment income	-	-	2,114	2,114
Miscellaneous	435,600	435,600	-	(435,600)
Total revenues	<u>878,174</u>	<u>878,174</u>	<u>375,025</u>	<u>(503,149)</u>
Excess of revenues over expenditures	<u>878,174</u>	<u>878,174</u>	<u>375,025</u>	<u>(503,149)</u>
Other financing (uses):				
Reserves	(878,174)	(878,174)	-	878,174
Total other financing (uses)	<u>(878,174)</u>	<u>(878,174)</u>	<u>-</u>	<u>878,174</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	375,025	<u>\$ 375,025</u>
Fund balances at beginning of year			<u>381,551</u>	
Fund balances at end of year			<u>\$ 756,576</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
BUILDING DEPARTMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Licenses and permits	\$ 1,761,500	\$ 1,761,500	\$ 2,181,193	\$ 419,693
Fines and forfeitures	75,000	75,000	418,126	343,126
Investment Income	500	500	2,268	1,768
Miscellaneous	-	-	6,752	6,752
Total revenues	<u>1,837,000</u>	<u>1,837,000</u>	<u>2,608,339</u>	<u>771,339</u>
Expenditures:				
Current:				
Public safety	1,674,208	1,674,208	1,628,267	45,941
Capital Outlay:				
Culture / recreation	-	-	2,798	(2,798)
Total expenditures	<u>1,674,208</u>	<u>1,674,208</u>	<u>1,631,065</u>	<u>43,143</u>
Excess of revenues over expenditures	<u>162,792</u>	<u>162,792</u>	<u>977,274</u>	<u>814,482</u>
Other financing uses:				
Transfers in	198,648	198,648	-	(198,648)
Transfers out	(361,440)	(361,440)	(361,440)	-
Total other financing uses	<u>(162,792)</u>	<u>(162,792)</u>	<u>(361,440)</u>	<u>(198,648)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	615,834	<u>\$ 615,834</u>
Fund balances at beginning of year			<u>259,807</u>	
Fund balances at end of year			<u>\$ 875,641</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 33,030	\$ 9,256	\$ (23,774)
Miscellaneous	-	246	140	(106)
Total revenues	<u>-</u>	<u>33,276</u>	<u>9,396</u>	<u>(23,880)</u>
Expenditures:				
Current:				
General government	-	246	-	246
Transportation	-	11,636	-	11,636
Physical environment	-	11,179	11,006	173
Capital Outlay:				
Public safety	-	10,215	-	10,215
Total expenditures	<u>-</u>	<u>33,276</u>	<u>11,006</u>	<u>22,270</u>
(Deficiency) of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(1,610)</u>	<u>(1,610)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,610)</u>	<u>\$ (1,610)</u>
Fund balances at beginning of year			59,496	
Fund balances at end of year			<u>\$ 57,886</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
HOUSING GRANT PROGRAMS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 497,497	\$ 1,926,664	\$ 1,084,511	\$ (842,153)
Program repayment	13,500	38,452	10,182	(28,270)
Total revenues	<u>510,997</u>	<u>1,965,116</u>	<u>1,094,816</u>	<u>(870,300)</u>
Expenditures:				
Current:				
Economic environment	<u>510,997</u>	<u>1,912,044</u>	<u>623,858</u>	<u>1,288,186</u>
Total expenditures	<u>510,997</u>	<u>1,912,044</u>	<u>623,858</u>	<u>1,288,186</u>
Excess of revenues over expenditures	<u>-</u>	<u>53,072</u>	<u>470,958</u>	<u>417,886</u>
Other financing (uses):				
Transfers out	-	(53,072)	(4,020)	49,052
Total other financing (uses)	<u>-</u>	<u>(53,072)</u>	<u>(4,020)</u>	<u>49,052</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>466,938</u>	<u>\$ 466,938</u>
Fund balances at beginning of year			99,766	
Fund balances at end of year			<u>\$ 566,704</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
AMERICAN RECOVERY AND REINVESTMENT ACT GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 111,633	\$ 84,764	\$ (26,869)
Total revenues	<u>-</u>	<u>111,633</u>	<u>84,764</u>	<u>(26,869)</u>
Expenditures:				
Current:				
General government	-	19,170	16,792	2,378
Physical Environment	-	3,085	-	3,085
Capital Outlay:				
Physical Environment	-	89,313	67,972	21,341
Economic environment	<u>-</u>	<u>65</u>	<u>-</u>	<u>65</u>
Total expenditures	<u>-</u>	<u>111,633</u>	<u>84,764</u>	<u>26,869</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances at beginning of year			<u>-</u>	
Fund balances at end of year			<u>\$ -</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Taxes	\$ 220,329	\$ 220,329	\$ 222,068	\$ 1,739
Investment income	5,600	5,600	5,151	(449)
Miscellaneous	<u>175,271</u>	<u>183,444</u>	<u>-</u>	<u>(183,444)</u>
Total revenues	<u>401,200</u>	<u>409,373</u>	<u>227,219</u>	<u>(182,154)</u>
Expenditures:				
Debt service:				
Principal	1,579,900	1,588,073	1,588,168	(95)
Interest and fiscal charges	<u>1,493,900</u>	<u>1,493,900</u>	<u>1,078,353</u>	<u>415,547</u>
Total expenditures	<u>3,073,800</u>	<u>3,081,973</u>	<u>2,666,521</u>	<u>415,452</u>
Deficiency of revenues under expenditures	<u>(2,672,600)</u>	<u>(2,672,600)</u>	<u>(2,439,302)</u>	<u>233,298</u>
Other financing sources:				
Transfers in	<u>2,672,600</u>	<u>2,672,600</u>	<u>2,672,600</u>	<u>-</u>
Total other financing sources	<u>2,672,600</u>	<u>2,672,600</u>	<u>2,672,600</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	233,298	<u>\$ 233,298</u>
Fund balances at beginning of year			<u>494,706</u>	
Fund balances at end of year			<u>\$ 728,004</u>	

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
PUBLIC SERVICE FACILITIES CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Project</u> <u>Authorization</u>
Revenues:				
Intergovernmental	\$ 3,966,875	\$ 524,250	\$ 4,491,125	\$ 1,250,000
Investment income	815,700	13,216	828,916	100,000
Miscellaneous	<u>38,044</u>	<u>-</u>	<u>38,044</u>	<u>279,608</u>
Total revenues	<u>4,820,619</u>	<u>537,466</u>	<u>5,358,085</u>	<u>1,629,608</u>
Expenditures:				
Transportation	114,832	604,132	718,964	-
Culture and recreation	21,599	-	21,599	15,045
Capital improvements	14,632,443	-	14,632,443	15,579,069
Debt service:				
Interest and fiscal charges	<u>395,442</u>	<u>-</u>	<u>395,442</u>	<u>-</u>
Total expenditures	<u>15,164,316</u>	<u>604,132</u>	<u>15,768,448</u>	<u>15,594,114</u>
Deficiency of revenues under expenditures	(10,343,697)	(66,666)	(10,410,363)	(13,964,506)
Other financing sources (uses):				
Proceeds from issuance of debt	13,410,000	-	13,410,000	13,001,070
Transfers in	-	1,185,792	1,185,792	1,185,793
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,357)</u>
Total other financing sources	<u>13,410,000</u>	<u>1,185,792</u>	<u>14,595,792</u>	<u>13,964,506</u>
Net change in fund balances	<u>\$ 3,066,303</u>	1,119,126	<u>\$ 4,185,429</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>3,066,303</u>		
Fund balances at end of year		<u>\$ 4,185,429</u>		

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
2005 CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Project</u> <u>Authorization</u>
Revenues:				
Intergovernmental	\$ 80,000	\$ 80,215	\$ 160,215	\$ 142,587
Investment income	1,736,256	17,144	1,753,400	40,000
Miscellaneous revenues	-	-	-	59,760
Total revenues	<u>1,816,256</u>	<u>97,359</u>	<u>1,913,615</u>	<u>242,347</u>
Expenditures:				
General government	4,000	-	4,000	-
Public safety	1,036	15,345	16,381	465
Transportation	18,900	-	18,900	100,000
Culture and recreation	109,229	600,456	709,685	611,680
Capital improvements	11,681,883	-	11,681,883	13,569,302
Debt service:				
Interest and fiscal charges	395,498	-	395,498	349,803
Total expenditures	<u>12,210,546</u>	<u>615,801</u>	<u>12,826,347</u>	<u>14,631,250</u>
Deficiency of revenues under expenditures	<u>(10,394,290)</u>	<u>(518,442)</u>	<u>(10,912,732)</u>	<u>(14,388,903)</u>
Other financing sources (uses):				
Proceeds from issuance of debt	15,027,697	-	15,027,697	15,000,000
Reserves	-	-	-	(20,000)
Contingencies	-	-	-	(591,097)
Total other financing sources	<u>15,027,697</u>	<u>-</u>	<u>15,027,697</u>	<u>14,388,903</u>
Net change in fund balances	<u>\$ 4,633,407</u>	<u>(518,442)</u>	<u>\$ 4,114,965</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>4,633,407</u>		
Fund balances at end of year		<u>\$ 4,114,965</u>		

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
CAPITAL EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

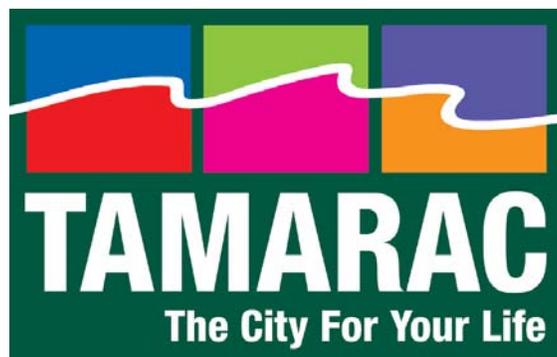
	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Project</u> <u>Authorization</u>
Revenues:				
Investment income	\$ -	\$ 4,776	\$ 4,776	\$ -
Miscellaneous revenues	-	23,096	23,096	-
Total revenues	<u>-</u>	<u>27,872</u>	<u>27,872</u>	<u>-</u>
Expenditures:				
General government	-	104,187	104,187	2,373,000
Public safety	-	208,135	208,135	40,000
Transportation	-	15,856	15,856	18,000
Physical environment	-	-	-	10,000
Total expenditures	<u>-</u>	<u>328,178</u>	<u>328,178</u>	<u>2,441,000</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(300,306)</u>	<u>(300,306)</u>	<u>(2,441,000)</u>
Other financing sources:				
Transfers in	-	2,441,000	2,441,000	2,441,000
Total other financing sources	<u>-</u>	<u>2,441,000</u>	<u>2,441,000</u>	<u>2,441,000</u>
Net change in fund balances	<u>\$ -</u>	<u>2,140,694</u>	<u>\$ 2,140,694</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>-</u>		
Fund balances at end of year		<u>\$ 2,140,694</u>		

See accompanying independent auditors' report.

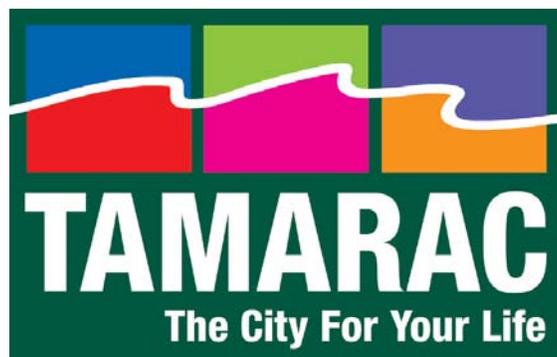
CITY OF TAMARAC, FLORIDA
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Project</u> <u>Authorization</u>
Revenues:				
Charges for services	\$ -	\$ 75,000	\$ 75,000	\$ -
Investment income	-	88	88	-
Miscellaneous revenues	-	-	-	420,740
Total revenues	<u>-</u>	<u>75,088</u>	<u>75,088</u>	<u>420,740</u>
Expenditures:				
Culture and recreation	-	2,500	2,500	345,740
Total expenditures	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>345,740</u>
Excess of revenues over expenditures	<u>-</u>	<u>72,588</u>	<u>72,588</u>	<u>75,000</u>
Other financing sources (uses):				
Reserves	-	-	-	(75,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>72,588</u>	<u>\$ 72,588</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>-</u>		
Fund balances at end of year		<u>\$ 72,588</u>		

See accompanying independent auditors' report.



**MAJOR CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE**



CITY OF TAMARAC, FLORIDA
GENERAL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Project</u>
	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>Authorization</u>
Revenues:				
Intergovernmental	\$ 2,839,323	\$ 847,095	\$ 3,686,418	\$ 5,646,144
Investment income	1,544,332	52,646	1,596,978	445,053
Miscellaneous	<u>275,108</u>	<u>266,256</u>	<u>541,364</u>	<u>607,778</u>
Total revenues	<u>4,658,763</u>	<u>1,165,997</u>	<u>5,824,760</u>	<u>6,698,975</u>
Expenditures:				
General government	1,135,208	84,727	1,219,935	1,676,844
Public safety	53,244	26,150	79,394	1,750,723
Transportation	100,115	2,133,607	2,233,722	119,470
Culture and recreation	956,719	128,005	1,084,724	536,888
Capital improvements	26,107,459	72,752	26,180,211	40,606,542
Debt service:				
Principal	2,000,000	-	2,000,000	2,000,000
Interest and fiscal charges	<u>246,026</u>	<u>-</u>	<u>246,026</u>	<u>246,026</u>
Total expenditures	<u>30,598,771</u>	<u>2,445,241</u>	<u>33,044,012</u>	<u>46,936,493</u>
Deficiency of revenues under expenditures	<u>(25,940,008)</u>	<u>(1,279,244)</u>	<u>(27,219,252)</u>	<u>(40,237,518)</u>
Proceeds from issuance of debt	11,267,414	-	11,267,414	11,267,413
Payment on refunded bond and note	(701,001)	-	(701,001)	(701,001)
Transfers in	31,146,053	40,500	31,186,553	31,458,237
Transfers out	(1,121,393)	-	(1,121,393)	(1,025,449)
Reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>(761,682)</u>
Total other financing sources	<u>40,591,073</u>	<u>40,500</u>	<u>40,631,573</u>	<u>40,237,518</u>
Net change in fund balances	<u>\$ 14,651,065</u>	<u>(1,238,744)</u>	<u>\$ 13,412,321</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>14,651,065</u>		
Fund balances at end of year		<u>\$ 13,412,321</u>		

See accompanying independent auditors' report.

CITY OF TAMARAC, FLORIDA
TAMARAC VILLAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Project</u>
	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>Authorization</u>
Revenues:				
Investment income	\$ 4	\$ 1,158	\$ 1,162	\$ -
Total revenues	<u>4</u>	<u>1,158</u>	<u>1,162</u>	<u>-</u>
Expenditures:				
Culture and recreation	-	78,000	78,000	15,039,439
Interest and fiscal charges	<u>203,147</u>	<u>220,376</u>	<u>423,523</u>	<u>203,149</u>
Total expenditures	<u>203,147</u>	<u>298,376</u>	<u>501,523</u>	<u>15,242,588</u>
Deficiency of revenues under expenditures	<u>(203,143)</u>	<u>(297,218)</u>	<u>(500,361)</u>	<u>(15,242,588)</u>
Other financing sources (uses):				
Proceeds from issuance of debt	13,771,509	-	13,771,509	20,000,000
Payment on refunded bond and note	(5,316,412)	-	(5,316,412)	(5,316,412)
Transfers in	<u>559,000</u>	<u>-</u>	<u>559,000</u>	<u>559,000</u>
Total other financing sources	<u>9,014,097</u>	<u>-</u>	<u>9,014,097</u>	<u>15,242,588</u>
Net change in fund balances	<u>\$ 8,810,954</u>	<u>(297,218)</u>	<u>\$ 8,513,736</u>	<u>\$ -</u>
Fund balances at beginning of year		<u>8,810,954</u>		
Fund balances at end of year		<u>\$ 8,513,736</u>		

See accompanying independent auditors' report.

FIDUCIARY FUNDS

AGENCY FUND

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Agency Fund - used to account for the City's collection of the Solid Waste Fees on behalf of Waste Management Inc.; these fees are remitted to Waste Management Inc. after reduction of the City's Franchise Fee revenue.

CITY OF TAMARAC, FLORIDA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
September 30, 2012

ASSETS

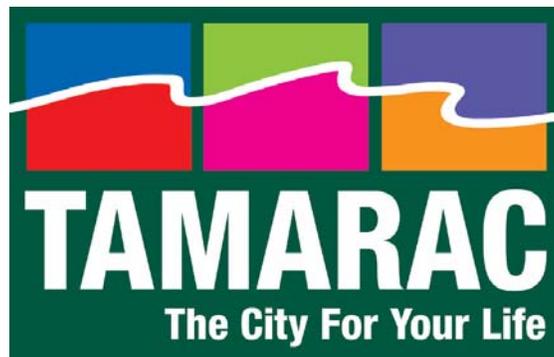
Cash and cash equivalents	\$ 249,165
Receivables:	
Accounts receivables	<u>375,428</u>
Total assets	<u><u>624,593</u></u>

LIABILITIES

Additions:	
Collections	<u>4,653,657</u>
Total additions	<u>4,653,657</u>
Deductions:	
Remittances to other entities	<u>4,029,064</u>
Total liabilities	<u><u>\$ 624,593</u></u>

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

STATISTICAL SECTION

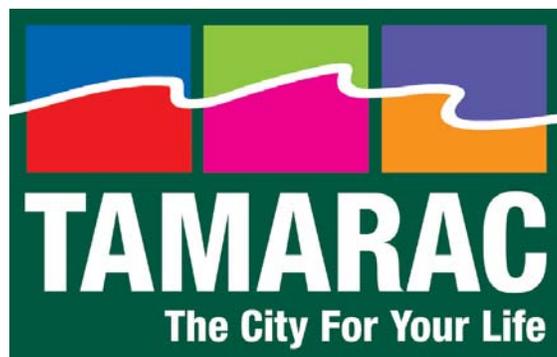


STATISTICAL SECTION

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	100-107
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.	108-111
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.	112-116
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.	117-118
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.	119-121

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



CITY OF TAMARAC
Net Position by Component
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 48,847,411	\$ 62,168,884	\$ 65,002,740	\$ 71,850,603	\$ 74,006,704	\$ 77,300,114	\$ 86,076,841	\$ 84,104,407	\$ 84,047,031	\$ 89,098,575
Restricted	11,288,555	12,872,078	13,448,003	27,735,550	33,639,956	17,497,293	17,675,068	14,005,135	15,881,934	18,662,357
Unrestricted	19,432,477	9,713,054	14,230,658	4,281,944	7,997,681	32,787,159	31,682,290	40,089,461	39,839,769	39,319,602
Total governmental activities net position	\$ 79,568,443	\$ 84,754,016	\$ 92,681,401	\$ 103,868,097	\$ 115,644,341	\$ 127,584,566	\$ 135,434,199	\$ 138,199,003	\$ 139,768,734	\$ 147,080,534
Business-type activities										
Invested in capital assets, net of related debt	\$ 33,307,204	\$ 25,984,601	\$ 33,846,176	\$ 49,673,822	\$ 45,633,402	\$ 50,273,220	\$ 45,546,743	\$ 43,760,949	\$ 45,059,260	\$ 43,990,534
Restricted	3,119,513	4,454,050	5,427,955	7,313,121	8,599,062	8,599,062	6,909,717	8,520,498	8,174,927	7,851,106
Unrestricted	19,862,949	28,631,132	23,815,785	10,214,142	16,432,180	13,542,094	21,514,450	21,368,742	20,727,336	24,687,666
Total business-type activities net position	\$ 56,289,666	\$ 59,069,783	\$ 63,089,916	\$ 67,201,085	\$ 70,664,644	\$ 72,414,376	\$ 73,970,910	\$ 73,650,189	\$ 73,961,523	\$ 76,529,306
Primary Government										
Invested in capital assets, net of related debt	\$ 82,154,615	\$ 88,153,485	\$ 98,848,916	\$ 121,524,425	\$ 119,640,106	\$ 127,573,334	\$ 131,623,584	\$ 127,865,356	\$ 129,106,291	\$ 133,089,109
Restricted	14,408,068	17,326,128	18,875,958	35,048,671	42,239,018	26,096,355	24,584,785	22,525,633	24,056,861	26,513,463
Unrestricted	39,295,426	38,344,186	38,046,443	14,496,086	24,429,861	46,329,253	53,196,740	61,458,203	60,567,105	64,007,268
Total primary government net position	\$ 135,858,109	\$ 143,823,799	\$ 155,771,317	\$ 171,069,182	\$ 186,308,985	\$ 199,998,942	\$ 209,405,109	\$ 211,849,192	\$ 213,730,257	\$ 223,609,840

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC

Changes in Net Position

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 8,917,459	\$ 9,792,447	\$ 9,948,165	\$ 10,688,546	\$ 11,504,582	\$ 11,432,868	\$ 12,597,059	\$ 11,026,034	\$ 11,907,718	\$ 12,197,860
Public safety	19,110,595	21,529,131	24,681,261	35,495,924	28,264,994	28,472,914	30,471,668	31,489,221	30,961,029	30,837,435
Transportation	1,739,082	1,676,983	2,518,737	2,699,076	2,330,808	1,748,860	1,881,356	1,904,168	1,857,501	1,958,527
Economic environment	777,812	894,713	599,886	4,511,057	1,559,614	1,263,812	2,600,159	4,869,005	4,641,173	5,027,797
Culture and recreation	3,641,777	3,757,060	4,210,762	2,226,264	5,496,590	5,168,340	4,097,080	4,249,737	2,976,038	3,053,031
Physical environment	1,898,374	1,980,646	2,542,286	703,430	2,610,684	2,452,233	3,319,120	3,276,239	2,397,899	1,396,958
Human services	245,344	236,262	304,155	319,229	333,332	286,630	335,523	294,665	268,033	286,589
Interest on long-term debt	1,311,236	1,232,534	1,176,005	1,591,058	1,624,593	1,607,303	1,727,200	1,482,104	1,892,592	1,333,856
Total governmental activities expenses	<u>37,641,679</u>	<u>41,099,776</u>	<u>45,981,257</u>	<u>58,234,584</u>	<u>53,725,197</u>	<u>52,432,960</u>	<u>57,029,165</u>	<u>58,591,173</u>	<u>56,901,983</u>	<u>56,092,053</u>
Business-type activities:										
Water and sewer	15,614,983	16,874,535	17,122,674	18,212,679	17,976,618	19,207,646	19,425,830	20,726,556	20,510,633	20,926,131
Stormwater	3,220,903	2,978,171	3,124,179	3,660,473	3,017,732	3,112,292	3,401,976	3,894,763	4,295,863	3,835,057
Total business-type activities expenses	<u>18,835,886</u>	<u>19,852,706</u>	<u>20,246,853</u>	<u>21,873,152</u>	<u>20,994,350</u>	<u>22,319,938</u>	<u>22,827,806</u>	<u>24,621,319</u>	<u>24,806,496</u>	<u>24,761,188</u>
Total primary government expenses	<u>\$ 56,477,565</u>	<u>\$ 60,952,482</u>	<u>\$ 66,228,110</u>	<u>\$ 80,107,736</u>	<u>\$ 74,719,547</u>	<u>\$ 74,752,898</u>	<u>\$ 79,856,971</u>	<u>\$ 83,212,492</u>	<u>\$ 81,708,479</u>	<u>\$ 80,853,241</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,304,092	\$ 1,433,280	\$ 1,479,201	\$ 1,372,508	\$ 872,023	\$ 1,145,570	\$ 1,322,983	\$ 5,398,147	\$ 5,550,906	\$ 5,217,332
Public safety	6,845,427	9,114,697	10,169,124	11,998,145	11,859,118	11,300,837	13,790,107	15,205,661	13,935,434	17,669,883
Transportation	26,134	29,430	34,978	30,067	66,357	25,722	22,916	20,732	25,586	44,806
Culture and recreation	388,791	570,217	1,082,523	1,154,936	830,025	774,582	617,553	688,892	781,946	881,550
Physical environment	827,001	963,729	1,017,446	683,942	733,360	1,320,064	474,243	1,721,461	1,098,831	1,047,223
Operating grants and contributions	2,198,201	3,094,050	550,203	9,507,364	2,625,239	1,684,420	2,812,190	4,522,583	2,486,725	1,286,377
Capital grants and contributions	2,858,712	388,364	2,897,854	1,476,469	617,827	2,850,100	3,970,632	120,572	300,793	1,353,899
Total governmental activities program revenues	<u>14,448,358</u>	<u>15,593,767</u>	<u>17,231,329</u>	<u>26,223,431</u>	<u>17,603,949</u>	<u>19,101,295</u>	<u>23,010,624</u>	<u>27,678,048</u>	<u>24,180,221</u>	<u>27,501,070</u>
Business-type activities:										
Charges for services:										
Water and sewer	14,946,465	16,722,369	17,199,830	17,939,735	18,694,290	18,790,162	19,603,121	19,743,109	20,022,360	21,663,441
Stormwater	3,045,327	3,080,911	3,122,657	4,190,487	4,383,991	4,498,587	4,718,123	4,824,703	5,014,883	5,107,852
Capital grants and contributions	2,026,906	2,645,990	3,650,141	3,283,961	348,154	374,304	33,453	24,747	4,701	96,620
Total business-type activities program revenues	<u>20,018,698</u>	<u>22,449,270</u>	<u>23,972,628</u>	<u>25,414,183</u>	<u>23,426,435</u>	<u>23,663,053</u>	<u>24,354,697</u>	<u>24,592,559</u>	<u>25,041,944</u>	<u>26,867,913</u>
Total primary government program revenues	<u>\$ 34,467,056</u>	<u>\$ 38,043,037</u>	<u>\$ 41,203,957</u>	<u>\$ 51,637,614</u>	<u>\$ 41,030,384</u>	<u>\$ 42,764,348</u>	<u>\$ 47,365,321</u>	<u>\$ 52,270,607</u>	<u>\$ 49,222,165</u>	<u>\$ 54,368,983</u>

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC
Changes in Net Position
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense) Revenue										
Governmental activities	\$ (23,193,321)	\$ (25,506,009)	\$ (28,749,928)	\$ (32,011,153)	\$ (36,121,248)	\$ (33,331,665)	\$ (34,018,541)	\$ (30,913,125)	\$ (32,721,762)	\$ (28,590,983)
Business-type activities	1,182,812	2,596,564	3,725,775	3,541,031	2,432,085	1,343,115	1,526,891	(28,760)	235,448	2,106,725
Total primary government net expense	<u>(22,010,509)</u>	<u>(22,909,445)</u>	<u>(25,024,153)</u>	<u>(28,470,122)</u>	<u>(33,689,163)</u>	<u>(31,988,550)</u>	<u>(32,491,650)</u>	<u>(30,941,885)</u>	<u>(32,486,314)</u>	<u>(26,484,258)</u>
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	12,739,885	13,956,061	15,594,820	18,765,605	22,940,448	21,284,960	19,970,716	18,615,754	16,158,683	16,031,177
Property taxes, levied for debt service	1,049,703	1,058,410	1,065,167	1,060,180	483,058	267,384	261,027	249,729	222,831	222,068
Franchise fees	3,517,044	4,397,549	4,053,946	4,676,348	4,842,600	4,784,526	4,628,491	4,680,810	4,409,431	4,858,123
Other taxes	2,736,010	2,722,379	4,002,475	4,107,779	4,182,926	4,266,849	4,212,917	4,255,717	8,219,801	8,556,815
Unrestricted grants and contributions	4,928,268	7,020,532	5,937,072	6,278,084	6,162,220	5,716,941	4,799,972	5,155,111	5,138,584	5,971,497
Interest earnings	658,510	478,187	665,611	2,074,320	3,133,291	1,841,268	857,983	308,708	131,485	244,526
Miscellaneous	2,952,900	4,418,024	5,088,722	5,997,907	5,824,558	5,912,810	6,754,945	-	-	289,351
Transfers	244,410	256,600	269,500	283,000	297,200	361,000	380,100	412,100	-	(329,508)
Gain (loss) on sale of capital assets	-	101,200	-	(45,374)	31,191	836,152	2,023	-	10,678	58,734
^a Special item: Claims expense	-	(3,717,360)	-	-	-	-	-	-	-	-
Total governmental activities	<u>28,826,730</u>	<u>30,691,582</u>	<u>36,677,313</u>	<u>43,197,849</u>	<u>47,897,492</u>	<u>45,271,890</u>	<u>41,868,174</u>	<u>33,677,929</u>	<u>34,291,493</u>	<u>35,902,783</u>
Business-type activities:										
Investment earnings	372,181	414,853	560,893	854,005	1,255,811	754,467	314,330	117,618	61,082	119,298
Transfers	(244,410)	(256,600)	(269,500)	(283,000)	(297,200)	(361,000)	(380,100)	(412,100)	-	329,508
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	25,300	2,965	(867)	72,863	13,150	95,413	2,521	14,804	12,252
Total business-type activities	<u>127,771</u>	<u>183,553</u>	<u>294,358</u>	<u>570,138</u>	<u>1,031,474</u>	<u>406,617</u>	<u>29,643</u>	<u>(291,961)</u>	<u>75,886</u>	<u>461,058</u>
Total primary government	<u>28,954,501</u>	<u>30,875,135</u>	<u>36,971,671</u>	<u>43,767,987</u>	<u>48,928,966</u>	<u>45,678,507</u>	<u>41,897,817</u>	<u>33,385,968</u>	<u>34,367,379</u>	<u>36,363,841</u>
Change in Net Position										
Governmental activities	5,633,409	5,185,573	7,927,385	11,186,696	11,776,244	11,940,225	7,849,633	2,764,804	1,569,731	7,311,800
Business-type activities	1,310,583	2,780,117	4,020,133	4,111,169	3,463,559	1,749,732	1,556,534	(320,721)	311,334	2,567,783
Total primary governmental	<u>\$ 6,943,992</u>	<u>\$ 7,965,690</u>	<u>\$ 11,947,518</u>	<u>\$ 15,297,865</u>	<u>\$ 15,239,803</u>	<u>\$ 13,689,957</u>	<u>\$ 9,406,167</u>	<u>\$ 2,444,083</u>	<u>\$ 1,881,065</u>	<u>\$ 9,879,583</u>

^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.

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC
Fund Balances of Governmental Funds
September 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 873,997	\$ 3,424,101	\$ 105,414	\$ 973,332	\$ 833,219	\$ 642,923	\$ 590,453	\$ -	\$ -	\$ -
Unreserved	9,351,383	10,287,258	14,242,847	15,745,195	16,685,842	19,454,677	22,159,672	-	-	-
Non-spendable								112,523	150,157	128,239
Restricted								11,188	10,741	10,741
Committed								41,352	87,840	152,340
Assigned								10,200,000	9,200,000	10,200,000
Unassigned								14,229,231	16,824,295	13,230,150
Total general fund	\$ 10,225,380	\$ 13,711,359	\$ 14,348,261	\$ 16,718,527	\$ 17,519,061	\$ 20,097,600	\$ 22,750,125	\$ 24,594,294	\$ 26,273,033	\$ 23,721,470
All Other Governmental Funds										
Reserved	\$ 16,906,703	\$ 11,367,413	\$ 12,557,137	\$ 28,711,979	\$ 21,024,595	\$ 14,575,011	\$ 17,677,302	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	2,359,916	-	-	-	-	-	(220,379)	-	-	-
Capital projects funds	-	-	-	-	12,259,715	19,043,205	15,390,008	-	-	-
Debt service funds	(740,606)	37,230	60,119	181,296	355,651	404,029	191,933	-	-	-
Non-spendable, reported in										
Special revenue funds								-	99,766	566,704
Capital projects funds								106,867	8,450,548	8,450,548
Restricted, reported in										
Special revenue funds								5,561,895	5,456,031	7,061,984
Debt service funds								399,528	494,706	728,004
Capital projects funds								9,160,308	9,772,289	10,294,924
Committed, reported in										
Special revenue funds								110,792	13,443	-
Capital projects funds								432,655	1,749,681	2,869,104
Assigned reported in										
Capital projects funds								15,611,124	13,306,282	12,819,687
Total all other government funds	\$ 18,526,013	\$ 11,404,643	\$ 12,617,256	\$ 28,893,275	\$ 33,639,961	\$ 34,022,245	\$ 33,038,864	\$ 31,383,169	\$ 39,342,746	\$ 42,790,955
Total Government Funds	\$ 28,751,393	\$ 25,116,002	\$ 26,965,517	\$ 45,611,802	\$ 51,159,022	\$ 54,119,845	\$ 55,788,989	\$ 55,977,463	\$ 65,615,779	\$ 66,512,425

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	\$ 21,099,801	\$ 23,233,923	\$ 24,716,409	\$ 28,609,913	\$ 32,449,025	\$ 31,313,801	\$ 29,791,213	\$ 28,546,010	\$ 29,010,746	\$ 29,668,182
Licenses and permits	1,862,250	1,974,976	2,251,241	3,880,250	2,671,892	2,406,897	2,376,229	2,486,764	2,752,376	2,889,091
Intergovernmental	8,968,584	9,278,066	9,185,131	17,261,915	9,405,276	10,200,171	9,009,504	9,794,883	7,791,667	8,601,588
Charges for Services	3,398,781	3,637,338	4,461,157	4,781,856	4,372,195	3,975,639	3,803,768	3,697,083	3,615,862	4,181,545
Fines and forfeitures	526,531	563,373	539,811	678,751	598,039	446,866	583,158	686,232	1,004,325	1,153,113
Investment earnings	591,918	431,597	632,007	2,074,322	3,134,750	1,841,269	857,984	308,714	131,486	244,525
Special assessments	3,042,677	5,432,240	5,954,885	5,898,740	6,723,891	6,715,675	8,760,258	8,704,112	8,791,417	11,787,249
Miscellaneous	4,690,118	5,997,033	5,898,503	5,997,907	5,939,824	6,311,869	6,759,450	6,754,546	5,377,604	5,210,526
Total revenues	<u>\$ 44,180,660</u>	<u>\$ 50,548,546</u>	<u>\$ 53,639,144</u>	<u>\$ 69,183,654</u>	<u>\$ 65,294,892</u>	<u>\$ 63,212,187</u>	<u>\$ 61,941,564</u>	<u>\$ 60,978,344</u>	<u>\$ 58,475,483</u>	<u>\$ 63,735,819</u>
EXPENDITURES										
General government	\$ 8,880,895	\$ 9,075,335	\$ 9,598,842	\$ 10,422,938	\$ 10,697,895	\$ 10,824,676	\$ 11,634,921	\$ 11,908,896	\$ 11,472,407	\$ 11,217,405
Public safety	19,492,930	22,411,503	23,821,796	34,172,300	28,388,447	27,991,426	29,569,781	31,810,830	30,556,661	30,640,931
Transportation	1,156,016	1,411,803	1,259,041	1,413,425	1,418,702	1,158,425	1,260,665	1,226,271	1,079,216	1,204,504
Economic environment	784,722	914,845	604,221	708,196	1,654,950	1,266,711	2,608,447	5,051,557	2,393,996	1,393,321
Physical environment	1,815,299	1,994,404	2,537,921	2,451,930	2,654,791	2,181,900	3,239,801	3,230,078	2,915,140	2,930,078
Human Services	254,154	248,825	308,985	325,499	354,446	293,005	340,625	243,480	263,872	282,064
Culture and recreation	3,223,007	3,761,822	4,284,425	3,996,031	5,020,571	4,543,692	3,314,474	3,293,390	3,465,730	3,740,221
Capital outlay	10,726,676	12,827,440	3,205,552	8,027,957	6,828,861	16,803,869	3,625,716	3,160,859	1,841,508	8,758,358
Debt service:										
Principal	1,583,487	1,985,876	2,080,674	2,339,619	1,400,658	1,247,730	3,300,103	1,262,792	2,001,329	1,647,131
Interest	1,252,306	1,229,864	1,157,672	1,990,171	1,625,551	1,607,303	1,957,267	1,459,097	1,952,404	1,303,320
Total expenditures	<u>\$ 49,169,492</u>	<u>\$ 55,861,717</u>	<u>\$ 48,859,129</u>	<u>\$ 65,848,066</u>	<u>\$ 60,044,872</u>	<u>\$ 67,918,737</u>	<u>\$ 60,851,800</u>	<u>\$ 62,647,250</u>	<u>\$ 57,942,263</u>	<u>\$ 63,117,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,988,832)</u>	<u>(5,313,171)</u>	<u>4,780,015</u>	<u>3,335,588</u>	<u>5,250,020</u>	<u>(4,706,550)</u>	<u>1,089,764</u>	<u>(1,668,906)</u>	<u>533,220</u>	<u>618,486</u>

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses)										
Bonds issued	-	-	-	15,027,697	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	607,667
Proceeds from issuance of debt	-	-	-	-	-	6,818,373	5,474,280	1,445,280	23,272,509	-
Payments on refunded debt	-	-	-	-	-	-	(5,275,000)	-	(14,167,413)	-
Transfers in	11,528,384	14,808,083	7,851,971	14,485,585	20,867,785	16,347,134	11,420,722	9,919,287	13,459,815	14,520,914
Transfers out	(11,283,974)	(13,130,303)	(10,782,471)	(14,202,585)	(20,570,585)	(15,498,134)	(11,040,622)	(9,507,187)	(13,459,815)	(14,850,422)
Total other financing sources (uses)	244,410	1,677,780	(2,930,500)	15,310,697	297,200	7,667,373	579,380	1,857,380	9,105,096	278,159
 Net changes in fund balance	 \$ (4,744,422)	 \$ (3,635,391)	 \$ 1,849,515	 \$ 18,646,285	 \$ 5,547,220	 \$ 2,960,823	 \$ 1,669,144	 \$ 188,474	 \$ 9,638,316	 \$ 896,645
 Ratio of total debt service to noncapital expenditures										
Total debt service	\$ 2,835,793	\$ 3,215,740	\$ 3,238,346	\$ 4,329,790	\$ 3,026,209	\$ 2,855,033	\$ 5,257,370	\$ 2,721,889	\$ 3,953,733	\$ 2,950,451
Total noncapital expenditures	38,442,816	43,034,277	45,653,577	57,820,109	53,216,011	51,114,868	57,226,084	59,486,391	55,842,649	54,358,975
Ratio	7%	7%	7%	7%	6%	6%	9%	5%	7%	5%

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC
Program Revenues by Function/Program
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government	\$ 1,304,092	\$ 1,433,280	\$ 1,479,201	\$ 1,372,508	\$ 872,023	\$ 1,222,872	\$ 1,563,149	\$ 5,606,358	\$ 6,367,056	\$ 5,313,275
Public safety	6,884,070	10,228,121	10,720,180	20,945,895	12,549,719	11,488,382	14,700,096	15,410,338	14,070,909	18,333,287
Transportation	26,134	29,430	34,978	306,880	66,357	555,495	352,279	20,732	63,630	44,806
Culture/recreation	3,444,072	1,028,276	3,851,587	2,362,405	994,457	1,245,768	3,375,988	823,862	786,424	1,538,024
Physical environment	1,891,203	2,058,608	1,027,446	683,942	767,491	1,320,064	474,243	1,721,461	1,145,400	1,178,904
Economic environment	891,362	816,052	117,937	551,801	2,353,902	3,268,714	2,544,869	4,095,297	1,746,802	1,092,774
Human services	7,425	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	14,448,358	15,593,767	17,231,329	26,223,431	17,603,949	19,101,295	23,010,624	27,678,048	24,180,221	27,501,070
Business-type activities										
Water/wastewater	16,970,766	19,360,363	20,149,971	19,923,696	19,042,444	19,164,466	19,636,574	19,767,856	20,027,061	21,760,061
Stormwater	3,047,932	3,088,907	3,822,657	5,490,487	4,383,991	4,498,587	4,718,123	4,824,703	5,014,883	5,107,852
Subtotal business-type activities	20,018,698	22,449,270	23,972,628	25,414,183	23,426,435	23,663,053	24,354,697	24,592,559	25,041,944	26,867,913
Total primary government	\$ 34,467,056	\$ 38,043,037	\$ 41,203,957	\$ 51,637,614	\$ 41,030,384	\$ 42,764,348	\$ 47,365,321	\$ 52,270,607	\$ 49,222,165	\$ 54,368,983

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

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

Fiscal					Local Option	
Year	Property	Sales & Use	Utility Tax	Gas Tax	Total	
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	19,825,785	3,688,932	4,676,348	16,168	28,207,233	
2007	23,423,506	4,035,998	4,842,600	146,928	32,449,032	
2008	21,552,344	4,120,406	4,784,526	146,442	30,603,718	
2009	20,231,743	3,037,695	4,628,491	28,084	27,926,013	
2010	18,865,483	3,016,203	4,680,810	18,605	26,581,101	
2011	16,381,514	3,140,797	4,409,431	15,899	23,947,641	
2012	16,253,245	3,319,822	4,858,123	16,922	24,448,112	
Change						
2003 - 2012	17.9%	1.9%	38.1%	2.1%	18.8%	

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
(in thousand of dollars)

		<u>Real Property</u>							Estimated	Taxable Value
<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Non-Residential Property</u>	<u>Personal Property</u>	<u>Less: Tax Exemptions</u>	<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>	<u>Actual Market Value</u>	<u>as a Percentage of Market Value</u>	
2002	2003	2,155,194	533,605	164,396	653,983	2,199,212	6.4927	3,137,149	70.10%	
2003	2004	2,374,212	574,552	165,755	690,656	2,423,863	6.4549	3,614,786	67.05%	
2004	2005	2,623,351	658,139	187,113	713,645	2,754,958	6.4096	4,151,673	66.36%	
2005	2006	3,015,505	698,347	186,695	745,318	3,155,229	6.6029	4,910,369	64.26%	
2006	2007	3,595,772	812,384	201,088	756,359	3,852,886	6.3529	6,242,664	61.72%	
2007	2008	4,076,990	954,591	407,699	877,960	4,561,320	5.1126	7,158,234	63.72%	
2008	2009	3,992,061	1,019,696	163,052	1,303,330	3,871,479	5.3916	6,056,062	63.93%	
2009	2010	3,272,001	1,062,921	158,771	1,486,624	3,007,069	6.0800	4,709,447	63.85%	
2010	2011	2,578,120	1,039,343	158,840	1,486,624	2,289,679	6.5894	3,723,029	61.50%	
2011	2012	2,497,140	989,638	153,089	1,144,478	2,495,389	6.7774	3,632,374	68.70%	

Source: Broward County Property Appraiser

See accompanying independent auditors' report.

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

City of Tamarac				Overlapping Rates										
Fiscal Year	City of Tamarac			County			School District			Children's Services	South Florida Water Management District	Broward Health	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					
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
2007	6.2224	0.1305	6.3529	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.4073	0.6970	1.8317	0.0385	23.2622
2008	5.0496	0.0630	5.1126	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.3572	0.6240	1.6255	0.0345	20.6890
2009	5.3215	0.0701	5.3916	4.8889	0.4256	5.3145	7.4170	0.0000	7.4170	0.3754	0.6240	1.7059	0.0345	20.8629
2010	5.9999	0.0801	6.0800	4.8889	0.5000	5.3889	7.4310	0.0000	7.4310	0.4243	0.6240	1.7059	0.0345	21.6886
2011	6.5000	0.0894	6.5894	5.1021	0.3670	5.9200	7.6310	0.0000	7.6310	0.4696	0.6240	1.8750	0.0345	23.1435
2012	6.6850	0.0924	6.7774	5.1860	0.3670	5.5530	7.4180	0.0000	7.4180	0.4789	0.4363	1.8750	0.0345	22.5731

Source: Broward County Property Appraiser

See accompanying independent auditors' report.

CITY OF TAMARAC
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Power & Light, Co.	\$ 51,638,314	1	2.07%	\$ 43,144,957	2	1.78%
Advance Business Assoc	34,153,710	2	1.37%	38,518,938	3	1.59%
DDRM Midway Plaza LLC	28,719,960	3	1.15%			
Coral Vista Investors, LLC	28,045,290	4	1.12%			
Alliance Partners LLC	17,822,510	5	0.71%	14,596,280	9	0.60%
Fairfield Woodmont Park LLC	14,661,100	6	0.59%			
Turnpike Center Associates	14,281,480	7	0.57%			
Tamarac Point LTD Partner	13,806,730	8	0.55%			
BH IGF Hidden Harbour	13,720,050	9	0.55%			
Wells Operating Partnership LP	13,641,570	10	0.55%			
University Hospital				48,018,976	1	1.98%
Monadnock Property Trust, LLC				25,067,771	4	1.03%
Samson Mgmt, Inc. (Hidden Harbour)				18,942,798	5	0.78%
Ramco-Gershenson Properties				18,162,900	6	0.75%
Tamarac Apartments LLC				15,886,418	7	0.66%
Jasmine At Tamarac LLC				15,010,000	10	0.62%
Inland Southeast Midway LLC				15,879,820	8	0.66%
Total	<u>\$ 230,490,714</u>		<u>7.17%</u>	<u>\$ 253,228,858</u>		<u>10.45%</u>

Source: Broward County Revenue Collection Division

See accompanying independent auditors' report.

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage Collected	Collections in Subsequent Years	Amount	Percentage of Levy
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%
2007	24,280	24,165	99.5%	20	24,185	99.6%
2008	22,363	21,440	95.9%	-	21,440	95.9%
2009	20,859	18,843	90.3%	295	19,138	91.7%
2010	19,703	18,630	94.6%	121	18,751	95.2%
2011	16,863	16,016	95.0%	142	16,158	95.8%
2012	16,692	16,014	95.9%	17	16,031	96.0%

Source: Broward County Revenue Collection Division

See accompanying independent auditors' report.

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government ^a	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds	Sales Tax Increment Bonds	Capital Improvement Bonds	Taxable Redevelopment Note	Water & Sewer Revenue Bonds	Term Loan	Stormwater System Refunding Bonds	Capital Leases			
2003	5,153,050	20,575,000	-	-	13,965,000	-	-	382,376	40,075,426	2.73%	695.86
2004	4,352,901	19,775,000	-	-	12,585,000	-	-	411,579	37,124,480	2.42%	637.07
2005	3,506,769	18,945,000	-	-	11,115,000	-	9,370,000	431,726	43,368,495	2.69%	736.47
2006	2,619,398	18,090,000	15,000,000	-	3,495,000	6,000,000	9,030,000	-	54,234,398	3.21%	910.19
2007	2,265,523	17,200,000	14,850,000	-	2,705,000	6,000,000	8,680,000	-	51,700,523	2.92%	862.41
2008	1,927,135	16,275,000	14,550,000	6,818,373	1,860,000	5,090,000	8,325,000	-	54,845,508	2.43%	925.32
2009	1,747,032	15,315,000	14,395,000	4,942,653	14,020,000	-	4,345,000	-	54,764,685	3.25%	922.90
2010	1,559,240	14,425,000	14,210,000	6,017,414	13,785,000	-	4,130,000	370,520	54,497,174	3.33%	915.76
2011	1,363,431	14,556,000	13,995,000	13,771,509	13,540,000	-	3,905,000	-	61,130,940	3.75%	1,011.65
2012	1,159,263	13,422,000	13,745,000	13,771,509	13,290,000	-	3,670,000	584,704	59,642,476	3.41%	969.13

Notes:

Details regarding the City's outstanding debt can be found in note 9 of the financial statements.

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

^b Personal Income based on an estimate of 2011 median household income (\$40,389) of the City of Tamarac.

^c Population data can be found in Page 117, Demographic Statistics and Information

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

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 of Property	Per Capita^a
2003	5,153,050	(754,683)	5,907,733	0.269%	102.58
2004	4,352,901	5,517	4,347,384	0.179%	74.60
2005	3,506,769	29,407	3,477,362	0.126%	59.05
2006	2,619,398	68,857	2,550,541	0.081%	42.80
2007	2,265,523	103,330	2,162,193	0.056%	36.07
2008	1,927,135	116,727	1,810,408	0.040%	30.54
2009	1,747,032	119,050	1,627,982	0.042%	27.43
2010	1,559,240	107,805	1,451,435	0.048%	24.39
2011	1,363,431	68,850	1,294,581	0.057%	21.42
2012	1,159,263	29,454	1,129,809	0.045%	18.36

Notes:

Details regarding the City's outstanding debt can be found in note 9 of the financial statements

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

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

City of Tamarac
 Direct and Overlapping Governmental Debt
 September 30, 2012

<u>Name of Government</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Broward County	\$ 332,330,000	1.99%	\$ 6,598,056
City of Tamarac - Direct Debt			<u>1,129,809</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,727,865</u></u>

Sources:

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

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.

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

CITY OF TAMARAC
Legal Debt Margin Information
September 30, 2012

The Charter of the City of Tamarac imposes no bonded debt limit. Details regarding the City's outstanding debt can be found in the note 9 of the financial statements.

CITY OF TAMARAC
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges ^a	Less: Operating Expenses ^b	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2007	18,694,290	14,501,880	4,462,410	1,140,000	667,747	1,807,747	2.47
2008	18,790,162	15,425,826	3,364,336	2,110,000	680,392	2,790,392	1.21
2009	19,795,236	15,729,539	4,065,697	2,037,755	340,924	2,378,679	1.71
2010	19,830,341	16,259,240	3,571,101	235,000	653,794	888,794	4.02
2011	20,060,648	15,334,980	4,029,598	250,000	639,394	889,394	4.53
2012	21,740,226	16,567,804	5,172,422	260,000	629,394	889,394	5.82

Notes:

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

a Includes water and sewer service charges, and meter installations. For 2010-2011 also includes investment and other income.

b Does not include interest, depreciation and amortization expenses. For 2010-2011 includes all expenses except for Payments in lieu of taxes.

Source: City of Tamarac, Financial Services Department

See accompanying independent auditors' report.

City of Tamarac
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Median Household Income	Total Personal Income (amounts in thousand)	Per Capita Income	Median¹ Age	Percent High¹ School Graduate or Higher	School Enrollment	Unemployment Rate
2003	57,591	38,282	1,430,157	24,833	52.9	83.5%	3,772	5.2%
2004	58,274	39,201	1,487,619	25,528	52.9	83.5%	3,929	4.5%
2005	58,887	40,141	1,545,372	26,243	52.9	83.5%	3,929	4.3%
2006	59,586	41,104	1,607,511	26,978	52.9	83.5%	3,792	3.5%
2007	59,949	42,092	1,337,342	22,308	45.5	83.5%	3,792	4.7%
2008	59,272	47,483	1,483,697	25,032	49.1	83.5%	3,792	7.1%
2009	59,340	41,029	1,547,366	25,820	49.3	86.8%	3,792	11.9%
2010	59,510	40,447	1,502,270	25,244	47.6	87.1%	4,244	10.4%
2011	60,427	40,389	1,476,836	24,440	47.1	88.7%	4,155	6.5%
2012	61,542	41,837	1,570,552	25,520	47.4	89.1%	4,652	7.7%

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), City of Tamarac Adopted Budget Documents 2000-2009, and Bureau of Labor Statistics 2000-2007 Per Capita Income source from 2001 & 2005 Bureau of Economic and Business Research.
2000-2007 Per Capita Income and Median Household Income other than 1999 are derived from an estimate of Broward County data.
2007 - 2009 Median Household Income, Per Capita Income and Median Age derived from an estimate of 2006-2008 American Community Survey.
2009 Population from 2000 U.S. Census - 2010 Estimate.
2011 Data is derived from the 2010 Census

Notes:

¹ Median Age (2000-2009) and Percent High School Graduate or Higher (2000-2009), from 2000 Census. No data available outside of 2000 U.S. Census

See accompanying independent auditors' report.

CITY OF TAMARAC
Major Employers - Number of Employees
Current and Nine Years Ago

Employer	2012		2003	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
*Convergys Customer Mgmt CP	700	18.41%	1,290	24.64%
*City Furniture (Opened in 2001)	680	17.89%	1,150	21.96%
*University Hospital	710	18.67%	1,000	19.10%
*Publix Supermarkets (3)	392	10.31%	625	11.94%
City of Tamarac	351	9.23%	377	7.20%
*Richline Group (formerly Aurafin CP)	301	7.92%	250	4.77%
*Heartland of Tamarac	215	5.65%	172	3.28%
*Toshiba CP (Opened in 2006)	130	3.42%	N/A	N/A
*Walgreens (4)	137	3.60%	87	1.66%
*Woodlands Country Club	65	1.71%	125	N/A

Source:

* Tamarac Chamber of Commerce

N/A - not available.

See accompanying independent auditors' report.

CITY OF TAMARAC
 Full-Time Equivalent City Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General Government	104	106	106	102	103	97	89	88	67	73
Public Safety*	93	106	108	108	109	104	104	102	119	127
Transportation	16	16	16	16	17	10	10	10	14	13
Culture and recreation	32	33	33	36	36	34	42	35	40	46
Physical environment	62	67	67	68	69	65	64	59	26	26
Economic Development									3	2
Business-type activities:										
Water and Wastewater	53	51	51	50	51	50	51	50	61	64
Stormwater	17	17	17	18	18	18	18	21	21	21
Total	377	396	398	398	403	378	378	365	351	372

Notes:

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

Sources:

City of Tamarac Adopted Budget Documents 2003-2012

See accompanying independent auditors' report.

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Building Permits Issued	5,821	5,785	6,649	9,843	7,587	5,634	5,104	5,723	6,029	6,203
Building Inspections Conducted	34,501	43,473	27,870	43,649	33,215	17,103	16,834	16,058	15,654	15,112
Police										
Physical Arrests	1,026	1,244	1,073	874	1,197	1,579	1,605	1,099	1,680	1,663
Traffic Violations	5,256	5,199	5,235	3,514	4,908	1,216	8,959	7,884	5,560	5,192
Fire										
Emergency Responses	10,281	11,172	15,725	8,563	10,694	10,735	10,896	11,081	11,274	11,324
Inspections	4,798	4,472	2,551	1,669	1,684	2,652	2,714	2,667	2,639	2,824
Refuse Collection										
Recyclables Collected (tons)	4,622	4,333	4,163	3,800	3,439	3,482	3,430	3,243	2,972	4,203
Other Public Works										
Street Resurfacing (miles)	n/a	7.60	0.50	3.00	2.00	0.00	0.00	0.00	0.00	0.00
Potholes Repaired	186	305	100	6	64	115	82	122	180	171
Parks and Recreation										
Athletic Field Permits Issued	103	81	85	28	87	2	90	130	158	508
Water										
New Connections	54	739	145	727	350	74	14	17	11	19
Water Main Breaks	21	30	21	35	18	13	11	26	12	24
Average Daily Consumption (millions of gallons)	6.4	6.5	6.2	6.5	5.7	5.4	5.7	5.9	6.1	5.9
Peak Daily Consumption (millions of gallons)	10.0	10.0	10.0	10.0	11.2	14.0	7.5	6.6	6.9	6.4
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	7.406	7.607	7.538	6.767	6.480	6.512	6.600	6.800	7.485	8.500
Transit										
Total Route Miles	106,740	84,913	79,663	78,022	80,244	73,450	98,281	112,324	121,340	128,960
Passengers	37,422	35,973	43,401	43,781	47,145	16,304	36,345	35,024	53,973	52,172

Sources:

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

See accompanying independent auditors' report.

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

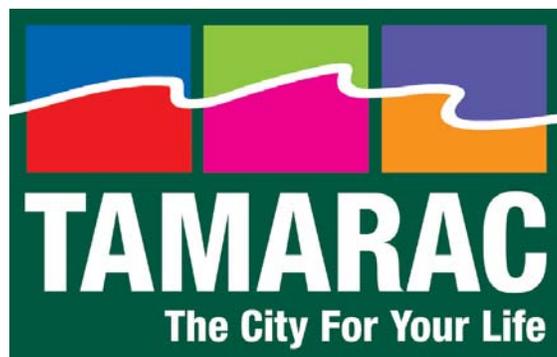
Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	85	85	85	90	89	74	72	82	85	101
Fire stations	2	3	3	3	3	3	3	3	3	3
Highways and Streets										
Streets (miles)	140	136	136	120	136	140	137	137	137	136
Street lights	380	384	385	385	239	385	239	242	255	255
Culture and recreation										
Parks acreage	62.0	93.2	145.6	147.6	150.55	159.05	153.6	153.6	153.6	176.6
Parks	6	10	10	10	10	11	10	10	10	10
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	1	1	1	1	1	1	3	3	3	3
Aquatic Center	N/A	N/A	N/A	1	1	1	1	1	1	1
Water										
Water mains (miles)	233.2	236.8	243.0	249.7	250.9	251.2	253.9	253.9	254.0	254.0
Fire hydrants	1,893	1,944	1,893	2,029	2,043	2,045	2,077	2,079	2,083	2,084
Maximum daily capacity (millions of gallons)	20	20	20	20	20	20	20	20	20	16
Sewer										
Sanitary Sewers (miles)	180.6	182.2	181.0	185	185.5	186	188.3	188.3	188.3	188
Storm Sewers (miles)	76	76	76	76	77	79	77	82	82	82
Maximum daily capacity (millions of gallons)	0	0	0	8.04	8.04	8.04	8.50	8.50	8.50	8.50

Sources:

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

See accompanying independent auditors' report.

COMPLIANCE SECTION





**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**

Honorable Mayor, City Commission, Pension Board of Trustees, and City Manager
City of Tamarac, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tamarac, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City of Tamarac, Florida's basic financial statements. We also audited the Police Officer's Pension Trust Fund, the General Employees' Pension Trust Fund, the Elected and Appointed Officers and Non-Represented Employees Retirement Fund, and the Firefighters' Pension Trust Fund included in the accompanying notes to the financial statements as combining statements as of and for the year ended September 30, 2012, and have issued our report thereon dated March 7, 2013. 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

Management of City of Tamarac, Florida, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Tamarac, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Tamarac, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Tamarac, Florida's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tamarac, Florida'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Commission, Pension Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 7, 2013





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

Honorable Mayor, City Commission, Pension Board of Trustees, and City Manager
City of Tamarac, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tamarac, Florida (the "City") as of and for the year ended September 30, 2012, which collectively comprises the City's basic financial statements. We also have audited the Police Officers' Pension Trust Fund, the General Employees' Pension Trust Fund, the Elected and Appointed Officers and Non-Represented Employees Retirement Fund, and the Firefighters' Pension Trust Fund included in the accompanying notes to the financial statements as combining statements as of and for the year ended September 30, 2012 and have issued our report thereon dated March 7, 2013.

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 and Other Matters, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 7, 2013, should be considered in conjunction with this management letter.

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

- 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.**

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, federal and state agencies, 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.

GLSC & Company, PLLC

March 7, 2013

LETTER TO MANAGEMENT
(CONTINUED)

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

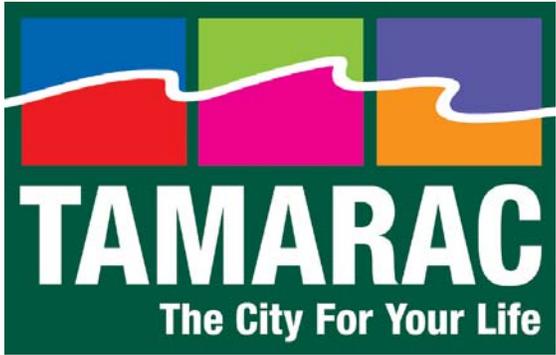
None

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

1. Unless otherwise required to be reported in the auditor's report on 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 pursuant to Rule 10.554(1)(i)1. There were no recommendations made in the preceding annual financial audit.
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, 2012.
4. There were no violations of provision of contracts or grant agreements, fraud, illegal acts or abuse that have occurred, or are likely to occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
5. Based on our professional judgment, we may report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
6. The City of Tamarac, Florida was established pursuant to the laws of the State of Florida 63-1970, as a municipal corporation in 1963. 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. The City has one component unit, Woodland Community Neighborhood Improvement Project District; however, it was not included in the City's financial statements since it had no activity during the fiscal year ended 2012.
7. The City of Tamarac has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
8. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2012 financial audit report.

LETTER TO MANAGEMENT
(CONTINUED)

9. We applied financial condition assessment procedures pursuant to Rules 10.554(1)(i)7.c and 10.556(7) 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 AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor, City Commission, Pension Board of Trustees, and City Manager
City of Tamarac, Florida

Compliance

We have audited the City of Tamarac, Florida's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Tamarac, Florida's major federal programs for the year ended September 30, 2012. The City of Tamarac, Florida's major federal programs 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 is the responsibility of the City of Tamarac, Florida's management. Our responsibility is to express an opinion on the City of Tamarac, Florida'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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about City of Tamarac, Florida'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 of City of Tamarac, Florida's compliance with those requirements.

In our opinion, City of Tamarac, Florida, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of the City of Tamarac, Florida, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Tamarac, Florida's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tamarac, Florida's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 7, 2013



**CITY OF TAMARAC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract Grant Number	Expenditures
<i>U.S. Department of Housing and Urban Development</i>			
Community Development Block Grant - NSP3	14.218	B-11-MN-12-0028	\$ 537,479
Community Development Block Grant	14.218	FY2010-2011	<u>535,335</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>1,072,814</u>
<i>U.S. Department of Energy</i>			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	DE-SC0003197	84,764
Renewable Energy Research and Development	81.087	DE-EE0003187	<u>728,273</u>
<i>Total U.S. Department of Energy</i>			<u>813,037</u>
<i>U.S. Department of Homeland Security</i>			
Homeland Security Grant Program	97.067	08-DS-60-13-00-16-373	828
Homeland Security Grant Program	97.067	12-DS-52-13-00-16-257	15,787
Homeland Security Grant Program	97.067	10-DS-39-13-00-16-414	12,845
Homeland Security Grant Program	97.067	11-DS-9Z-13-00-16-436	<u>29,080</u>
		Subtotal	<u>58,540</u>
Assistance to Firefighters	97.044	EMW-2009-FO-11298	<u>15,345</u>
<i>Total U.S. Department of Homeland Security</i>			<u>73,885</u>
<i>U.S. Department of Transportation</i>			
Pass-Through Florida Department of Transportation Highway Planning and Construction	20.205	423797-1-58-01	500,000
Highway Planning and Construction	20.205	425535-1-58-01	24,000
Highway Planning and Construction	20.205	422275-1-58-01	<u>131,681</u>
		Subtotal	<u>655,681</u>
Pass-Through Florida Department of Environmental Protection Recreational Trail Program Grant for Mainlands Park	20.219	T10023	<u>1,250</u>
<i>Total U.S. Department of Transportation</i>			<u>656,931</u>
<i>TOTAL EXPENDITURES OF FEDERAL AWARDS</i>			<u><u>\$ 2,616,667</u></u>

CITY OF TAMARAC, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

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 June 2012, 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 2012 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 53 percent of total cash and noncash Federal program expenditures.

<u>Major Federal Program Description</u>	<u>Federal CFDA Number</u>	<u>Fiscal 2012 Expenditures</u>
Highway Planning and Construction	20.205	\$ 655,681
Renewable Energy Research and Development	81.087	728,273

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards include all Federal grants to the City of Tamarac, Florida that had activity during the fiscal year ended September 30, 2012. The basis of accounting is described in Note 1 to the City of Tamarac, Florida's basic financial statements.

Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such an audit, any claim for reimbursement to the grantor agencies would become liability for the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE C - FINDINGS OF NONCOMPLIANCE

None

NOTE D - AUDITS PERFORMED BY OTHER ORGANIZATIONS

There we no audits performed by other organizations.

CITY OF TAMARAC, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(Continued)

D. OTHER ISSUES

1. No summary of 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 Single Audit Act.