

Comprehensive Annual Financial Report

City of Lauderdale, Florida



For the Fiscal Year Ending September 30, 2006

Prepared by

City of Lauderdale Finance Department

Kennie Hobbs, Jr.

Director of Finance and Support Services

Karen Pottinger

Assistant Finance Director

Sean Henderson

Assistant Finance Director

TABLE OF CONTENTS

INTRODUCTION	PAGE(S)
▪ Letter of Transmittal	1-7
▪ Certificate of Achievement for Excellence In Financial Reporting	8
▪ Organizational Chart	9
▪ Elected City Officials	10
▪ Appointed City Officials	11
FINANCIAL SECTION	
▪ Independent Auditors Report	12-13
▪ Management’s Discussion & Analysis	14-25
▪ Basic Financial Statements	
▪ Government-wide Financial Statements	
▪ Statement of Net Assets	26
▪ Statement of Activities	27
▪ Fund Financial Statements	
▪ Balance Sheet- Governmental Funds	28
▪ Reconciliation of the Balance Sheet to the ▪ Statement of Net Assets- Governmental Funds	29
▪ Statement of Revenues, Expenditures, & Changes ▪ In Fund Balances- Governmental Funds	30
▪ Reconciliation of the Statement of Revenues, Expenditures, ▪ & Changes in Fund Balances of Governmental Funds to ▪ The Statement of Activities	31
▪ Statement of Net Assets- Proprietary Fund	32
▪ Statement of Revenues, Expenses & Changes in Fund ▪ Net Assets- Proprietary Funds	33
▪ Statement of Cash Flows- Proprietary Fund Types	34
▪ Statement of Fiduciary Net Assets- Fiduciary Funds	35
▪ Statement of Changes in Fiduciary Net Assets- Fiduciary Funds	36
▪ Notes to the Financial Statements	37-68
▪ Required Supplementary Information	
▪ Budgetary Comparison Schedule- General Fund	69
▪ Notes to Budgetary Comparison Schedule	70
▪ Schedule of Funding Progress- Employee Retirement Systems	71
▪ Combining & Individual Statements and Schedules	
▪ Combining Balance Sheet- Non-major Governmental Funds	72
▪ Combining Statement of Revenues, Expenditures ▪ & Changes in Fund Balances (Non-major Governmental Funds)	73

TABLE OF CONTENTS (Continued)

	PAGE(S)
▪ Budgetary Comparison Schedule- Capital Projects	74
▪ Budgetary Comparison Schedule- Debt Service	
▪ Budgetary Comparison Schedule- Community Redevelopment Agency	76
▪ Budgetary Comparison Schedule- Special Revenue Fund	
▪ State Housing Initiative Program (SHIP)	77
▪ Budgetary Comparison Schedule- Special Revenue Fund	
▪ Law Enforcement	78
▪ Budgetary Comparison Schedule- Special Revenue Fund	
▪ Federal Forfeiture	79
▪ Budgetary Comparison Schedule- Special Revenue Fund	
▪ Community Development Block Grant (CDBG)	80
▪ Budgetary Comparison Schedule- Special Revenue Fund	
▪ Home Grant	81
▪ Combining Statement of Net Assets- Fiduciary Funds	82
▪ Combining Statement of Changes in Fiduciary Net Assets-	
▪ Fiduciary Funds	83
STATISTICAL SECTION	
▪ Financial Trends	85-89
▪ Revenue Capacity	90-93
▪ Debt Capacity	94-97
▪ Demographic and Economic Information	98-99
▪ Operating Information	100-101
▪ Miscellaneous Statistics	102-104





June 25, 2007

To the Honorable Mayor
Members of the City Commission, and
Citizens of Lauderhill:

The Comprehensive Annual Financial Report (CAFR) of the City of Lauderhill, Florida (the City), for the fiscal year ended September 30, 2006, is hereby submitted as mandated by both local ordinances and state statutes. The CAFR has been prepared in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). The audit was conducted in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants.

Management Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosure, rest with the City. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects; that is, the presentation fairly shows the financial position and results of the City's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

Internal Control

Our goal is to provide a reasonable basis that supports the representations that management has established. A comprehensive internal control framework has been designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 valuation of costs and benefits requires estimates and judgments by management.

Audit

The City's financial statements have been audited by Watson Rice LLP. The goal of the independent auditor was to provide reasonable assurance that the financial statements for

Fiscal Year ending September 30, 2006, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors, based on their audit, rendered an unqualified opinion that the financial statements for the fiscal year ended September 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the standard independent audit of the City's financial statements, this audit was performed as part of a broader, federally mandated "Single Audit", which is designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in a separately issued Single Audit Report.

Financial Reporting Format

The City has prepared its CAFR using the financial reporting requirements as prescribed by Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). This GASB Statement requires that Management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Introduction to the Report

The Comprehensive Annual Financial Report is divided into three sections:

- **The Introductory Section** contains this letter of transmittal, the Certificate for Excellence in Financial reporting for the September 30, 2005 CAFR, a list of principal officials as of September 30, 2006, and the City organizational chart.
- **The Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements of non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements.
- **The Statistical Section** presents tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that is of interest to potential bond investors and other readers. This data is generally presented on a multi-year basis.

Profile of the Government

The City of Lauderhill was incorporated in 1959 and is governed by an elected mayor and four-member City Commission. The Mayor and Commissioners are elected city-wide and serve four-year terms. The City is administered under a commission-manager form of government whereby the Mayor and Commission hire a City Manager for administrative duties. The Commission is responsible for passing resolutions, which generally confirm or direct specific actions; and ordinances, which generally amend the City's permanent Code of Ordinances, for approving the annual budget and setting tax and assessment rates, for approving capital expenditures and all debt issued by the City, for appointing citizen boards that assist and advise the Commission, and other related legislative duties. The City Manager is responsible for enacting the policies and actions approved by the Commission, for overseeing the daily operations of the City, and for appointing Department Directors and approving their staffing selections.

The City provides a full range of municipal services, including police and fire protection; parks and recreational programs such as swimming, youth sports, and tennis; cultural events and art instruction; a senior citizen community center and sponsored trips; water distribution and sewer and stormwater collection; street and bridge repair, maintenance, and lighting; public record maintenance; building inspection; business licensing; zoning regulation; code enforcement; and grant programs for housing purchase and repairs.

The annual budget is the cornerstone of the City's financial planning and control. The Commission holds public hearings between **February** and **April** of each year to gather resident input for new projects and initiatives for the upcoming budget. Given general direction from the Commission following these meetings, Department Directors submit proposed departmental budgets to the City Manager in **May**. The City Manager reviews each proposal with the Directors and assembles a proposed budget that is delivered to the Commission by **July 1**.

The Commission holds public workshops in July to discuss and amend the Manager's Proposed Budget. The final version of the proposed budget, including the proposed millage rate, is voted on in two public commission meetings in September. The budget goes into effect October 1 and covers the fiscal year, which ends the following September 30th. During the fiscal year, the City Manager may approve transfers of funds among line items within a department, with the exception of **reductions in capital outlay line items, which requires Commission approval**. The Commission must also approve transfers between departments or supplemental appropriations that increase expenditures and revenues.

Economic Conditions and Outlook

Lauderhill is a mature community of approximately 75,000 year-round residents. That number increases to over 85,000 in the winter season, from December through March, as "snowbirds," primarily retirees from the northeastern United States and Canada, flock to their second homes in Lauderhill. Lauderhill's year-round residents include approximately 14,000 retirees, who are located throughout the City.

Working residents hold a range of jobs typical of those in the South Florida economy. These include positions in retail sales and other services, especially in the medical and tourism sectors, communications, municipal and county government, construction, and financial services. The broad base of Lauderhill's economy is representative of Western Broward County, which is less dependent on tourism than the beach areas to the east.

Lauderhill's property tax base is primarily residential. Lauderhill has an industrial park with many small firms operating in warehouses under 10,000 square feet but no large firms that comprise a significant portion of the tax base. Lauderhill's residential tax base is rather evenly divided between single-family homes and multi-family condominiums and apartments. As shown in the Statistical Section of this CAFR, four of the largest property taxpayers in Lauderhill are apartment complexes.

Lauderhill has experienced a resurgence in development activity during the past eight years. Over 700 new housing units, two new shopping centers and a successful food market have been built during this time. Despite the City being over 95% built out, plans have been submitted to the City's Planning Department for up to 1,500 additional housing units and 400,000 square feet of office and retail space over the next five years. As a means of squaring off our borders, Lauderhill, during FY 2004, extended an invitation to three (3) neighboring communities to be annexed into the City. As of September 15, 2006, all three communities (West Ken Lark, St. George and Broward Estates) voted in the affirmative and have joined the City. The inclusion of the three new communities added an additional 1,750 homes and 13,000 individuals to the City. In addition, Broward County has commenced construction on a 110 plus acre Regional Park in Lauderhill that will include a multi-use stadium and multiple ball-fields. The goal is to attract events such as the state high school football championship, international cricket tournaments and related events.

The local economy has slowed over the past year. Property values in the tri-county area have leveled and in some cases decreased in value from that of the previous year. Increases in existing property values, new construction and the annexation of three new communities has resulted in above average property value increases, in the range of twenty percent (20%) annually, during fiscal years 2005 and 2006. However, the market is expected to yield increases more reflective to historical trends over the next several years.

In addition, as a means to fund needed capital improvements, the City had experienced a planned spend-down of its fund balance to complete needed capital projects from its Five-Year Capital Improvement Plan. However, as a result of implementing a prudent financial plan, our fund balance has reversed its trend from previous years and has seen a substantial increase over the past three fiscal years. Moreover, the inclusion of existing businesses located in the newly annexed areas, have resulted in a more diversified business community both in Lauderhill and in surrounding areas.

Major Initiatives and Capital Projects

In spite of suffering wide-spread damage from Hurricane Wilma, the City continues to move forward with its redevelopment efforts. As mandated by the Citizens, the City commenced

phase one of its Great Neighborhood Bond community improvement program during Fiscal Year 2006. The City has entered the planning and developmental stages on major projects such as streetscape and park improvements (\$6 million) and the construction of two new community centers and major renovations to the existing senior community center (\$3.5 million). The plan also includes the development of linear parks and greenways to connect all areas of the city, traffic calming devices and major roadway resurfacing and widening and landscape improvements on major thoroughfares throughout the city.

As of fiscal year end, the following capital projects have been completed; the construction of privacy walls and curbing throughout Northwest Lauderhill and Inverrary, and landscaping and median improvements along West Oakland Park Boulevard and State Road 7. In addition, City Hall suffered substantial damage which necessitated a relocation to the Corporate Park in Inverrary. The City will be operating from that site until a New City Hall is constructed at the corner of West Oakland Park Boulevard and Inverrary Boulevard, which based on current development plans, is scheduled for completion in the summer of 2009.

In addition, the City has begun to capitalize on the development opportunities afforded by the new Broward County Regional Park. The City has sold two parcels of land, one that is adjacent to the park, and the second which is located across the street on State Road 7. The land abutting the park is slated for mixed-use development, which will include a hotel, along with commercial and office space. This will benefit from being in direct proximity to the park and the cricket stadium. Three hundred townhouses and retail space, which will include the country's first Gospel Complex, is planned for development on the second parcel of land.

One and a half miles north, the Lauderhill Mall- which was the first air conditioned mall in the southeast- has been purchased by a commercial development firm. Plans submitted to the City include \$100 million in redevelopment that will transform the mall into a mix-use development that will include both retail and office space and 500 residential units.

These three developments are integral to a larger plan, developed by a planning and engineering consultant, and approved by the Commission, for redevelopment of the State Road 7 commercial corridor and establishment of a commercial redevelopment agency. As part of the Great Neighborhoods Bond, the City has earmarked \$5 million to be used in conjunction with funds from Broward County to build a state of the art performing arts complex.

Debt Administration

During Fiscal Year 2006, The City established (2) two \$10 million lines of credit to address short term cash flow needs due to Hurricane Wilma. During the course of the fiscal year, the City withdrew \$6,042,000 from the lines in anticipation of reimbursement from the Federal Emergency Management Agency (FEMA). As a result, the City has outstanding; (4) four sales tax revenue bonds, (5) five water and sewer revenue bonds, (1) one Stormwater revenue bond, (1) one General Obligation bond and (2) two lines of credit. With the exception of the FEMA lines of credit, all remaining bonds have been issued

between 1998 and 2005, to pay for capital projects or to refund earlier bond issues in an effort to take advantage of reduced interest rates. The total outstanding principal as of September 30, 2006 is \$17,465,000 for the sales tax bonds, \$18,615,000 for the water and sewer revenue bonds, \$5 million for the Stormwater bonds, and \$33,960,000 million for the General Obligation Bonds.

All of the bond issues are rated AAA by Standard and Poor's and Moody's, and are insured by Financial Guaranty Insurance Company, the Municipal Bond Insurance Association, or by AMBAC Indemnity Corporation. The outstanding debt is further detailed in Notes to the Financial Statements. The debt service coverage required by the bond covenants is displayed in the Statistical Section of these statements.

In addition to these bonds, the City has \$7,151,754 in loans due to the State of Florida Department of Environmental Protection for stormwater improvements. These loans are awarded to municipalities by the State under a competitive program, and carry a subsidized below-market interest rate.

Cash Management

All monies received are deposited daily. Short-term funds are invested in the Florida State Board of Administration's pooled cash fund. Excess funds are invested in United States Treasury and agency notes purchased via competitive bidding. Investment earnings are allocated and credited to individual funds. The average portfolio of approximately \$36,561,246 generated \$1,964,844 in income for a total return of 5.37% which is a 144% increase over Fiscal Year 2006. These earnings exceeded those available on short-term investments because The City uses a combination of investment maturities to improve and smooth out earnings. The City's guiding investment policy emphasizes safety of principal and liquidity over yield.

Risk Management

Lauderhill has maintained a Protected Self Insurance Risk Management Program since Fiscal Year 1990, with the goals of spending less for insurance, controlling the frequency and severity of losses and affording more comprehensive coverage. The City engages a professional claims administrator to evaluate claims and to assist in record keeping. Lauderhill's insurance program has excess coverage as well as limited liability under State law so that the amount for a single or combined peril loss chargeable to the fund is capped. Therefore, no single loss could liquidate the insurance fund. Included in the program is coverage for Workers' Compensation, Property Damage, General and Specific Liabilities, Boiler and Machinery losses, Fidelity Bonds for financial matters and Sports Accident Insurance for youth sports.

The charges to various departments under the insurance program during Fiscal Year 2006, were based on actual claims paid in cash, and an estimate of current and future claims and losses, using actual prior year results and a loss-growth factor provided by the claims administrator and an actuarial firm. The City establishes loss reserves for each fiscal year based on trend and case development information. The case and claims information is

provided by the administrator and confirmed by an actuarial evaluation. The risk management program is on page 64 of these financial statements.

Awards and Acknowledgements

The Government Finance Officers' Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lauderhill for its Comprehensive Annual Financial Report (CAFR) for fiscal years ended September 30, 2006. This is the nineteenth consecutive year (Fiscal Year ended September 30, 1988-2006) that the City has achieved this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and the City is submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of Karen Pottinger, Assistant Finance Director, Sean Henderson, Assistant Finance Director, and Julie Bowers, Administrative Manager, as well as the entire staff of the Finance and Support Services Department. Karen Pottinger has the primary responsibility for maintaining the integrity of the accounting records during the year and overseeing the preparation of this Annual Report. The Finance staff also recognizes the City Commission and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Kennie Hobbs, Jr.

Kennie Hobbs, Jr.

Director of Finance and Support Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lauderhill
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

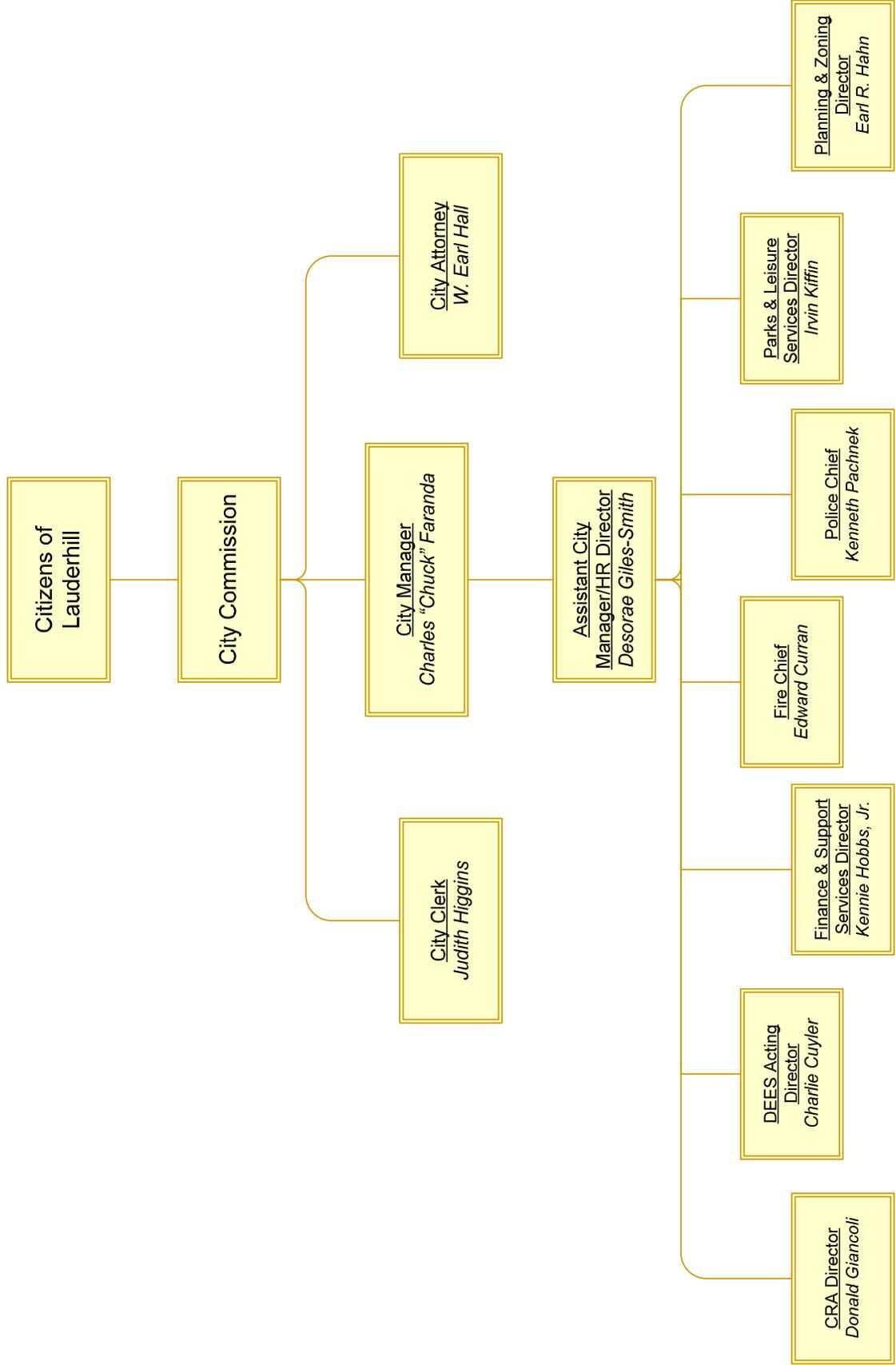
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

The City of Lauderhill



City of Lauderdale

Commission/Manager Form of Government



Mayor
Richard J. Kaplan

Vice Mayor – Dale Holness
Deputy Vice Mayor – M. Margaret Bates
Commissioner – Howard Berger
Commissioner – Hayward J. Benson Jr.

City of Lauderhill

Appointed City Officials

City Manager	<i>Charles Faranda</i>
Assistant City Manager	<i>Desorae Giles-Smith</i>
City Attorney	<i>W. Earl Hall</i>
City Clerk	<i>Judith Higgins</i>
Community Redevelopment Agency Director	<i>Donald Giancoli</i>
Department of Environmental & Engineering Services Director (Acting)	<i>Charlie Cuyler</i>
Finance & Support Services Director	<i>Kennie Hobbs, Jr.</i>
Fire Chief	<i>Edward Curran</i>
Human Resources Director	<i>Reylon Fennel</i>
Parks & Leisure Services Director	<i>Irvin Kiffin</i>
Planning & Zoning Director	<i>Earl R. Hahn</i>
Police Chief	<i>Kenneth Pachnek</i>





INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Lauderhill, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lauderhill, Florida, (the City) as of and for the year ended September 30, 2006 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 95% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2007 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 14 through 25 and 69 through 71, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Fort Lauderdale, Florida
June 25, 2007



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF LAUDERHILL, FLORIDA

We, the management of the City of Lauderhill, offer readers of the City's financial statement a narrative representation of the City's financial performance for the Fiscal Year ending September 30, 2006. This discussion and analysis will provide an overview of the City's financial activities when read in conjunction with the transmittal letter on pages 1 through 7 and the City's financial statements, which begin on page 12. All amounts, unless otherwise indicated, are expressed in thousand dollars.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lauderhill exceeded its liabilities at the close of the most recent fiscal year by \$65,703 (net assets). Of this amount, \$17,522 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- During Fiscal Year 2006, the government's total net assets increased by \$2,908 to \$65,703. Governmental net assets increased by \$2,308 or (6.27 percent), while business-type activity net assets increased by \$528 or (2.13 percent).
- On September 30, 2006, revenues of all governmental funds totaled \$58,030 while expenditures (exclusive of other financing sources and uses) totaled \$61,587. As a result, governmental revenues were \$3,557 less than governmental fund expenditures; accordingly, the City did realize a decrease in the total Governmental Funds fund balance of \$3,877 during Fiscal Year 2006.
- Business-type activities yielded a net operating gain of \$1,378 while non-operating activities yielded a loss of (\$850). During Fiscal Year 2006, operating revenues increased by \$641 when compared to Fiscal Year 2005. Moreover, on September 30, 2006, total revenues totaled \$15,779 compared to \$15,836 on September 30, 2005. The reduced water consumption due to a number of large users that have been displaced as a result of Hurricane Wilma. More than 1,000 units are currently unoccupied, thus resulting in reduced water consumption, thereby, reducing total utility and stormwater revenues. The City continues to demonstrate strong revenues and earnings potential, which will allow for the issuance of additional debt to maintain and improve the current utility system while still maintaining sufficient funds for continued operations.
- The total cost for general government and enterprise fund services amounted to \$70,557 or \$14,231 (25.26 percent) more than Fiscal Year 2005. On September 15, 2006, the City completed the annexation of four thousand new residents from Unincorporated Broward County. As a result, the cost of providing police and fire services increased nearly \$5,043 due to the need to hire additional staff and to provide for overtime pay during a transitional period. Also, during Fiscal Year

2006, the City experienced damages from Hurricane Wilma. Along with funds received from both Federal and State Agencies, more than \$8,000 has been invested in infrastructure and capital improvements, as well as, overtime for public works and public safety employees in an effort to return the City to its pre-hurricane status. In addition, the City has completed more than \$4,000 in capital improvements with funds provided from the \$35,000 General Obligation Bond that was issued during Fiscal Year 2005. Additionally, some departments had small increases in spending, which further increased the overall impact of the cost of providing additional services.

- As of the close of the current fiscal year, the General Fund reported an operating surplus of \$4,679 before operating transfers of \$2,441 for debt service. As the City continues to move forward with its renaissance, we continue to enjoy double digit percentage increases in property values. As a result, the City did not increase its ad-valorem tax rate, but as a result of property value increases, additional property tax revenue of \$2,407, or 23.30 percent, was collected over that of Fiscal Year 2005.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial Statements. This annual report presents a series of financial statements: (1) governmental-wide financial statements (2) fund financial statements (3) notes to the financial statements. In addition, this report also contains other supplementary information to the basic financial statements.

- Governmental-wide financial statements - The governmental-wide financial statements are designed to provide information about the activities of the City as a whole, in a manner similar to a private-sector business. Both long-term and short-term information regarding the City's finances are presented.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues

(governmental activities), from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic and community development. The business-type activities of the City include Water and Sewer and Stormwater operations.

The government-wide financial statements can be found on pages 26-27 of this report.

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

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

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

The City maintains nine (9) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community redevelopment agency fund and capital projects fund, which are considered to be major funds. Data from the other three (6) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer and Stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Water and Sewer and Stormwater operations, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

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's own program. 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 35-36 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 37-68 of this report.

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

Required supplementary information can be found on pages 69-71 of this report.

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 72 of this report.

Our analysis of the financial statements of the City begins below. The Statement of Net Assets and the Statement of Activities report information about the City's activities that will help answer questions about the financial position of the City. Both Fiscal Years 2005 and 2006 are presented for comparison purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets, over time, serve as a useful indicator of a government's financial position. The table below summarizes City of Lauderhill's net assets for fiscal years 2006 and 2005:

City of Lauderhill Net Assets (In Thousands)						
	Governmental Activities		Business-type Activities		Total Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$42,067	\$42,843	\$17,609	\$16,348	\$59,676	\$ 59,191
Capital assets	<u>57,710</u>	<u>53,675</u>	<u>46,149</u>	<u>41,330</u>	<u>103,859</u>	<u>95,005</u>
Total assets	<u>99,777</u>	<u>96,518</u>	<u>63,758</u>	<u>57,678</u>	<u>163,535</u>	<u>154,196</u>
Long-term debt outstanding	53,657	54,991	37,226	32,286	90,883	87,277
Other liabilities	<u>5,811</u>	<u>3,598</u>	<u>1,138</u>	<u>527</u>	<u>6,949</u>	<u>4,125</u>
Total liabilities	<u>59,468</u>	<u>58,589</u>	<u>38,364</u>	<u>32,813</u>	<u>97,832</u>	<u>91,402</u>
Net assets:	<u>40,309</u>	<u>37,929</u>	<u>25,394</u>	<u>24,865</u>	<u>65,703</u>	<u>62,794</u>
Invested in capital assets, net of debt	33,663	31,458	9,230	15,313	42,893	46,771
Restricted	3,225	4,644	2,063	2,566	5,288	7,210
Unrestricted	<u>3,421</u>	<u>1,827</u>	<u>14,101</u>	<u>6,986</u>	<u>17,522</u>	<u>8,813</u>
Total net assets	<u>\$40,309</u>	<u>\$37,929</u>	<u>\$25,394</u>	<u>\$24,865</u>	<u>\$ 65,703</u>	<u>\$ 62,794</u>

The City's combined net assets were \$65,703 million for Fiscal Year 2006, \$40,309 million for governmental activities and \$25.394 million for business-type activities. This represents an increase of \$2,908 million over Fiscal Year 2005 net assets with the majority of the increase derived from the continuing progress of the numerous capital projects undertaken by the City related to the 2005 General Obligation Bond issuance. For governmental activities, investment in capital assets increased by \$2,205 million; while current and other assets, and restricted assets decreased by \$965 thousand and \$180 thousand, respectively from Fiscal Year 2005. The considerable decrease in restricted assets is a result of the city continued investment in infrastructure and building improvements related to the \$35 million General Obligation bond issuance; additionally, investment in capital assets for business-type activities decreased by \$5,419 million as compared to 2005.

The use of a portion of net assets is restricted and can not be used to meet the ongoing obligations of the City. For Fiscal Year 2006, restricted net assets equaled \$36.888 million for governmental activities and \$11.293 million for business-type activities. Unrestricted net assets of governmental activities represent \$(3,421) million, or 8.5 percent of total net assets; while business-type activities unrestricted net assets are 14.101 million, or 55.53 percent of total net assets; which can be used to meet the City's ongoing obligations to citizens and creditors.

Investment in capital assets (such as land, buildings, and equipment) is a significant portion of the restricted assets. 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.

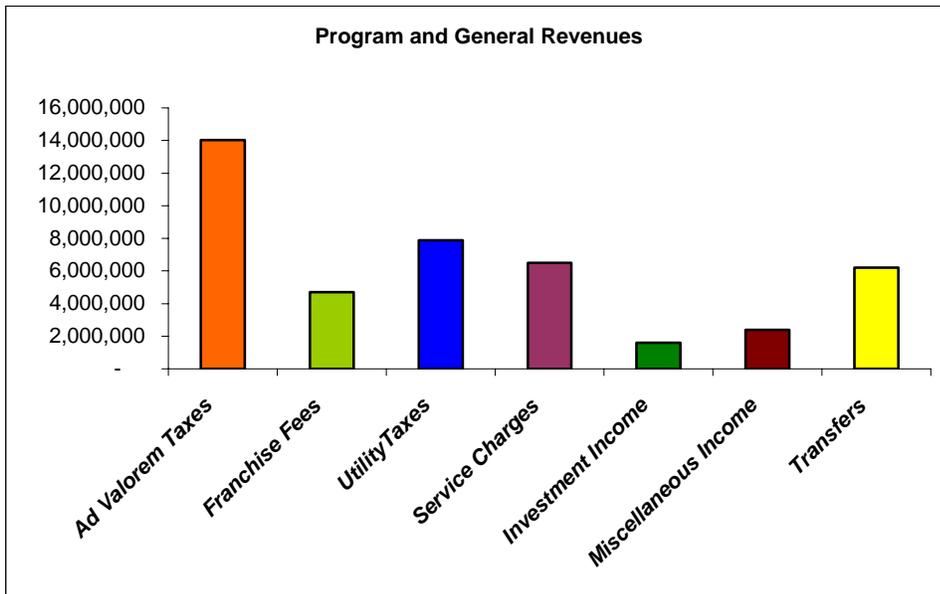
Long-term debt outstanding has decreased in the governmental as we use available funds to pay down existing debt, while long-term debt outstanding has increased in the business-type activities as a result of the City issuing revenue bonds to continue to finance infrastructure improvements. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, as it relates to the government as a whole and business-type activities; and two out of three categories relating to governmental activities only. The City had similar balances at the end of fiscal year 2005.

Statement of Activities

Governmental activities for the current fiscal year increased net assets by (\$2,380) primarily due to an increase in operating revenues related to property taxes and investment income activities as a result of annexation. As a comparison, in 2005, governmental activities decreased net assets by \$2,245. Key elements of the changes in net assets, table below, are described in the following section.

City of Lauderdale
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,755	\$ 10,520	\$ 15,093	\$ 14,452	\$20,986	\$20,986
Operating grant	9,898	2,794	-	75	2,944	2,944
Capital grants and contributions	82	668	-	1,167	1,835	1,835
General revenues:						
Property taxes	14,051	10,327	-	-	10,327	10,327
Other taxes	12,581	9,232	-	-	9,232	9,232
Other	<u>10,663</u>	<u>7,215</u>	<u>686</u>	<u>142</u>	<u>11,268</u>	<u>11,268</u>
Total revenues	<u>58,030</u>	<u>40,756</u>	<u>15,779</u>	<u>15,836</u>	<u>56,592</u>	<u>56,592</u>
Expenses:						
General government	10,461	7,825	-	-	7,825	7,825
Public safety	26,086	21,043	-	-	21,043	21,043
Public works	11,269	3,540	-	-	3,540	3,540
Recreation and social services	5,144	8,341	-	-	8,341	8,341
Economic and community development	-	41	-	-	41	41
Interest on long-term debt	2,370	1,113	-	-	1,113	1,113
Water and sewer	-	-	12,027	11,855	11,855	11,855
Stormwater	-	-	<u>3,224</u>	<u>2,568</u>	<u>2,568</u>	<u>2,568</u>
Total expenses	<u>55,330</u>	<u>41,903</u>	<u>15,251</u>	<u>14,423</u>	<u>56,326</u>	<u>56,326</u>
Transfer	(320,000)	-	-	-	-	-
Increase (decrease) in net assets	2,380	(1,147)	528	1,413	266	266
Decline in net realizable value of land investment	-	(1,098)	-	-	-	(1,098)
Net assets, October 1	<u>37,929</u>	<u>40,174</u>	<u>24,865</u>	<u>23,452</u>	<u>63,626</u>	<u>63,626</u>
Net assets, September 30	<u>\$ 40,309</u>	<u>\$ 37,929</u>	<u>\$ 25,393</u>	<u>\$ 24,865</u>	<u>\$ 63,892</u>	<u>\$ 63,892</u>



- Property taxes increased in the general fund by \$3.701 million (35.84 percent) during fiscal year 2006 over fiscal year 2005. Even though the City's millage rate remained unchanged (\$6.02/\$1,000 in taxable value), the increase in tax collections was due to the increase

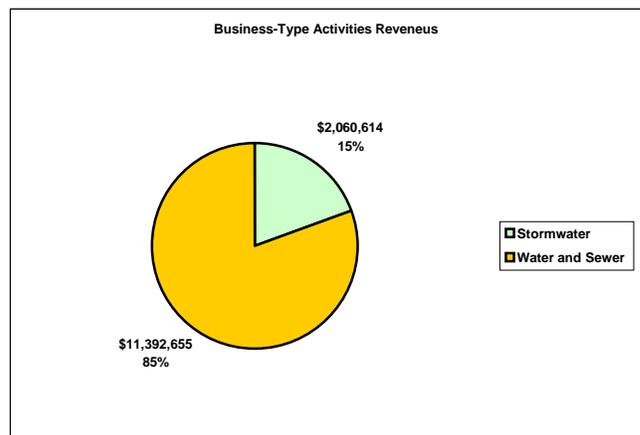
in taxable property value of \$881 million, primarily related to increasing values for existing housing and real estate. On October 24, 2005, the City experienced the effects of Hurricane Wilma, as a result, intergovernmental revenues increased by \$6.261 million as Federal and State Agencies provided assistance for continuing operations. Other revenues were generally stable between 2006 and 2005.

- Expenses increased most significantly in general government and public safety, increasing by \$2.613 million and \$5.043 million, respectively. The increases were primarily due to additional staff being hired in anticipation of the annexation of 4,000 new residents on October 1, 2006. In addition, the cost of hiring temporary staff and overtime for public safety staffing at during Hurricane Wilma cleanup and City sponsored special events directly impacted the additional expenditures.

Business-type Activities

Business-type activities for the year resulted in an increase in net assets of \$528 thousand. Key elements of this change are as follows:

- The Stormwater Utility net assets decreased by \$172 thousand, as operating revenues exceeded operating expenses by \$145 thousand. The Stormwater Utility has completed a major upgrade of the City's Stormwater collection infrastructure. Therefore, going forward, debt service payments and depreciation associated with these projects will reduce the excess of revenues.
- The Water and Sewer Utility increased



net assets by \$700 thousand. In an effort to provide funding for continual infrastructure improvements and to address bond coverage compliance concerns, adjustments were made to the water and sewer rate structure during the fiscal year. Consequently, fixed charges were increased an average of 50 percent during Fiscal Year 2006.

Financial Analysis of the Governmental Funds

The City of Lauderdale uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds.

	Governmental Funds				
	(In Thousand)				
	<u>Special Revenue</u>				<u>Total</u>
<u>General</u>	<u>Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Other</u>	<u>Governmental</u>	
Fund Balance, September 30, 2005	\$ 3,756	\$ -	\$ 32,612	\$ 3,133	\$ 39,501
Revenues	53,402	-	2,683	1,944	\$ 58,030
Expenditures	(48,723)	(174)	(7,002)	(5,688)	\$ (61,587)
Other Financing Sources (uses)	(2,441)	-	(1,728)	3,848	\$ (321)
Fund Balance, September 30, 2006	<u>5,994</u>	<u>(174)</u>	<u>26,565</u>	<u>3,237</u>	<u>35,624</u>

Governmental Funds

The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources relative to the City's funding requirements. Unreserved fund balances serve as the most useful measure of the City's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of \$35,624 million, with the General Fund representing \$5.994 million. Of the \$5.994 million in the General Fund, \$61 thousand is reserved, leaving a \$5.933 million unreserved fund balance at year-end. The increase in the General Fund unreserved fund balance, was primarily attributed to the City collecting \$3.7 million in additional ad valorem taxes, due to increased property values, and reduced interest costs through debt refunding. In addition, personnel related costs were lowered through departmental mergers and staff reductions to increase efficiency.

The capital project funds had a combined fund balance of \$26,566 million at year-end, down from \$32,611 in Fiscal Year 2005. A major contributor to the sizeable decrease is the completion of capital projects related to the City's first general obligation bond for \$35 million. The fund balance in the capital project funds is directly affected by the pace at which capital projects are completed. Funding comes from the issuance of debt, and is budgeted sometimes over multiple fiscal years, for the construction of specific projects.

Budget Information

The City Commission approves the original budget (Adopted Budget) in September prior to the beginning of the fiscal year. The final budget (Amended Budget) reflects divisional changes made administratively and approved by the City Manager and departmental changes and supplemental appropriations approved by the City Commission during the year.

Differences between the original budget and the final amended budget resulted in an overall increase in appropriations of almost \$2 million. The most significant differences between the Adopted Budget and the Amended Budget are as follows:

- More than \$2 million in additional appropriations in various departments, but most specifically, Public Works to provide infrastructure improvements and funds for overtime in response to Hurricane Wilma.
- An increase of more than \$ 250 thousand in the Department of Engineering and Environmental Services, primarily in the Central Garage division for higher fuel costs and contracted repairs related to vehicle accidents.
- \$1.5 million in additional appropriations in the Police and Fire Departments, primarily for overtime related to special events such as Unite-a-Fest, which has grown to over 20,000 attendees over a three day period, Blazz-Fest, and the Dr. Martin Luther King Jr. Day program; special investigations, increased security concerns and increased insurance claims and overtime related to Hurricane Wilma.
- An increase of \$9.7 million in budgeted revenue, primarily as a result of Federal and State disaster fund assistance related to Hurricane Wilma.
- An increase of \$1.6 million in budgeted Licenses and Permitting revenues, primarily as a result of increased collections in permitting fees resulting from structural rehabilitation resulting from damages received during Hurricane Wilma, in addition, the City continued to see strong building activity in along the State Road 7 corridor the City.

Of the total expenditures, including budget additions of close to \$2 million; \$2 million was funded from additional projected revenues, and the remaining \$7 million was funded by revenues received from Federal and State Agencies as Disaster assistance. Actual expenditures for the year were approximately \$433 thousand less than budget.

The major revenue variances between the final budget and actual budget in the General Fund are in business licenses and intergovernmental revenues. The City continues to generate additional business licenses revenue because of increased identification of unlicensed residential rental properties.

The City did not experience any major expenditure variances between the final budget and actual budget in the General Fund. However, as a result of Hurricane Wilma, the City did experience unexpected overtime and clean-up expenditures.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2006 amounts to \$103.859 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, water distribution and sewer collection, storm drainage systems, parks, equipment, and street improvements, which are detailed (net of accumulated depreciation) as follows:

City of Lauderdale						
Capital Assets (net of depreciation)						
(In Thousands)						
	Governmental Activities		Business-type Activities		Total Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 25,908	\$ 25,850	\$ 349	\$ 349	\$ 26,257	\$ 26,199
Building and structures	12,273	10,685	17,227	16,714	28,115	27,400
Equipment	3,501	2,824	764	842	18,766	3,666
Permanent improvements	6,492	6,565	7,930	7,834	28,568	14,399
Infrastructure	4,181	4,794	14,490	13,396	34,838	18,190
Construction-in-progress	<u>5,355</u>	<u>2,956</u>	<u>5,388</u>	<u>2,195</u>	<u>9,287</u>	<u>5,151</u>
	<u>\$ 57,710</u>	<u>\$ 53,675</u>	<u>\$ 46,149</u>	<u>\$ 41,330</u>	<u>\$103,859</u>	<u>\$ 95,005</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. Major projects included wastewater and stormwater improvements, street repaving and landscaping renovations, improvements to parks, the construction of two new community centers and expansion and renovations to existing fire departments and community centers.

Additional information on the City's capital assets can be found in the Notes to the Financial Statements.

Long-term Debt

At the end of the current fiscal year, the City has a total long-term debt outstanding of \$90.930 million. This debt was increased by a net of \$5 million during the year. This increase came from the issuance of revenue bonds for stormwater improvements that were part of the City's comprehensive capital improvement program.

**City of Lauderhill
Outstanding Debt
(In Thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$33,960	\$35,000	\$ -	\$ -	\$33,960	\$35,000
Revenue Bonds	17,465	18,315	23,615	24,115	41,080	42,430
State Revolving Fund	-	-	7,262	7,599	7,262	7,599
Compensated absences	2,226	-	443	-	2,669	-
Bank Lines of Credit	-	-	<u>6,042</u>	-	<u>6,042</u>	-
	<u>\$53,651</u>	<u>\$53,315</u>	<u>\$37,362</u>	<u>\$31,714</u>	<u>\$91,013</u>	<u>\$85,029</u>

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements on pages 60-63.

Requests for Information

This report is designed to provide a general overview of the City of Lauderhill's finances for all those with an interest in its activities. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lauderhill, Finance Department, 3800 Inverrary Boulevard, Suite 209 Lauderhill, Florida, 33319

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and equity in pooled cash and investments	\$ 33,570,786	\$ 12,097,835	\$ 45,668,621
Accounts receivable - net	1,034,555	2,679,954	3,714,509
Due from other governments	3,519,937	41,860	3,561,797
Internal balances	46,875	(46,875)	-
Inventories	61,805	41,137	102,942
Restricted Assets:			
Investments	1,898,094	2,642,641	4,540,735
Land held for investment	379,005	-	379,005
Other assets	714,302	-	714,302
Unamortized costs/expenses	841,356	152,102	993,458
Capital assets:			
Land	25,908,523	349,010	26,257,533
Construction in progress	5,354,927	3,648,573	9,003,500
Building	16,458,655	28,115,630	44,574,285
Equipment	13,655,164	5,110,898	18,766,062
Improvements other than building	14,300,255	12,812,358	27,112,613
Infrastructure	<u>12,987,153</u>	<u>21,851,194</u>	<u>34,838,347</u>
Total capital assets	88,664,677	71,887,663	160,552,340
Less accumulated depreciation	<u>(30,954,556)</u>	<u>(25,738,678)</u>	<u>(56,693,234)</u>
Total capital assets - net	<u>57,710,121</u>	<u>46,148,985</u>	<u>103,859,106</u>
Total Assets	<u>99,776,836</u>	<u>63,757,639</u>	<u>163,534,475</u>
LIABILITIES			
Accounts payable	2,399,798	1,037,632	3,437,430
Accrued payroll	675,081	83,949	759,030
Customer deposits	16,423	16,500	32,923
Accrued interest	343,705	-	343,705
Unearned revenue	2,033,839	-	2,033,839
Insurance claims reserves	342,009	-	342,009
Non current liabilities			
Amount due in one year	2,647,885	5,356,000	8,003,885
Amount due in more than one year	<u>51,009,019</u>	<u>31,869,722</u>	<u>82,878,741</u>
Total Liabilities	<u>59,467,759</u>	<u>38,363,803</u>	<u>97,831,562</u>
NET ASSETS			
Invested in capital assets net of related debt	33,663,448	9,229,731	42,893,179
Restricted for:			
Renewal and replacement	-	664,270	664,270
Social services	1,287,449	-	1,287,449
Law enforcement	140,046	-	140,046
Debt service	1,797,357	1,398,992	3,196,349
Capital projects	-	-	-
Unrestricted	<u>3,420,777</u>	<u>14,100,843</u>	<u>17,521,620</u>
Total Net Assets	<u>\$ 40,309,077</u>	<u>\$ 25,393,836</u>	<u>\$ 65,702,913</u>

The notes to the Financial Statements are an integral part of this Statement.

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

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government:							
Governmental activities:							
General government	\$ 10,460,819	\$ 3,718,244	\$ 807,192	\$ -	\$ (5,935,383)	\$ -	\$ (5,935,383)
Public safety	26,085,909	6,766,565	7,385,189	-	(11,934,155)	-	(11,934,155)
Public works	11,268,896	-	-	-	(11,268,896)	-	(11,268,896)
Recreation and social services	5,144,089	270,278	1,705,621	81,743	(3,086,447)	-	(3,086,447)
Interest on long term debt	2,369,854	-	-	-	(2,369,854)	-	(2,369,854)
Total government activities	55,329,567	10,755,087	9,898,002	81,743	(34,594,735)	-	(34,594,735)
Business-type activities:							
Water and sewer	12,027,074	12,174,253	-	-	-	147,179	(147,179)
Stormwater	3,223,739	2,919,077	-	-	-	(304,662)	304,662
Total business activities	15,250,813	15,093,330	-	-	-	(157,483)	157,483
Total primary government	\$ 70,580,380	\$ 25,848,417	\$ 9,898,002	\$ 81,743	(34,594,735)	(157,483)	(34,437,252)
GENERAL REVENUES							
Property taxes					14,051,334	-	14,051,334
Franchise taxes					4,707,818	-	4,707,818
Public service taxes					7,873,646	-	7,873,646
Unrestricted intergovernmental					6,498,822	-	6,498,822
Investment income					1,599,334	365,511	1,964,845
Miscellaneous income					2,564,334	-	2,564,334
Transfers					(320,600)	320,600	-
Total general revenues and transfers					36,974,688	686,111	37,660,799
Change in net assets					2,379,953	528,628	2,908,581
Net assets, beginning					37,929,124	24,865,208	62,794,332
Net assets, ending					\$ 40,309,077	\$ 25,393,836	\$ 65,702,913

The notes to the Financial Statements are an integral part of this Statement.

CITY OF LAUDERHILL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	<u>MAJOR FUNDS</u>				TOTAL GOVERNMENTAL FUNDS
	<u>General</u>	<u>Special Revenue Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	
ASSETS					
Cash and equity in pooled cash and investments	\$ 4,918,319	\$ -	\$ 27,378,327	\$ 1,274,140	\$ 33,570,786
Accounts receivable - net	1,034,555	-	-	-	1,034,555
Due from other funds	371,265	109,011	1,268,040	120,447	1,868,763
Due from other governments	3,089,531	-	3,064	427,342	3,519,937
Inventories	61,805	-	-	-	61,805
Restricted assets:					
Cash and equity in pooled cash and investments	-	-	-	1,898,094	1,898,094
Land held for investments	-	1,476,790	-	-	1,476,790
Other assets	677,160	-	-	37,142	714,302
Total Assets	\$ 10,152,635	\$ 1,585,801	\$ 28,649,431	\$ 3,757,165	\$ 44,145,032
LIABILITIES AND FUND BALANCE					
Accounts payable	\$ 307,563	\$ 43,023	\$ 1,712,655	\$ 336,557	\$ 2,399,798
Accrued payroll	658,280	6,411	-	10,390	675,081
Accrued compensated absences	875,931	9,335	-	2,619	887,885
Accrued interest	-	-	343,705	-	343,705
Due to other funds	46,319	1,700,816	27,253	47,500	1,821,888
Customer deposits	16,423	-	-	-	16,423
Unearned revenue	1,911,345	-	-	122,494	2,033,839
Insurance claims reserve	342,009	-	-	-	342,009
Total Liabilities	4,157,870	1,759,585	2,083,613	519,560	8,520,628
FUND BALANCES					
Reserved for:					
Social services	-	-	-	1,300,202	1,300,202
Law enforcement	-	-	-	140,046	140,046
Debt service	-	-	-	1,797,357	1,797,357
Capital projects	-	-	26,565,818	-	26,565,818
Inventories	61,805	-	-	-	61,805
Unreserved	5,932,960	(173,784)	-	-	5,759,176
Total Fund Balances	5,994,765	(173,784)	# 26,565,818	3,237,605	35,624,404
Total Liabilities and Fund Balances	\$ 10,152,635	\$ 1,585,801	# \$ 28,649,431	\$ 3,757,165	\$ 44,145,032

The notes to the Financial Statements are an integral part of this Statement.

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

Fund balances - total government funds		\$ 35,624,404
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p style="padding-left: 40px;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets		88,664,677
Less accumulated depreciation		(30,954,556)
Deferred charges for issuance cost		841,356
Decline in Net realizable value of land held for investments		(1,097,785)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
1998 Sales Tax Bonds	(3,945,000)	
2001 Sales Tax Bonds	(4,590,000)	
2003 Sales Tax Bonds	(4,850,000)	
2005 Sales Tax Bonds	(4,080,000)	
2005 General Obligation Bonds	(33,960,000)	
Compensated absences	(1,344,019)	<u>(52,769,019)</u>
Net assets of governmental activities		<u>\$ 40,309,077</u>

The notes to the Financial Statements are an integral part of this Statement.

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

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	General	Special Revenue Redevelopment Agency	Capital Projects	Other Governmental Funds	
REVENUES					
Property taxes	\$ 12,732,731	\$ -	\$ 1,318,603	\$ -	\$ 14,051,334
Franchise taxes	4,707,818	-	-	-	4,707,818
Public service taxes	7,873,646	-	-	-	7,873,646
Charges for services	6,857,527	-	-	81,984	6,939,511
Administrative charges	2,325,000	-	-	-	2,325,000
Intergovernmental	14,630,496	-	110,179	1,705,621	16,446,296
Licenses and permits	3,076,720	-	-	-	3,076,720
Fines and forfeitures	419,028	-	-	31,617	450,645
Investment income	219,861	(20)	1,254,656	124,837	1,599,334
Rental income	291,203	-	-	-	291,203
Miscellaneous	268,613	-	-	-	268,613
Total Revenues	<u>53,402,643</u>	<u>(20)</u>	<u>2,683,438</u>	<u>1,944,059</u>	<u>58,030,120</u>
EXPENDITURES					
Current:					
General government	8,928,575	173,764	-	39,130	9,141,469
Public safety	25,304,944	-	-	262,568	25,567,512
Public works	9,345,822	-	-	-	9,345,822
Recreation and social services	5,144,089	-	-	1,543,962	6,688,051
Debt service:					
Principal retirement	-	-	-	1,880,000	1,880,000
Interest	-	-	430,793	1,962,477	2,393,270
Capital Outlay:					
Land	-	-	141,227	-	141,227
Buildings	-	-	380,496	-	380,496
Improvements	-	-	2,302,027	-	2,302,027
Infrastructure	-	-	966,087	-	966,087
Equipment	-	-	2,781,043	-	2,781,043
Total Expenditures	<u>48,723,430</u>	<u>173,764</u>	<u>7,001,673</u>	<u>5,688,137</u>	<u>61,587,004</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>4,679,213</u>	<u>(173,784)</u>	<u>(4,318,235)</u>	<u>(3,744,078)</u>	<u>(3,556,884)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	3,848,208	3,848,208
Transfers out	(2,441,148)	-	(1,727,660)	-	(4,168,808)
Total other Financing Sources (Uses)	<u>(2,441,148)</u>	<u>-</u>	<u>(1,727,660)</u>	<u>3,848,208</u>	<u>(320,600)</u>
NET CHANGE IN FUND BALANCES	2,238,065	(173,784)	(6,045,895)	104,130	(3,877,484)
FUND BALANCES - BEGINNING	<u>3,756,700</u>	<u>-</u>	<u>32,611,713</u>	<u>3,133,475</u>	<u>39,501,888</u>
FUND BALANCES - ENDING	<u>\$ 5,994,765</u>	<u>\$ (173,784)</u>	<u>\$ 26,565,818</u>	<u>\$ 3,237,605</u>	<u>\$ 35,624,404</u>

The notes to the Financial Statements are an integral part of this Statement.

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

Changes in fund balances - total government funds **\$ (3,877,484)**

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

Net change in fund balances

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 and reported as depreciation expense.

Expenditures for capital outlay	6,570,000	
Less current year depreciation	(3,024,000)	3,546,000

The net effect of various miscellaneous transactions including capital assets (i.e. sales and donation) is to increase net assets

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments		1,880,000
----------------------	--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in government funds.

Compensated absences		<u>831,437</u>
----------------------	--	----------------

Change in net assets of governmental activities		<u>2,379,953</u>
---	--	------------------

The notes to the Financial Statements are an integral part of this Statement.

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2006

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water & Sewer	Stormwater	Total
ASSETS			
Current assets			
Cash and equity in pooled cash and investments	\$ 9,014,603	\$ 3,083,232	\$ 12,097,835
Accounts receivable - net	2,666,633	13,321	2,679,954
Due from other governments	21,860	20,000	41,860
Inventories	41,137	-	41,137
Total current assets	11,744,233	3,116,553	14,860,786
Non-current assets			
Restricted Assets			
Equity in pooled cash and investments	1,719,592	923,049	2,642,641
Unamortized costs/expenses	152,102	-	152,102
Capital assets:			
Land	349,010	-	349,010
Construction in progress	3,333,838	314,735	3,648,573
Building	28,115,630	-	28,115,630
Equipment	4,220,634	890,264	5,110,898
Improvements other than building	3,989,165	8,823,193	12,812,358
Infrastructure	14,429,824	7,421,370	21,851,194
Total capital assets	54,438,101	17,449,562	71,887,663
Less accumulated depreciation	(22,292,190)	(3,446,488)	(25,738,678)
Total capital assets - net	32,145,911	14,003,074	46,148,985
Total non-current assets	34,017,605	14,926,123	48,943,728
Total Assets	\$ 45,761,838	\$ 18,042,676	\$ 63,804,514
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,009,662	\$ 27,970	\$ 1,037,632
Accrued payroll	62,790	21,159	83,949
Due to other funds	46,875	-	46,875
Current portion of long-term liabilities	4,880,000	476,000	5,356,000
Customer deposits	16,500	-	16,500
Total current liabilities	6,015,827	525,129	6,540,956
Non-current liabilities			
Bonds payable	19,777,500	11,785,754	31,563,254
Compensated absences	235,316	71,152	306,468
Total non-current liabilities	20,012,816	11,856,906	31,869,722
Total Liabilities	26,028,643	12,382,035	38,410,678
NET ASSETS			
Invested in capital assets - net of related debt	7,488,411	1,741,320	9,229,731
Restricted for:			
Renewal and replacement	200,000	464,270	664,270
Debt service	1,398,992	-	1,398,992
Unrestricted	10,645,792	3,455,051	14,100,843
Total Net Assets	\$ 19,733,195	\$ 5,660,641	\$ 25,393,836

The notes to the Financial Statements are an integral part of this Statement.

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

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water & Sewer	Stormwater	Total
OPERATING REVENUES			
Charges for services	\$ 11,970,331	\$ 2,919,077	\$ 14,889,408
Connection fees	194,741	-	194,741
Other income	9,181	-	9,181
Total Operating Revenues	<u>12,174,253</u>	<u>2,919,077</u>	<u>15,093,330</u>
OPERATING EXPENSES			
Personnel services	2,713,159	1,010,038	3,723,197
Administrative expenses	2,474,745	600,216	3,074,961
Contractual services	2,974,784	-	2,974,784
Utilities	427,736	121,678	549,414
Repairs and maintenance	408,715	48,739	457,454
Materials and supplies	518,510	486,367	1,004,877
Insurance claims and expenses	26,798	477	27,275
Depreciation and amortization	1,396,948	506,058	1,903,006
Total Operating Expenses	<u>10,941,395</u>	<u>2,773,573</u>	<u>13,714,968</u>
Operating Income	<u>1,232,858</u>	<u>145,504</u>	<u>1,378,362</u>
NONOPERATING REVENUES (EXPENSES)			
Interfund transfers	320,600	-	320,600
Investment income	232,620	132,891	365,511
Interest expenses and fees	(1,085,679)	(450,166)	(1,535,845)
Total Nonoperating Revenue (Expenses)	<u>(532,459)</u>	<u>(317,275)</u>	<u>(849,734)</u>
Change in net assets	700,399	(171,771)	528,628
TOTAL NET ASSETS, OCTOBER 1	<u>19,032,796</u>	<u>5,832,412</u>	<u>24,865,208</u>
TOTAL NET ASSETS, SEPTEMBER 30	<u>\$ 19,733,195</u>	<u>\$ 5,660,641</u>	<u>\$ 25,393,836</u>

The notes to the Financial Statements are an integral part of this Statement.

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

	Enterprise Funds		
	Water	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 12,142,908	\$ 2,919,077	\$ 15,061,985
Payments to suppliers	(4,132,995)	(1,019,323)	(5,152,318)
Payments to employees	(2,676,653)	(1,009,550)	(3,686,203)
Payment for interfund activities, net	857,870	(205,000)	652,870
Net cash provided by operating activities	<u>6,191,130</u>	<u>685,204</u>	<u>6,876,334</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY			
Operating subsidies and transfers from (to) other funds	320,600	-	320,600
Net cash provided by noncapital financing activities	<u>320,600</u>	<u>-</u>	<u>320,600</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition/construction of capital assets	(6,256,546)	(465,399)	(6,721,945)
Proceeds from capital debt	6,364,500	-	6,364,500
Principal paid on bond payable	(1,122,000)	(322,132)	(1,444,132)
Interest paid on capital debt	(1,085,678)	(450,166)	(1,535,844)
Net cash provided by (used in) capital and related financing activities	<u>(2,099,724)</u>	<u>(1,237,697)</u>	<u>(3,337,421)</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest on investment	232,619	132,891	365,510
Net cash provided by investing activities	<u>232,619</u>	<u>132,891</u>	<u>365,510</u>
Net increase (decrease) in cash and equity in pooled cash	4,644,625	(419,602)	4,225,023
Cash and equity in pooled cash - beginning	6,089,570	4,459,204	10,548,774
Cash and equity in pooled cash - ending	<u>\$ 10,734,195</u>	<u>\$ 4,039,602</u>	<u>\$ 14,773,797</u>
Displayed as:			
Cash and equity in pooled cash and investments	\$ 9,014,603	\$ 3,116,553	\$ 12,131,156
Restricted cash	1,719,592	923,049	2,642,641
	<u>\$ 10,734,195</u>	<u>\$ 4,039,602</u>	<u>\$ 14,773,797</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 1,232,858	\$ 145,504	\$ 1,378,362
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	1,396,948	506,058	1,903,006
Change in assets and liabilities:			
(Increase) decrease in receivables	(64,485)	-	(64,485)
(Increase) decrease in inventories	(12,658)	-	(12,658)
Decrease in due from other funds and governments	2,991,010	20,000	3,011,010
(Increase) decrease in other assets	30,601	-	30,601
Increase (decrease) in accounts payable and accrued expenses	580,350	13,154	593,504
Increase (decrease) in accrued payroll	11,308	6,545	17,853
Increase (decrease) in compensated absences	25,198	(6,057)	19,141
Net cash provided by (used in) operating activities	<u>\$ 6,191,130</u>	<u>\$ 685,204</u>	<u>\$ 6,876,334</u>

The notes to the Financial Statements are an integral part of this Statement.

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2006

		Retirement Funds
ASSETS		
Equity in pooled cash and investments	\$	2,973,115
Receivables:		
Interest and Dividends		322,477
Contributions Receivable		369,353
Total Receivables		<u>691,830</u>
Investments, at Fair Value		<u>60,362,204</u>
Total Assets		<u>64,027,149</u>
LIABILITIES		
Accounts payable		202,088
Payable from securities purchased		287,933
Deferred revenues/future benefits		2,070,144
Prepaid City Contributions		520,798
Total Liabilities		<u>3,080,963</u>
NET ASSETS		
Held in Trust for Pension Benefits		<u>60,946,186</u>
Total Net Assets	\$	<u>64,027,149</u>

The notes to the Financial Statements are an integral part of this Statement.

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended September 30, 2006

	Retirement Funds
ADDITIONS	
Contributions:	
City	\$ 3,867,767
Plan Members	2,235,387
State Revenue	500,822
Total contributions	6,603,976
Investment income:	
Net appreciation in fair value of investments	2,074,920
Interest and dividend income	1,605,731
Total investment income	3,680,651
Less: investment expenses	323,435
Net investment income	3,357,216
Total additions	9,961,192
DEDUCTIONS	
Benefits paid	2,335,394
Administrative expenses and other	363,361
Refunds of contributions	316,721
Other	2,397
Total deductions	3,017,873
CHANGE IN NET ASSETS	6,943,319
NET ASSETS, OCTOBER 1	54,002,867
NET ASSETS, SEPTEMBER 30	\$ 60,946,186

The notes to the Financial Statements are an integral part of this Statement.



**CITY OF LAUDERHILL
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Lauderhill, Florida (City), located in Broward County, is a municipal corporation that was incorporated pursuant to the Laws of Florida 59-1487 in 1959. The City is governed by a five-member commission with an elected Mayor. The City Commission is responsible for the appointment of the City Manager, who is charged with overseeing the operations of the City. The City provides the following services pursuant to the City Charter: general government, public safety, public works, parks and recreation, social services, and community development. The accompanying financial statements present the City for the fiscal year ended September 30, 2006.

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.

B. Blended Component Units

The City is financially accountable for a component unit if it appoints a voting majority of the organization's 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, or impose specific financial burdens on the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations. As of September 30, 2006, the City had two entities that met the requirements as described above.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (Continued)

Lauderhill Community Redevelopment Agency

In 2005, the Lauderhill Community Redevelopment Agency (CRA) was created for the purpose of revitalizing and enhancing the City of Lauderhill, through infrastructure improvements and targeted acquisition and rehabilitation of deteriorated properties. The Mayor and City Commissioners are all members of the CRA Board and responsible for approving the budget. Therefore, the City is financially accountable for the CRA. The financial activities of the CRA are reported in the City's financial statements as *Special Revenue Fund*. Separate financial statements are prepared for the CRA, and may be obtained at 3800 Inverrary Blvd, Lauderhill, FL 33319.

Lauderhill Housing Authority

The Lauderhill Housing Authority (LHA) was formed pursuant to Florida Statute 421.05 as an independent public entity with an appointed board, which consists of 4 commissioners. The Mayor and the Commission of the City of Lauderhill, FL appoint the Board of Directors. The mission of the housing authority is to assist residents in obtaining affordable housing; to promote homeownership; and to be stewards of public funds and trust, by maximizing resources and developing partnerships within the public and private sector. The LHA financial activities during the year ended September 30, 2006 are presented in separate financial statements and may be obtained at 3800 Inverrary Blvd. Suite 211, Lauderhill, FL 33319.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. *General revenues* consist of taxes and other items, not included among program revenues.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

C. Measurement focus, basis of accounting, and financial statement presentation

The city-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The proprietary fund and fiduciary fund financial statements are reported in the same manner. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 funding agency 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 receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. 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, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and are available only when the City receives cash.

The City reports the following major governmental funds:

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The *Special Revenue Fund – Community Redevelopment Agency (CRA)* is a component unit blended in the City financial statements. It accounts for the resources accumulated for infrastructure improvement and rehabilitation of deteriorated properties within the City boundary.

The *Capital Projects Fund* accounts for the resources accumulated for the completion of the five-year capital budget.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of potable water to residents and the corresponding sewage disposal, which is processed by Broward County. The City operates the water treatment facility, water distribution system, sewage transportation pipelines, and sewage pumping stations.

The *Stormwater Fund* accounts for the infrastructure and operations of stormwater transportation, which is funded through user charges.

Additionally, the City reports the *Pension Trust Funds* account for the activities of the General Employee Retirement System, the Firefighter Retirement System, the Police Retirement System, and the Confidential and Managerial Retirement System. These funds accumulate resources for pension benefit payments to qualified employees.

Generally, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, 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 Government 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 City 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 charges between the City's water and sewer 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

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.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 Water and Sewer fund, of the Stormwater enterprise fund, and of the City's internal service fund are charges to customers for sales and services.

The water and sewer fund also recognizes as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. New Pronouncement

Effective October 1, 2005, the City adopted GASB Statement No. 44 ("GASB 40"), Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1 Government Accounting and Financial Reporting Principles, (Issued May 2004). The adoption GASB 44 resulted in changes to the form and content of the Statistical Section only, and did not have an impact on the government-wide and fund financial statements

E. Assets, liabilities and net assets or equity

1. Cash and investments

The City's equity in pooled cash and cash equivalents includes cash on hand, demand deposits, investments with the State Board of Administration (SBA) and short-term investments with original maturities of three months or less from the date of acquisition.

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 of the respective funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities and net assets or equity (Continued)

1. Cash and investments (Continued)

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

State statutes authorize the City to establish its own investment policy by ordinance. The investment ordinance allows up to 100% investment in the following instruments, subject to maturity limitations: local government surplus trust fund (SBA), Securities and Exchange Commission (S.E.C.) registered money market funds with the highest quality rating from a nationally recognized rating company, savings accounts and certificates of deposit in state-certified qualified public depositories, direct obligations of the U.S. Treasury, and securities issued by federal agencies and instrumentalities. Up to 10% may be invested in common stocks, subject to quality restrictions.

All investments are reported at fair value. Fair value is determined by quoted market prices. SBA operates in accordance with appropriate state laws and regulations. The reported value of SBA is the same as fair value of the pool shares.

2. Receivables and Payables

Activity 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" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable allowances are based on historical trends.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities and net assets or equity (Continued)

3. Property Taxes

Property values are assessed as of January 1, of each year, at which time taxes becomes an enforceable lien on property. Tax bills are mailed for the City, by Broward County, on or about October 1 of each year, and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for ad Valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2006.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Broward County Property Appraiser incorporated the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2006 was 6.02 mills (\$6.02 per \$1,000 of taxable assessed valuation).

4. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities and net assets or equity (Continued)

5. Restricted assets

Certain proceeds from revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in a separate investment accounts and their use is limited by applicable bond covenants. The “bond reserve account” is a separate brokerage account where securities have been purchased in lieu of surety bonds to subsidize potential deficiencies of revenues pledged for debt service. The “revenue bond renewal and replacement” account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The various reserve accounts have been recorded on the balance sheets of the applicable funds.

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

6. Capital assets

Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40
Improvements	20
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Office equipment	5
Computer equipment	5

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities and net assets or equity (Continued)

7. Unearned revenue

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

8. Compensated absences

It is City policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee may, on an annual basis, or upon termination, cash in a portion of these unused benefits at a discount. Vacation and sick pay benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example , as a result of employee resignation and retirements.

9. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

10. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities and net assets or equity (Continued)

11. Net assets

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

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

12. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. 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.

3. DEPOSITS AND INVESTMENTS

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

Cash Deposits

The carrying amounts of the City's cash deposits were \$13,648,110 including petty cash on hand of \$ 3,610 as of September 30, 2006. Bank balance before reconciling items were \$13,190,199 at that date, the total of which is collateralized or insured with securities held by the City or by its agent in the name of the City as discussed below.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

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 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. Public deposits are protected by deposit insurance, sale of securities pledged as collateral, and assessments made to other public depositories when needed to guarantee no loss will be incurred by the public depositor.

Investments

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

	<u>Maximum % Portfolio</u>
State Board of Administration	100%
Money Market Funds	100%
Certificate of Deposits	100%
U.S. Treasury Securities	100%
U.S. Government Obligations and Instrumentalities	100%
Lauderhill Loan Consortium	\$60,000
Commercial Papers by any U.S. Corporation	10%
Option Contracts	10%

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

	<u>Credit Quality Ratings</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
SBA	Not Rated	\$ 6,480,736	-
US Treasury Securities	N/A	1,500,000	0.11
Callable US Government Securities	Aaa/AAA	2,532,122	0.12
US Government Securities	Aaa/AAA	26,048,388	1.86
		<u>36,561,246</u>	<u>2.09</u>

Interest Rate Risk In accordance with its investment policy, the City manages its exposure to decline in fair value by limiting its investment portfolio to less than four (4) years.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

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 limits investments in commercial papers and corporate bonds to the highest credit rating from a nationally recognized rating agency. It is the City's policy to keep ninety (90) percent of the total portfolio in low risk investments such as US Treasury obligations that are diversified by purchase date and maturity dates while remaining ten (10) percent may be invested to high risk investments such as common stocks rated in one (1) of the top three (3) investment categories by major rating service.

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>%</u>
FHLB	Federal Agency Securities	\$ 18,229,462	50%
FHLMC	Federal Agency Securities	5,782,314	16%
FNMA	Federal Agency Securities	1,812,730	5%

Custodial Credit Risk. Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy provided that securities may be held in street name in an account under the name of the City at the primary dealer where the securities was purchased provided that the total value of the account is insured and a monthly account statement evidencing all holdings is sent to the City by the dealer.

The Employee Pension Plan investments are held separately from those of other City funds. As described by the plan documents, the plan administrator is authorized to invest plan assets in obligations of the U.S. Government and various mutual and money market funds, which are held by the plan administrators and not in the City's name. The plan investments are held by AmSouth Bank which consisted of the following:

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investment type	Amounts in Thousands			
	General Employees Retirement System	Firefighter Retirement System	Police Officer Retirement System	Confidential and Managerial Retirement Plan
US Treasury bonds and notes	\$ -	\$ 453	\$ -	\$ 554
US Government securities	3,423	2,765	-	1,293
Corporate bonds and notes	1,395	5,226	3,162	786
Mutual funds	2,678	2,995	-	-
International equities	-	3,581	1,009	-
Common stocks	4,669	16,832	6,304	3,237
	<u>\$ 12,165</u>	<u>\$ 31,852</u>	<u>\$ 10,475</u>	<u>\$ 5,870</u>

General Employee Retirement System (GERS)

The Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are expected to maximize return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment managers are compensated based on a percentage of their portfolio's market value.

Investment type	Amounts in Thousands				
	Fair Value	Investment Maturities (in Years)			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Money Market	\$ 449	\$ 449	\$ -	\$ -	\$ -
U.S. Government securities	3,423	\$ -	1,089	41	2,293
Corporate bonds and notes	<u>1,396</u>	<u>76</u>	<u>693</u>	<u>269</u>	<u>358</u>
Sub-total	<u>5,268</u>	<u>525</u>	<u>1,782</u>	<u>310</u>	<u>2,651</u>
Common stocks	4,669				
Mutual funds	<u>2,677</u>				
	<u>\$ 12,614</u>				

Interest rate risk. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the plan's investment policy limits the duration of its fixed income portfolio to less than 135% of the duration of the market index. The market index is defined as the Merrill Lynch Master Bond Index. As of September 30, 2006, the fixed income portfolio's weighted average was 3.9 years.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. The plan limits its credit risk by establishing the following investment guidelines:

	<u>Credit Risk Rating</u>
Cash equivalent Securities	A-1/P-1
Fixed income securities	Aaa/AAA

As of September 30, 2006, the plan was in compliance with the established guidelines.

Concentration of credit risk. The plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. The following are the established target allocations for the plan:

	<u>Target Allocation</u>
Domestic equity securities	50%
Foreign equity securities	15%
Fixed income securities	35%

Equity and fixed income securities are also limited to no more than 5% in one single issuer. There were no single investments greater than 5% of net assets as of September 30, 2006.

Firefighter Retirement System (FRS)

The plan's investment as determined by the Board of Trustees provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 85% of the Plan's total asset value, (b) no more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost, (c) the target allocation for investment in stocks of foreign companies is 10% of the value of the portfolio, (d) fixed income portfolio shall be comprised of securities rated not less than "A" rating by a major rating service and limited to no more than 40% of the Plan's total asset value, and (e) in the event that there is a downgrade in the quality below the "BAA" rating, the security must be liquidated immediately or in a manner not to be detrimental to the performance of the plan.

Interest rate risk. As a mean of limiting its exposure to interest rate risk, the plan diversifies its investment with any one issuer with various durations of maturities.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair value of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the plan's investment by maturity as of September 30, 2006:

Investment type	Amounts in Thousands				
	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury bonds and notes	\$ 454	\$ -	\$ -	\$ -	\$ 454
U.S. Government securities	2,765	-	-	-	2,765
Corporate bonds and notes	5,226	40	1,964	1,415	1,807
Total	<u>\$ 8,445</u>	<u>\$ 40</u>	<u>\$ 1,964</u>	<u>\$ 1,415</u>	<u>\$ 5,026</u>

Credit risk. The plan's investment policy utilizes portfolio diversification in order to control this risk. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table discloses credit ratings by investment type, at September 30, 2006, as applicable:

	In Thousands Fair Value	Percentage of Portfolio
US Government guaranteed*	\$ 3,219	38.12%
Quality rating of credit risk debt securities		
AAA	2,830	33.51%
AA	121	1.43%
AA-	364	4.31%
A+	576	6.82%
A	755	8.94%
A-	444	5.26%
BBB+	24	0.29%
Not rated	112	1.32%
Total credit risk debt securities	<u>5,226</u>	<u>61.88%</u>
Total fixed income securities	<u>\$ 8,445</u>	<u>100.00%</u>

*Obligation of the US government or obligations explicitly guaranteed by the US government are not considered to have credit risk and do not have purchase limitations.

Concentration of credit risk. The investment policy of the plan contains limitation on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of combined plan net assets at September 30, 2006.

Custodial credit risk. Consistent with the plan's investment policy, the investments are held by plan's custodial bank and registered in the plan's name.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Retirement System (PRS)

The Plan's investment policy is determined by the Board of Trustees. The investment policy provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major US stock exchange and limited to no more than 65% (at market) of the Plan's total asset value. No more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost. Investment in stocks of foreign companies shall be limited to 10% of the value of the portfolio at cost; (b) the corporate fixed income portfolio shall be comprised of securities rated not less than "BBB" or "Baa" by a major rating service with no more than 40% of the Plan's total asset value. In the event that there is a downgrade in the quality below the "BBB" rating, the security must be sold at the earliest beneficial opportunity; (c) investment in collateralized mortgage obligation should be limited to 15% of the market value of the portfolio and limited to rating of "AAA".

Interest rate risk. As a mean of limiting its exposure to interest rate risk, the Plan diversifies its investment by security type and institution, and limits holdings in anyone type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the plan's investment by maturity at September 30, 2006:

<u>Investment type</u>	Amounts in Thousands				
	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
U.S. Government securities	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds and notes	3,162	-	3,162	-	-
Total	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ -</u>

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. The Plan's investment policy utilizes diversification in order to control this risk. The following table discloses credit ratings by investment type at September 30, 2006 as applicable:

	In Thousands <u>Fair Value</u>	Percentage of <u>Portfolio</u>
US Government guaranteed*	\$ 53	0.00%
Quality rating of credit risk		
debt securities		
AAA	2,751	87.00%
AA+	126	4.00%
A+	126	4.00%
BBB+	95	3.00%
BB	32	1.00%
B	<u>32</u>	<u>1.00%</u>
Total credit risk debt securities	<u>3,162</u>	<u>100.00%</u>

*Obligation of the US government or obligations explicitly guaranteed by the US government are not considered to have credit risk and do not have purchase limitations.

Concentration of credit risk. The investment policy of the plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of combined plan net assts at September 30, 2006

Custodial credit risk. Consistent with the plan's investment policy, the investment are held by plan's custodial bank and registered in the plan's name.

Confidential and Managerial Employee Retirement Plan

The Plan maintains a Master Custodial Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent. Included in investments are money market mutual funds, which are classified as short-term investments.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2006, the Plan had the following investment and maturities in its portfolio:

Investment type	Amounts in Thousands				
	Fair Value	Investment Maturities (in Years)			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury bonds and notes	\$ 554	\$ -	\$ 473	\$ -	\$ 81
U.S. Government securities	1,293	-	513	103	677
Corporate bonds and notes	786	50	411	139	186
Total	<u>\$ 2,633</u>	<u>\$ 50</u>	<u>\$ 1,397</u>	<u>\$ 242</u>	<u>\$ 944</u>

Interest rate risk. The Plan does not have a formal investment policy that limits investment maturities as a mean of managing its exposure to market value losses arising from increasing interest rates.

Credit risk. State law and Plan's investment policy limits investments in bonds, stocks, or other evidence of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchange or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB or Moody's Baa. The Plan's corporate bonds and agency bonds were all ranked "Baa" or better under Moody's ratings.

Concentration of credit risk. The Plan's investment policy stipulates various investment restrictions for equity and fixed income securities of any one issuing company or agency. As of September 30, 2006, the value of each position held by the Plan portfolio comprised less than 5% of the Plan assets.

4. RECEIVABLES AND PAYABLES

Receivables as of year-end for the City's individual major funds and non-major funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>Accounts</u>	<u>Due from other government</u>	<u>Net</u>
Governmental activities			
General	\$ 1,087,712	\$ 3,089,531	\$ 4,177,243
Capital Project	-	3,064	3,064
SHIP	-	132,000	132,000
CDBG	-	165,592	165,592
Home Grant	-	129,750	129,750
	<u>1,087,712</u>	<u>3,519,937</u>	<u>4,607,649</u>
Allowance	(53,157)	-	-
	<u>1,034,555</u>	<u>3,519,937</u>	<u>4,607,649</u>
Business-type activities			
Water and Sewer	2,700,861	21,860	2,722,721
Stomwater	13,321	20,000	33,321
	<u>2,714,182</u>	<u>41,860</u>	<u>2,756,042</u>
Allowance	(34,228)	-	-
	<u>2,679,954</u>	<u>41,860</u>	<u>2,756,042</u>
Pension trust funds			
General employees	160,246	-	160,246
Firefighter	94,039	-	94,039
Police officers	67,298	-	67,298
Confidential and managerial	47,770	-	47,770
	<u>369,353</u>	<u>-</u>	<u>369,353</u>
TOTAL	<u>\$ 4,171,247</u>	<u>\$ 3,561,797</u>	<u>\$ 7,733,044</u>

Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition on revenues received but not yet earned. On September 30, 2006, *unearned revenue* in the governmental funds amounted to \$1,541,601

4. RECEIVABLES AND PAYABLES (CONTINUED)

Payables at September 30, 2006 were as follows:

	<u>Vendor</u>	<u>Total</u>
Governmental activities:		
General	\$ 307,563	\$ 307,563
CRA	43,023	43,023
Capital Project	<u>2,049,212</u>	<u>2,049,212</u>
	<u>2,399,798</u>	<u>2,399,798</u>
Business-type activities:		
Water and sewer	1,009,662	1,009,662
Stormwater	<u>27,970</u>	<u>27,970</u>
	<u>1,037,632</u>	<u>1,037,632</u>
Pension trust funds:		
General employees	9,077	9,077
Firefigther	170,570	170,570
Police officers	9,559	9,559
Confidential and managerial	<u>12,882</u>	<u>12,882</u>
	<u>202,088</u>	<u>202,088</u>
Total	<u>\$ 3,639,518</u>	<u>\$ 3,639,518</u>

5. CAPITAL ASSETS AND CIP

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

	<u>Amounts in Thousands</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 25,850	58	-	\$ 25,908
Construction in progress	<u>2,956</u>	<u>3,943</u>	<u>(1,544)</u>	<u>5,355</u>
Total capital assets not being depreciated	<u>28,806</u>	<u>4,001</u>	<u>(1,544)</u>	<u>31,263</u>
Capital assets being depreciated:				
Building	14,462	1,996	-	16,458
Improvements (other than building)	13,899	401	-	14,300
Machinery and equipment	11,776	2,258	(379)	13,655
Infrastructure	<u>12,987</u>	<u>-</u>	<u>-</u>	<u>12,987</u>
Total capital assets being depreciated	<u>53,124</u>	<u>4,655</u>	<u>(379)</u>	<u>57,400</u>
Less: accumulated depreciation for:				
Building	(3,779)	(407)	-	(4,186)
Improvements (other than building)	(7,334)	(474)	-	(7,808)
Machinery and equipment	(8,952)	(1,530)	328	(10,154)
Infrastructure	<u>(8,193)</u>	<u>(613)</u>	<u>-</u>	<u>(8,806)</u>
Total accumulated depreciation	<u>(28,258)</u>	<u>(3,024)</u>	<u>328</u>	<u>(30,954)</u>
Total capital assets, being depreciated, net	<u>24,866</u>	<u>1,631</u>	<u>(51)</u>	<u>26,446</u>
Governmental activities capital assets, net	<u>\$ 53,672</u>	<u>5,632</u>	<u>(1,595)</u>	<u>\$ 57,709</u>

5. CAPITAL ASSETS (CONTINUED)

Business-type activities: (Amounts in Thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 349	\$ -	\$ -	\$ 349
Construction in progress	2,272	3,116	(1,740)	3,648
Total capital assets not being depreciated	<u>2,621</u>	<u>3,116</u>	<u>(1,740)</u>	<u>3,997</u>
Capital assets being depreciated:				
Building	26,922	1,194	-	28,116
Improvements (other than building)	12,439	373	-	12,812
Machinery and equipment	4,894	217	-	5,111
Infrastructure	20,028	1,823	-	21,851
Total capital assets being depreciated	<u>64,283</u>	<u>3,607</u>	<u>-</u>	<u>67,890</u>
Less: accumulated depreciation for:				
Building	(10,208)	(798)	1,858	(9,148)
Improvements (other than building)	(4,605)	(310)	33	(4,882)
Machinery and equipment	(4,052)	(311)	16	(4,347)
Infrastructure	(6,879)	(484)	2	(7,361)
Total accumulated depreciation	<u>(25,744)</u>	<u>(1,903)</u>	<u>1,909</u>	<u>(25,738)</u>
Total capital assets, being depreciated, net	<u>38,539</u>	<u>1,704</u>	<u>1,909</u>	<u>42,152</u>
Business-type activities capital assets, net	<u>\$ 41,160</u>	<u>\$ 4,820</u>	<u>\$ 169</u>	<u>\$ 46,149</u>

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

Public safety	1,196
Public works	760
Recreation and social services	673
Total depreciation expense - governmental activities	<u>\$ 3,024</u>
<u>Business-type activities</u>	
Water and sewer	\$ 1,397
Stormwater	506
Total depreciation expense - business-type activities	<u>\$ 1,903</u>

5. CAPITAL ASSETS (CONTINUED)

Construction commitments

The City of Lauderhill has active construction projects as of September 30, 2006.

<u>Project Title</u>	<u>In Thousands</u>	
	<u>Construction Cost-to- Date</u>	<u>Remaining Commitment</u>
Sewer line and inflow mitigation	\$ 3,630	\$ 900
Roadway improvements	2,113	394
Privacy walls	1,806	2,182
Turnpike Cross North/South	2,511	706
Recreational Improvement	683	83
Total	<u>\$ 10,743</u>	<u>\$ 4,265</u>

The commitment for sewer line and inflow mitigation and is being financed by water and sewer revenue bonds. The commitment for roadway improvements, privacy walls and Regional Park and cultural center are being financed by the resources from the proceeds of general obligation bonds.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of inter-fund balances as of September 30, 2006, is as follows:

Due to / from other funds:

<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
General	\$ 371,264	Community Redevelopment Agency	\$ 323,764
Community Redevelopment Agency	109,011	Community Redevelopment Agency	109,011
Capital Project	1,268,040	Community Redevelopment Agency	1,268,040
Non-Major	120,447	General	46,319
	<u>\$ 1,868,762</u>	Capital Project	27,253
		Non-Major	47,500
		Water and Sewer	46,875
			<u>\$ 1,868,762</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The outstanding balances between funds mainly resulted from time lag between the dates that (a) inter-fund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

These balances also include the amount of promissory note issued by CRA on transfer of land investment held by the general and capital project funds with aggregate amount of approximately \$1.5 million that is expected to be collected in the subsequent year.

Inter-fund transfers:

<u>Transfer out</u>	<u>Transfer in</u>	<u>Amount</u>
General	Debt Service	\$2,441,148
Capital	Debt Service	\$1,727,660
Debt service	Water & Sewer	\$ 320,600

Transfers were used to move revenues from the fund with collection authorization, to the debt service fund, as debt service principal and interest payment became due.

7. LONG-TERM DEBTS

A. Revenue Bonds

The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for both the governmental and business-type activities. The original amount of revenue bonds issued in prior years was \$27,835,000 and during the year, revenue bonds totaling \$18,235,000 were issued to finance various capital projects and to refund previously issued revenue bonds.

7. LONG-TERM DEBTS (CONTINUED)

Revenue bonds outstanding as at September 30, 2006 were as follows:

	<u>Interest Rates</u>	<u>Maturity</u>	<u>Average Semi-annual Payment</u>	<u>Amounts in Thousands</u>	
				<u>Original Amount</u>	<u>Outstanding Balance</u>
Governmental activities:					
1998 Half-cent sales tax	3.80% - 4.30%	2018	212	\$ 5,000	\$ 3,945
2001 Half-cent sales tax	4.25% - 4.95%	2021	204	5,000	4,590
2003 Half-cent sales tax	4.00% - 4.45%	2025	193	5,000	4,850
2005 Half-cent sales tax - refunding	2.50% - 4.15%	2017	229	4,385	4,080
					<u>17,465</u>
Business-type activities:					
Water and Sewer					
1999 Water and sewer	4.40% - 5.10%	2020	207	5,000	4,090
2000 Water and sewer	4.88% - 5.50%	2022	217	4,800	4,500
2001 Water and sewer - refunding	3.25% - 4.00%	2011	182	3,035	1,620
2005A Water and sewer	3.00% - 4.50%	2026	196	5,000	5,000
2005B Water and sewer - refunding	2.50% - 4.13%	2016	212	3,850	3,405
2004 Stormwater	4.00% - 5.00%	2028	185	5,000	5,000
					<u>23,615</u>
Total Revenue Bonds					<u>\$ 41,080</u>

Each bond was issued for \$5 million and smaller issuer exemption provides relief from arbitrage requirement.

B. General obligation

In 2005, the City issued \$35 million general obligation bond to provide funds for the acquisition and construction of major capital projects within a five year period. General obligation bonds are direct obligations and pledge of full faith and credit of the government. General obligation bonds outstanding at year-end are as follows:

	<u>Interest Rates</u>	<u>Maturity</u>	<u>Payment</u>	<u>Amount</u>
2005 General Obligation	3.00% - 4.50%	2030	1,040	33,960

The \$35 million general obligation bonds were issued in 2005 and could be subject to federal arbitrage regulation in the future.

7. LONG-TERM DEBTS (CONTINUED)

C. State revolving fund loan

The City entered into State Revolving Loan Funding Agreement with the Florida Department of Environmental Protection (DEP) to finance various projects for stormwater improvements. The loans were made available on a reimbursement basis at below market interest rates. The total funding from this agreement aggregated to \$8,384,100 and approximately \$7,262,000 is outstanding as of September 30, 2006. This loan requires annual payment of approximately \$320,000 and interest rate ranging from 2.86% to 3.52%.

D. Bank Loans

The City has established two banks revolving loan lines of credits. These funds were used to address short-term cash needs to fund post-hurricane expenditures; to fund capital purchase need for the Community Redevelopment Agency and the Lauderhill Housing Authority. As of September 30, 2006, the outstanding balance is \$6,042,000.

F. Debt service requirements

Debt service requirements (in thousands) for these revenue and general obligations and state revolving fund loan are listed below:

Year Ending September 30	Governmental activities				Business-type activities				Total	
	Revenue		General Obligation		Water and Sewer		Stormwater		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	870	722	890	1,360	830	840	442	440	3,032	3,362
2008	900	691	920	1,331	855	810	453	426	3,128	3,258
2009	925	659	950	1,301	980	778	463	410	3,318	3,148
2010	955	625	980	1,269	1,010	742	484	395	3,429	3,031
2011-2014	4,155	2,550	5,445	5,798	5,575	3,042	2,661	1,720	17,836	13,110
2015-2019	5,410	1,408	6,595	4,646	5,905	1,696	3,146	1,247	21,056	8,997
2020-2024	4,250	427	8,110	3,135	2,990	468	3,252	675	18,602	4,705
2025-2030	-	-	10,070	1,169	470	21	1,361	136	11,901	1,326
	<u>\$ 17,465</u>	<u>\$ 7,082</u>	<u>\$ 33,960</u>	<u>\$ 20,009</u>	<u>\$ 18,615</u>	<u>\$ 8,397</u>	<u>\$ 12,262</u>	<u>\$ 5,449</u>	<u>\$ 82,302</u>	<u>\$ 40,937</u>

7. LONG-TERM DEBTS (CONTINUED)

E. Changes in long-term liabilities

Long-term liability activity (in thousands) for the year ended September 30, 2006 is listed below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Bonds payable					
Revenue bonds	\$ 18,305	\$ -	\$ (840)	\$ 17,465	\$ 870
General obligation bonds	<u>35,000</u>	<u>-</u>	<u>(1,040)</u>	<u>33,960</u>	<u>890</u>
Total bonds payable	<u>53,305</u>	<u>-</u>	<u>(1,880)</u>	<u>51,425</u>	<u>1,760</u>
Compensated absences	<u>1,686</u>	<u>774</u>	<u>(234)</u>	<u>2,226</u>	<u>888</u>
Governmental activity Long-term liabilities	<u>\$ 54,991</u>	<u>\$ 774</u>	<u>\$ (2,114)</u>	<u>\$ 53,651</u>	<u>\$ 2,648</u>
Business-type activities					
Bonds payable					
Revenue bonds	\$ 24,415	\$ -	\$ (800)	\$ 23,615	\$ 830
State revolving fund loan	7,584	-	(322)	7,262	442
Bank Lines of Credit	-	6,042	-	6,042	3,948
Compensated absences	<u>287</u>	<u>212</u>	<u>(56)</u>	<u>443</u>	<u>136</u>
Business-type activity Long-term liabilities	<u>\$ 32,286</u>	<u>\$ 6,254</u>	<u>\$ (1,178)</u>	<u>\$ 37,362</u>	<u>\$ 5,356</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

8. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to tort, theft, and destruction of assets, error and omission, injury to employees, and disasters. The Self-Insurance Program is accounted for in the General Fund. Under this Program, individual claims up to \$75,000 are paid. Commercial insurance is purchased for individual claims in excess of \$75,000, and for total claims that exceed \$1,000,000 in a single year. Specialized insurance is purchased for boiler and machinery, sports accident, and fidelity bonds. Claims did not exceed the excess coverage of \$1,500,000 per claim for property and liability, or \$1,000,000 per claim for workers compensation in any of the past three years.

The City reviews and submits all claims to a claims administration firm. The firm reviews the claims and investigates as needed. A recommendation is then made for the City to pay the claim or to negotiate or litigate. The General and Proprietary Funds participate in the Program and pay their fair share based on submitted claims. An actuarial report provided claims liability of \$342,009 for the fiscal year ended September 30, 2003. This independent actuarial report is performed every three to five years. GASB 10 further requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates probability that a liability that was incurred at the date of the financial statements can be reasonably estimated. Current year claims are based on estimates from a third party administrator. Changes to claims liability balances during the past two years are:

8. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

	<u>Year ended 9/30/06</u>	<u>Year ended 9/30/05</u>
Unpaid claims, beginning	\$ 1,090,029	\$ 709,876
New claims	186,287	686,718
Claim payments	<u>(934,307)</u>	<u>(306,565)</u>
Unpaid claims, ending	<u>\$ 342,009</u>	<u>\$ 1,090,029</u>

B. Subsequent events

On November 16, 2006, the City issued \$5,000,000 of Water and Sewer Revenue bonds, Series 2006 to reimburse itself for qualified capital expenses.

On February 22, 2007, the CRA purchased a commercial shopping center for \$2.4 million and on April 15, 2007, the community Redevelopment Agency (CRA) purchased two four unit residential properties for \$820,00 as part of its redevelopment strategy.

8. OTHER INFORMATION (CONTINUED)

The CRA will continue to rent these properties until surrounding development is underway; at which point, the residential units will be sold as owner-occupied dwellings and the commercial parcel will be redeveloped into single family residential homes. During this period, the CRA expects to generate positive cash flows, on both properties, from rents collected.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. The outcome of these lawsuits cannot presently be determined. In the opinion of the City Attorney, the resolution of these matters will not have a material adverse impact to the financial condition of the City.

D. Deficit fund equity

The Stormwater and Home Grant Special Revenue Fund experienced a deficit of \$167,361 and \$249,845, respectively due to expenditures exceeding revenue during the year for Home grant and in prior year for Stormwater operation. The fund will finance this deficit through current operations in FY2005-2006.

E. On behalf payment of fringe benefits and salaries

In 2006, the City's financial statements include revenue and expenditures from contributions received from State Department of Revenues and Division of Retirement on behalf of its Firefighter and Police Officers Retirement Systems amounting to \$167,361 and \$249,845, respectively. The monies were deposited within 5 days from their receipt in accordance with the provisions of the law.

F. Restricted assets

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

Revenue bond reserve	\$ 2,642,641
----------------------	--------------

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City maintains four separate single-employer, defined benefit pension plans – The General Employee Retirement System, The Firefighter Retirement System, The Police Retirement System, and the Confidential and Managerial Retirement System. All employees are eligible to make voluntary contributions to a 457 defined benefit plan (457 plan). Some managerial employees participate in a previously available 401- (A) money purchase plan. With the exception of the City Manager and Department Directors, all other full-time employees hired after September 30, 2002 are required to participate in one of the defined benefit pension plans based on their job classification.

Summary of significant accounting policies

Basis of accounting:

All four defined benefit plans present their financial statements using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due, and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of investments

All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the balance sheet date. Securities without an established market are reported at estimated fair value.

Plan descriptions

A separate five-member board of trustees administers each plan. All full-time employees are covered by one of the aforementioned plans. The plans provide retirement, disability, and death benefits to plan members and their beneficiaries. Plan provisions are amended through the collective bargaining process and must be approved by the City of Lauderhill, City Commission. A separately issued financial report, that includes the applicable financial statements and required supplementary information for each plan, may be obtained from the Plan Administrator in City Hall.

A. General Employees Retirement System (GERS)

Annual Pension Cost. For 2006, the City's annual pension cost of \$588,553 equaled its required and actual contribution. The required contribution was determined by the September 30, 2005 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 7% projected salary increases. The actuarial value of assets was determined using techniques that smooth

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

the effects of short-term volatility in the market value of investments over a four-year period. GERS unfunded actuarial accrued liability is being amortized on a open level dollar basis. Seven years remained in the amortization period at September 30, 2006.

Three-Year Trend Information for GERS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2006	\$ 588,553	100%	N/A
September 30, 2005	583,904	100%	N/A
September 30, 2004	516,862	100%	N/A

B. Firefighter Retirement System (FRS)

Annual Pension Cost. For 2006, the City's annual pension cost of \$1,613,426 equaled its required and actual contribution. The required contribution was determined by the October 1, 2005 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 7% projected salary increases. 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. FRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2006.

Three-Year Trend Information for FRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2006	\$ 1,613,426	100%	N/A
September 30, 2005	1,537,942	100%	N/A
September 30, 2004	1,088,023	100%	N/A

C. Police Retirement System (PRS)

Annual Pension Cost. For 2006, the City's annual pension cost of \$1,415,977 equaled its required and actual contribution. The required contribution of 10% was determined by the October 1, 2005 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 7% projected salary increases. The actuarial value of assets was determined using the market value of investments. PRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2006.

Three-Year Trend Information for PRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2006	\$ 1,415,977	100%	N/A
September 30, 2005	1,151,914	100%	N/A
September 30, 2004	883,082	100%	N/A

D. Confidential and Managerial Retirement System (CMRS)

Annual Pension Cost. For 2006, the City's annual pension cost of \$745,282 equaled its required and actual contribution. The required contribution of 10% in 2003, and 8% in 2005 and 2006 was determined by the actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 7% projected salary increases. The actuarial value of assets was determined using the market value of investments. CMRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2006.

Three-Year Trend Information for CMRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2006	\$ 745,282	100%	N/A
September 30, 2005	548,459	100%	N/A
September 30, 2004	385,955	100%	N/A

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	Original	Final		FINAL BUDGET
				Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 13,347,222	\$ 13,406,500	\$ 12,732,731	\$ (673,769)
Franchise taxes	3,540,000	3,970,000	4,707,818	737,818
Public service taxes	8,105,000	7,771,000	7,873,646	102,646
Charges for services	6,273,784	6,775,000	6,857,527	82,527
Administrative charges	2,325,000	2,325,000	2,325,000	-
Intergovernmental	6,629,279	13,591,932	14,630,496	1,038,564
Licenses and permits	1,703,550	3,257,040	3,076,720	(180,320)
Fines and forfeitures	331,000	315,500	419,028	103,528
Investment income	127,799	110,000	219,861	109,861
Rental income	237,500	324,650	291,203	(33,447)
Miscellaneous	127,800	656,873	268,613	(388,260)
Total Revenues	42,747,934	52,503,495	53,402,643	899,148
EXPENDITURES				
General government:				
City Clerk	615,704	671,504	603,034	68,470
Debt Service	2,639,743	2,639,743	2,120,549	519,194
City Commission	460,512	502,112	501,926	186
Administration	1,870,820	1,872,749	2,078,102	(205,353)
Finance	1,703,937	1,801,815	1,932,542	(130,727)
Legal	547,500	547,500	576,210	(28,710)
Human resources	2,902,766	2,918,166	2,324,782	593,384
Planning and Zoning	603,104	606,604	572,221	34,383
Total general government	11,344,086	11,560,193	10,709,366	850,827
Public safety:				
Police	11,679,626	12,546,174	12,423,572	122,602
Fire and Rescue	10,066,174	10,706,969	11,558,739	(851,770)
Inspection	547,843	547,843	642,386	(94,543)
Total public safety	22,293,643	23,800,986	24,624,697	(823,711)
Public works:				
Fleet maintenance	1,258,015	1,384,415	1,322,633	61,782
Facility maintenance	781,274	828,344	2,047,353	(1,219,009)
Infrastructure maintenance	8,204,189	8,263,189	7,298,470	964,719
Total public works	10,243,478	10,475,948	10,668,456	(192,508)
Parks and leisure services:				
Recreation and social services	5,527,708	5,533,446	5,005,546	527,900
Golf and turf	229,099	227,181	156,513	70,668
Total parks and leisure services	5,756,807	5,760,627	5,162,059	598,568
TOTAL EXPENDITURES	49,638,014	51,597,754	51,164,578	433,176
CHANGE IN NET ASSETS	(6,890,080)	905,741	2,238,065	1,332,324
TOTAL FUND BALANCE, BEGINNING	3,756,700	3,756,700	3,756,700	-
TOTAL FUND BALANCE, ENDING	\$ (3,133,380)	\$ 4,662,441	\$ 5,994,765	\$ 1,332,324

See notes to Budgetary Comparison Schedule

CITY OF LAUDERHILL, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2006

Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriations lapse at fiscal year end.

The City follows Chapter 80-274 of the state of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:

1. Prior to August 1, 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 conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.
4. The appropriated budget is prepared and adopted by fund, function, and department. Budgets are monitored within each department at the account level by the respective department head and the Finance Director. The City's department heads may make transfers of appropriations within a department with approval of the City Manager and Finance Director. Transfers of appropriations between departments require the additional approval of the Commission. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level. The Commission made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Excess of expenditures over appropriations

For the year ended September 30, 2006 expenditures exceeded appropriations in the following departments:

Department	Excess Expenditures over Budget
Facility Maintenance	\$ 1,219,009
Inspection	94,543
Fire and Rescue	851,770
Finance	130,727
Administration	205,353

These over expenditures were funded by a combination of greater than anticipated revenues and available fund balances.

**Required Supplementary Information
Lauderhill Retirement Systems
Schedule of Funding Progress**

GERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	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)
10/1/2005	\$ 10,541,989	\$ 13,218,538	\$ 2,676,549	79.80%	\$ 4,581,654	58.4%
10/1/2004	9,398,949	12,219,387	2,820,438	76.90%	4,414,988	63.9%
10/2/2003	8,731,913	11,221,964	2,490,051	77.80%	4,155,150	59.9%

Note: CMRS was segregated from GERS 10/01/02.

FRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	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)
10/1/2005	\$ 25,949,266	\$ 35,316,854	\$ 9,367,588	73.50%	\$ 4,408,687	212.5%
10/1/2004	23,574,022	33,495,730	9,921,708	70.40%	4,910,632	202.0%
10/2/2003	22,091,745	29,107,455	7,015,710	75.90%	4,670,981	150.2%

PRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	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)
10/1/2005	\$ 8,660,725	\$ 12,330,939	\$ 3,670,214	70.20%	\$ 6,518,591	56.3%
10/1/2004	6,462,440	8,816,205	2,353,765	73.30%	5,255,882	44.8%
10/2/2003	4,989,614	6,124,343	1,134,529	81.50%	4,998,258	22.7%

CMRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	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)
10/1/2005	\$ 6,902,752	\$ 11,925,806	\$ 5,023,054	57.90%	\$ 3,329,207	150.9%
10/1/2004	5,181,931	8,740,367	3,558,436	59.28%	2,870,584	124.0%
10/2/2003	4,050,310	6,021,151	1,970,841	67.26%	2,470,529	79.8%



CITY OF LAUDERHILL, FLORIDA
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	GOVERNMENTAL FUNDS						TOTAL
	Debt Service	SHIP	Special Law Enforcement	Revenue Federal Forfeiture	CDBG	Home Grant	
ASSETS							
Cash and equity in pooled cash and investments	\$ -	\$ 1,098,373	\$ 59,599	\$ 80,447	\$ 35,721	\$ -	\$ 1,274,140
Restricted assets:							
Investments	1,898,094	-	-	-	-	-	1,898,094
Due from other funds	-	120,447	-	-	-	-	120,447
Due from other governments	-	132,000	-	-	165,592	129,750	427,342
Other Assets	-	-	-	-	37,142	-	37,142
Total assets	\$ 1,898,094	\$ 1,350,820	\$ 59,599	\$ 80,447	\$ 238,455	\$ 129,750	\$ 3,757,165
LIABILITIES AND FUND BALANCE							
Accounts payable	\$ 53,237	\$ -	\$ -	\$ -	\$ -	\$ 283,320	336,557
Due to other funds	47,500	-	-	-	-	-	47,511
Accrued compensated absences	-	-	-	-	2,619	-	2,619
Accrued payroll	-	1,089	-	-	9,301	-	10,390
Deferred revenue	-	122,494	-	-	-	-	122,494
Total Liabilities	100,737	123,583	-	-	11,920	283,320	519,571
FUND BALANCE							
Reserved for:							
Debt services	1,797,357	-	-	-	-	-	1,797,357
Social services	-	1,227,237	-	-	226,535	(153,570)	1,300,202
Law enforcement	-	-	59,599	80,447	-	-	140,046
Unreserved	-	-	-	-	-	-	-
Total Fund Balances	1,797,357	1,227,237	59,599	80,447	226,535	(153,570)	3,237,605
Total Liabilities and Fund Balances	\$ 1,898,094	\$ 1,350,820	\$ 59,599	\$ 80,447	\$ 238,455	\$ 129,750	\$ 3,757,176

CITY OF LAUDERHILL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	GOVERNMENTAL FUNDS					TOTAL	
	Debt Service	SHIP	Special Law Enforcement	Revenue Federal Forfeiture	CDBG		Home Grant
Revenues:							
Intergovernmental	\$ -	\$ 793,961	\$ -	\$ -	\$ 901,526	\$ 10,134	\$ 1,705,621
Charges for services			81,984				81,984
Fines and forfeitures				31,617			31,617
Other							-
Investment income	66,840	44,939	2,676	10,382			124,837
Total Revenues	66,840	838,900	84,660	41,999	901,526	10,134	1,944,059
Expenditures:							
General government	39,130						39,130
Public safety			68,787				68,787
Recreation and Social services		542,725		193,781	847,257	153,980	1,543,962
Debt service							-
Principal	1,880,000						1,880,000
Interest	1,962,477						1,962,477
Capital outlay							-
Total expenditures	3,881,607	542,725	68,787	193,781	847,257	153,980	5,688,148
Excess (deficiency) of revenues over expenditures	(3,814,767)	296,175	15,873	(151,782)	54,269	(143,846)	(3,744,089)
Other financing sources:							
Transfers in							3,848,208
Transfers out							-
Total other financing sources							3,848,208
Net change in fund balance	33,441	296,175	15,873	(151,782)	54,269	(143,846)	104,119
Fund balance, beginning	1,763,916	931,062	43,726	232,229	172,266	(9,724)	3,133,475
Fund balance, ending	\$ 1,797,357	\$ 1,227,237	\$ 59,599	\$ 80,447	\$ 226,535	\$ (153,570)	\$ 3,237,594

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Property taxes	\$ 1,302,482	\$ 1,302,482	\$ 1,318,603	\$ 16,121
Intergovernmental	-	804,142	110,179	(693,963)
Investment income	956,341	956,341	1,254,656	298,315
	<u>2,258,823</u>	<u>3,062,965</u>	<u>2,683,438</u>	<u>(379,527)</u>
EXPENDITURES				
Recreation and Social Services	102,000	102,200	-	102,200
Capital Outlay:				
Land	794,500	844,900	141,227	703,673
Buildings	2,067,800	2,057,800	380,496	1,677,304
Improvements	3,204,028	4,204,028	2,302,027	1,902,001
Infrastructure	3,991,450	3,999,450	966,087	3,033,363
Equipment	1,946,103	2,920,827	2,781,043	139,784
Debt service - interest	350,000	350,000	430,793	(80,793)
Total Expenditures	<u>12,455,881</u>	<u>14,479,205</u>	<u>7,001,673</u>	<u>7,477,532</u>
Excess (Deficiency) of Revenue over Expenditures	(10,197,058)	(11,416,240)	(4,318,235)	7,098,005
Other Financing Sources (Uses)				
Transfer in	1,038,389	1,062,389	-	(1,062,389)
Transfer out	-	-	(1,727,660)	(1,727,660)
NET CHANGE IN FUND BALANCES	(9,158,669)	(10,353,851)	(6,045,895)	4,307,956
FUND BALANCES - BEGINNING	<u>32,611,713</u>	<u>32,611,713</u>	<u>32,611,713</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 23,453,044</u>	<u>\$ 22,257,862</u>	<u>\$ 26,565,818</u>	<u>\$ 4,307,956</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Interest revenue	\$ -	\$ -	\$ 66,840	\$ 66,840
Interfund transfers-in	3,848,210	3,848,210	3,848,208	(2)
	<u>3,848,210</u>	<u>3,848,210</u>	<u>3,915,048</u>	<u>66,838</u>
EXPENDITURES				
Current:				
General government	-	-	39,130	(39,130)
Debt service:				
Principal retirement	850,000	850,000	1,880,000	(1,030,000)
Interest	<u>2,998,210</u>	<u>2,998,210</u>	<u>1,962,478</u>	<u>1,035,732</u>
	<u>3,848,210</u>	<u>3,848,210</u>	<u>3,881,608</u>	<u>(33,398)</u>
Change in fund balance	-	-	33,440	33,440
FUND BALANCES - BEGINNING	<u>1,763,917</u>	<u>1,763,917</u>	<u>1,763,917</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,763,917</u>	<u>\$ 1,763,917</u>	<u>\$ 1,797,357</u>	<u>\$ 33,440</u>

CITY OF LAUDERHILL, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY REDEVELOPMENT AGENCY
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues				
	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Personal Service	107,111	143,791	150,392	(6,601)
Administrative expenses	5,365	7,279	4,578	2,701
Contractual Services	37,500	17,500	18,795	(1,295)
Total expenditure	<u>149,976</u>	<u>168,570</u>	<u>173,764</u>	<u>(5,194)</u>
Change in fund balance	-	-	(173,764)	-
TOTAL NET ASSETS, OCTOBER 1	-	-	-	-
TOTAL NET ASSETS, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (173,764.1)</u>	<u>\$ -</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - STATE HOUSING INITIATIVE PROGRAM (SHIP)
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 419,193	\$ 619,193	\$ 793,961	\$ 174,768
Investment income	<u>500</u>	<u>500</u>	<u>44,939</u>	<u>44,439</u>
	<u>419,693</u>	<u>619,693</u>	<u>838,900</u>	<u>219,207</u>
EXPENDITURES				
General government	200	200	-	200
Recreation and social services	<u>419,493</u>	<u>619,983</u>	<u>542,725</u>	<u>77,258</u>
	<u>419,693</u>	<u>620,183</u>	<u>542,725</u>	<u>77,458</u>
Change in fund balance	-	(490)	296,175	296,665
FUND BALANCES - BEGINNING	<u>931,062</u>	<u>931,062</u>	<u>931,062</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 931,062</u>	<u>\$ 930,572</u>	<u>\$ 1,227,237</u>	<u>\$ 296,665</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - LAW ENFORCEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ -	\$ 81,818	\$ 81,984	\$ 166
Investment income	-	-	2,676	2,676
	<u>-</u>	<u>81,818</u>	<u>84,660</u>	<u>2,842</u>
EXPENDITURES				
Public safety	<u>81,818</u>	<u>81,818</u>	<u>68,787</u>	<u>13,031</u>
	<u>81,818</u>	<u>81,818</u>	<u>68,787</u>	<u>13,031</u>
Change in fund balance	(81,818)	-	15,873	(15,873)
FUND BALANCES - BEGINNING	<u>43,726</u>	<u>43,726</u>	<u>43,726</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ (38,092)</u>	<u>\$ 43,726</u>	<u>\$ 59,599</u>	<u>\$ (15,873)</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - FEDERAL FORFEITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 139,485	\$ 31,617	\$ (107,868)
Investment income	-	-	10,382	10,382
	<u>-</u>	<u>139,485</u>	<u>41,999</u>	<u>(97,486)</u>
EXPENDITURES				
Recreation and social services	<u>43,887</u>	<u>139,485</u>	<u>193,781</u>	<u>(54,296)</u>
	<u>43,887</u>	<u>139,485</u>	<u>193,781</u>	<u>(54,296)</u>
Change in fund balance	(43,887)	-	(151,782)	(151,782)
FUND BALANCES - BEGINNING	<u>232,229</u>	<u>232,229</u>	<u>232,229</u>	-
FUND BALANCES - ENDING	<u>\$ 188,342</u>	<u>\$ 232,229</u>	<u>\$ 80,447</u>	<u>\$ (151,782)</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 936,289	\$ 936,289	\$ 901,526	\$ (34,763)
Investment income	-	-	-	-
	<u>936,289</u>	<u>936,289</u>	<u>901,526</u>	<u>(34,763)</u>
EXPENDITURES				
Recreation and social services	<u>936,289</u>	<u>936,289</u>	<u>847,257</u>	<u>89,032</u>
	<u>936,289</u>	<u>936,289</u>	<u>847,257</u>	<u>89,032</u>
Change in fund balance	-	-	54,269	54,269
FUND BALANCES - BEGINNING	<u>172,266</u>	<u>172,266</u>	<u>172,266</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 172,266</u>	<u>\$ 172,266</u>	<u>\$ 226,535</u>	<u>\$ 54,269</u>

CITY OF LAUDERHILL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - HOME GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 330,500	\$ 330,500	\$ 10,134	\$ (320,366)
Investment income	-	-	-	-
	<u>330,500</u>	<u>330,500</u>	<u>10,134</u>	<u>(320,366)</u>
EXPENDITURES				
Recreation and social services	<u>330,500</u>	<u>330,500</u>	<u>153,980</u>	<u>176,520</u>
	<u>330,500</u>	<u>330,500</u>	<u>153,980</u>	<u>176,520</u>
Change in fund balance	-	-	(143,846)	(143,846)
FUND BALANCES - BEGINNING	<u>(9,724)</u>	<u>(9,724)</u>	<u>(9,724)</u>	-
FUND BALANCES - ENDING	<u>\$ (9,724)</u>	<u>\$ (9,724)</u>	<u>\$ (153,570)</u>	<u>\$ (143,846)</u>

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

	PENSION TRUST FUNDS				TOTAL
	General Employees Retirement	Firefighters Retirement	Police Officers Retirement	Confidential and Managerial	
ASSETS					
Equity in pooled cash and investments	\$ 459,683	\$ 1,094,140	\$ 1,156,844	\$ 262,448	\$ 2,973,115
Receivables:					
City contributions	148,664	67,711	38,464	41,278	296,117
Plan members	11,582	26,328	28,834	6,492	73,236
Interest and dividends	63,775	80,347	142,640	35,715	322,477
Total Receivables	<u>224,021</u>	<u>174,386</u>	<u>209,938</u>	<u>83,485</u>	<u>691,830</u>
Investments, at Fair Value					
Common stocks	4,669,393	16,831,718	6,303,776	3,236,722	31,041,609
U.S. Government and agency securities	3,422,871	3,218,859	53	1,846,535	8,488,318
Corporate bonds and notes	1,395,476	5,226,052	3,161,636	786,383	10,569,547
International equity fund	-	3,580,629	1,009,401	-	4,590,030
Mutual funds	2,677,490	-	-	-	2,677,490
Real estate fund	-	2,995,210	-	-	2,995,210
Total Investments, at Fair Value	<u>12,165,230</u>	<u>31,852,468</u>	<u>10,474,866</u>	<u>5,869,640</u>	<u>60,362,204</u>
Total Assets	<u>\$ 12,848,934</u>	<u>\$ 33,120,994</u>	<u>\$ 11,841,648</u>	<u>\$ 6,215,573</u>	<u>\$ 64,027,149</u>
LIABILITIES					
Accounts payable	9,077	170,570	9,559	12,882	202,088
Payable for securities purchased	-	-	287,933	-	287,933
Deferred revenue/future benefits	-	1,881,168	716	188,260	2,070,144
Prepaid City contributions	-	312,659	208,139	-	520,798
Total Liabilities	<u>9,077</u>	<u>2,364,397</u>	<u>506,347</u>	<u>201,142</u>	<u>3,080,963</u>
NET ASSETS					
Held in Trust for Pension Benefits	<u>12,839,857</u>	<u>30,756,597</u>	<u>11,335,301</u>	<u>6,014,431</u>	<u>60,946,186</u>
Total Net Assets and Liabilities	<u>\$ 12,848,934</u>	<u>\$ 33,120,994</u>	<u>\$ 11,841,648</u>	<u>\$ 6,215,573</u>	<u>\$ 64,027,149</u>

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

	PENSION TRUST FUNDS				TOTAL
	General Employees Retirement	Firefighters Retirement	Police Officers Retirement	Confidential and Managerial	
Contributions:					
City	\$ 468,894	\$ 1,446,065	\$ 1,166,132	\$ 786,676	\$ 3,867,767
Plan Members	305,491	620,436	870,556	438,904	2,235,387
State Revenue	-	250,977	249,845	-	500,822
Total contributions	<u>774,385</u>	<u>2,317,478</u>	<u>2,286,533</u>	<u>1,225,580</u>	<u>6,603,976</u>
Investment income:					
Net appreciation in fair value of investments	600,984	1,783,704	415,898	(627,237)	2,173,349
Interest and dividend income	<u>449,034</u>	<u>779,085</u>	<u>321,057</u>	<u>56,555</u>	<u>1,605,731</u>
Total investment income	1,050,018	2,562,789	736,955	(570,682)	3,779,080
Less Investment expense	48,730	187,204	46,122	41,379	323,435
Deferred retirement option plan participants' earnings	-	98,429	-	-	98,429
Net investment income	<u>1,001,288</u>	<u>2,277,156</u>	<u>690,833</u>	<u>(612,061)</u>	<u>3,357,216</u>
Total additions	<u>1,775,673</u>	<u>4,594,634</u>	<u>2,977,366</u>	<u>613,519</u>	<u>9,961,192</u>
DEDUCTIONS					
Benefits paid	377,394	1,477,269	109,741	370,990	2,335,394
Administrative expenses	64,709	119,193	91,466	90,390	365,758
Refunds of contributions	61,240	111,087	74,324	70,070	316,721
Other	<u>2,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,397</u>
Total deductions	<u>505,740</u>	<u>1,707,549</u>	<u>275,531</u>	<u>531,450</u>	<u>3,020,270</u>
CHANGE IN NET ASSETS	1,269,933	2,887,085	2,701,835	82,069	6,940,922
NET ASSETS, OCTOBER 1	<u>11,569,924</u>	<u>27,869,512</u>	<u>8,633,466</u>	<u>5,929,965</u>	<u>54,002,867</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 12,839,857</u>	<u>\$ 30,756,597</u>	<u>\$ 11,335,301</u>	<u>\$ 6,012,034</u>	<u>\$ 60,943,789</u>

CITY OF LAUDERHILL, FLORIDA
STATISTICAL SECTION
FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

CONTENTS: Page

FINANCIAL TRENDS.....85 - 89

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over the time.

REVENUE CAPACITY.....90 - 93

These schedules contain information to help assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY.....94 - 97

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION.....98 - 99

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

OPERATING INFORMATION.....100-101

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs

MISCELLANEOUS STATISTICS.....102 – 104

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 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF LAUDERHILL, FLORIDA
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEAR

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 30,455,333	\$ 33,750,444	\$ 31,458,503	\$ 33,663,448
Restricted	6,798,634	5,100,808	4,643,969	3,224,852
Unrestricted	<u>2,274,118</u>	<u>1,323,133</u>	<u>1,826,652</u>	<u>3,420,777</u>
	<u>39,528,085</u>	<u>40,174,385</u>	<u>37,929,124</u>	<u>40,30,9077</u>
Business Activities				
Invested in Capital Assets, Net of Related Debt	12,952,757	16,603,233	15,313,066	9,229,731
Restricted	1,642,648	1,826,060	2,565,696	2,063,261
Unrestricted	<u>7,120,115</u>	<u>5,023,062</u>	<u>6,986,447</u>	<u>14,100,843</u>
	<u>\$ 21,715,520</u>	<u>\$ 23,452,355</u>	<u>\$ 24,865,209</u>	<u>\$ 25,393,835</u>

CITY OF LAUDERHILL, FLORIDA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEAR

	2003	2004	2005	2006
EXPENSES				
Governmental Activities				
General Government	\$ 5,549,472	\$ 7,188,906	\$ 7,825,228	\$ 10,437,902
Public Safety	18,088,026	19,318,700	21,043,096	26,085,909
Public Works	3,062,120	3,143,153	3,539,765	11,268,896
Recreation and Social Services	5,886,336	5,484,553	8,341,193	5,144,089
Economic and Community Development	1,013,257	1,389,479	41,624	-
Interest on long-term debt	691,142	785,795	1,112,503	2,369,854
Total Governmental Activities Expenses	<u>34,290,353</u>	<u>37,310,586</u>	<u>41,903,409</u>	<u>55,306,650</u>
Business-type Activities				
Water and Sewer	10,479,830	10,793,198	11,855,081	12,027,074
Stormwater	1,112,590	1,695,166	2,567,637	3,223,739
Total Business-type Activities Expenses	<u>11,592,420</u>	<u>12,488,364</u>	<u>14,422,718</u>	<u>15,250,813</u>
Total Primary Government Expenses	<u>45,882,773</u>	<u>49,798,950</u>	<u>56,326,127</u>	<u>70,557,463</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,335,454	\$ 4,423,194	\$ 3,782,796	\$ 3,718,244
Public Safety	4,409,053	3,880,522	6,370,334	6,766,565
Recreation and Social Services	348,760	548,822	366,858	270,278
Operating Grants/ Contributions	1,636,116	3,003,761	2,794,438	9,898,002
Capital Grants/Contributions	1,123,755	1,617,367	668,563	81,743
Total Governmental Activities Program Revenues	<u>8,853,138</u>	<u>13,473,666</u>	<u>13,982,989</u>	<u>20,734,832</u>
Business-type Activities				
Water and Sewer	12,286,917	11,392,655	11,626,887	12,406,872
Stormwater	2,130,704	2,060,614	2,825,060	2,919,077
Operating Grants/ Contributions	-	-	75,000	-
Capital Grants/Contributions	-	633,264	1,166,970	-
Total Business-type Activities Program Revenues	<u>14,417,621</u>	<u>14,086,533</u>	<u>15,693,917</u>	<u>15,325,949</u>
Total Primary Government Program Revenues	<u>\$ 23,270,759</u>	<u>\$ 27,560,199</u>	<u>\$ 29,676,906</u>	<u>\$ 36,060,781</u>
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (25,437,215)	\$ (23,836,920)	\$ (27,920,420)	\$ (34,571,818)
Business-type Activities	(2,825,201)	(1,598,169)	(1,271,199)	75,136
Total Primary Government Net Revenue	<u>\$ (22,612,014)</u>	<u>\$ (22,238,751)</u>	<u>\$ (26,649,221)</u>	<u>\$ (34,496,682)</u>

CITY OF LAUDERHILL, FLORIDA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEAR

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GENERAL REVENUES AND TRANSFERS				
Governmental Activities				
Property Taxes	\$ 8,211,732	\$ 8,999,663	\$ 10,326,553	\$ 14,027,917
Other Taxes	7,732,348	7,817,926	9,231,595	12,581,463
Investment Earnings	273,982	172,533	311,228	1,599,334
Other	8,013,353	6,263,204	6,996,304	9,063,657
Gain (Loss) on sale of Land	1,053,477	-	-	-
Gain (Loss) on sale of Fixed Assets	-	11,894	(92,736)	-
Contribution Capital-Land	-	1,218,000	-	-
Net Realized Value of land Investment	-	-	(1,097,785)	-
Transfers	-	-	-	(320,600)
Total Governmental Activities Revenues	<u>25,284,892</u>	<u>24,483,220</u>	<u>25,675,159</u>	<u>36,951,771</u>
Business-type Activities				
Investment Earnings	\$ 160,921	\$ 138,666	\$ 141,655	\$ 132,890
Transfers	\$ -	\$ -	\$ -	\$ 320,600
Total Business-type Activities Revenues	<u>160,921</u>	<u>138,666</u>	<u>141,655</u>	<u>453,490</u>
Total Primary Government Revenues	<u>25,445,813</u>	<u>24,621,886</u>	<u>25,816,814</u>	<u>37,405,261</u>
NET (EXPENSE) REVENUE				
Governmental Activities	(152,323)	646,300	(2,245,261)	2,379,953
Business-type Activities	2,986,122	1,736,835	1,412,854	528,627
Total Primary Government	<u>2,833,799</u>	<u>2,383,135</u>	<u>(832,407)</u>	<u>2,908,580</u>

CITY OF LAUDERHILL, FLORIDA
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEAR

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 88,473	\$ 87,822	\$ 72,637	\$ 43,787	\$ 62,264	\$ 49,141	\$ 2,406,942	\$ 2,250,692	\$ 91,597	\$ 61,805
Unreserved	5,400,172	6,113,060	5,227,992	1,851,342	3,482,167	4,050,539	1,023,533	(71,241)	3,665,104	5,932,960
	<u>\$ 5,488,645</u>	<u>\$ 6,200,882</u>	<u>\$ 5,300,629</u>	<u>\$ 1,895,129</u>	<u>\$ 3,544,431</u>	<u>\$ 4,099,680</u>	<u>\$ 3,430,475</u>	<u>\$ 2,179,451</u>	<u>\$ 3,756,701</u>	<u>\$ 5,994,765</u>
All Other Governmental Funds										
Reserved	\$ 5,095,703	\$ 4,508,957	\$ 2,429,796	\$ 2,470,495	\$ 5,716,205	\$ 6,045,188	\$ 6,798,634	\$ 5,100,808	\$ 35,745,189	\$ 29,803,423
Unreserved Reported In	-	-	-	-	-	-	-	-	-	(173,764)
Special Revenue	-	-	-	-	-	-	-	-	-	-
Capital Project	-	-	-	-	-	-	-	-	-	-
	<u>\$ 5,095,703</u>	<u>\$ 4,508,957</u>	<u>\$ 2,429,796</u>	<u>\$ 2,470,495</u>	<u>\$ 5,716,205</u>	<u>\$ 6,045,188</u>	<u>\$ 6,798,634</u>	<u>\$ 5,100,808</u>	<u>\$ 35,745,189</u>	<u>\$ 29,629,639</u>

CITY OF LAUDERHILL, FLORIDA
CHANGES IN FUND BALANCES-GOVERNMENT FUNDS
LAST TEN FISCAL YEAR

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Property Taxes	4,613,784	5,164,218	5,664,670	6,673,691	7,200,386	7,312,101	8,211,732	8,999,663	10,326,553	14,051,334
Franchise Taxes	3,511,852	3,048,017	3,094,514	2,883,076	3,202,324	2,918,563	3,249,974	3,070,607	3,217,681	4,707,818
Public Service Taxes	3,452,364	3,522,317	3,630,615	3,724,231	3,779,849	4,637,131	4,482,374	4,747,318	6,013,914	7,873,646
Charges for services	1,474,201	1,689,182	1,762,993	1,423,603	4,203,687	4,331,731	4,590,000	4,857,986	6,534,347	6,939,511
Administrative Charges	550,000	1,200,000	1,200,425	1,201,625	1,304,775	1,500,000	1,599,900	1,850,000	2,005,000	2,325,000
Intergovernmental	5,307,331	5,780,071	5,746,872	6,584,201	5,923,610	6,282,393	8,628,123	10,832,411	10,184,677	16,446,296
License and Permits	1,004,013	1,112,465	979,227	1,075,743	1,488,847	1,519,903	1,335,454	1,511,768	1,617,864	3,076,720
Fines and Forfeiture	236,435	284,868	383,770	340,621	280,552	277,978	405,533	418,392	362,777	450,644
Investment Income	354,367	571,409	184,705	269,877	391,880	324,737	273,982	172,533	311,227	1,599,334
Other	99,969	178,209	150,239	184,182	48,164	112,742	3,669,149	279,108	302,359	559,816
Total Revenue	20,604,316	22,550,756	22,798,030	24,360,850	27,804,074	29,217,279	36,446,221	36,739,786	40,876,399	58,030,120
EXPENDITURE										
Current:										
General Government	3,105,347	3,891,166	3,793,696	4,331,477	4,284,148	4,596,602	4,894,085	5,834,909	6,790,734	9,141,469
Public Safety	11,003,603	11,644,246	13,143,104	13,946,803	14,632,990	16,277,070	17,738,335	19,571,142	20,599,328	25,567,512
Public Work	1,338,695	1,043,943	1,178,452	1,237,511	1,232,154	1,242,756	2,450,599	2,517,134	2,942,429	9,345,822
Recreation and social services	3,139,524	3,158,320	3,267,359	3,514,510	3,782,589	4,364,084	5,058,841	5,160,267	7,386,723	6,688,051
Economic and Community Development	-	-	-	-	-	-	1,013,257	1,390,506	41,624	-
Debt Service:										
Principal retirement							415,000			1,880,000
Interest and issuance cost							691,142			2,393,270
Capital Outlay:							489,760	8,837,988	4,336,755	6,570,880
Total Expenditures	19,192,106	20,881,608	22,445,855	24,994,750	25,254,772	26,970,272	37,096,764	43,311,946	42,097,593	61,587,004
Excess Revenue Over (Under Expenditures	1,412,210	1,669,148	352,175	(633,900)	2,549,302	2,247,007	(650,563)	(6,572,160)	(1,221,194)	(3,556,884)
OTHER FINANCING SOURCE (USES)										
Transfer In										3,848,208
Transfer Out	(715,375)	1,087,250	(1,252,428)	(2,771,600)	(900,000)	(1,691,758)	(1,106,142)	(1,376,690)	(2,441,061)	(4,168,808)
Total Other Financing Sources (Uses	(715,375)	1,087,250	(1,252,428)	(2,771,600)	(900,000)	(1,691,758)	(1,106,142)	(1,376,690)	(2,441,061)	(320,600)
Net Change in Fund Balance	696,835	2,756,398	(900,253)	(3,405,500)	1,649,302	555,249	(1,756,705)	(7,948,850)	(3,662,255)	(3,877,484)

The Significant increase in the general government and public safety expenditures and intergovernmental revenues is due to cleanup and repair expenses resulting from Hurricanes Wilma and Katrina and related reimbursements from Federal and State sources

CITY OF LAUDERHILL, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

FISCAL YEAR	TAX ROLL YEAR	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	ALL OTHER PROPERTIES	LESS: EXEMPTIONS					TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
						HOMESTEAD	GOVERNMENTAL	INSTITUTIONAL	SAVE OUR HOMES	OTHER		
1997	1996	n/a	n/a	n/a	n/a	\$ 277,616,320	\$ 19,650,490	\$ 20,073,569	\$ 21,140,300	\$ 2,501,510	\$ 1,207,543,398	4.10
1998	1997	n/a	n/a	n/a	n/a	279,197,730	23,785,260	23,538,749	27,343,650	2,652,480	1,244,409,503	4.45
1999	1998	n/a	n/a	n/a	n/a	280,891,060	27,957,070	23,031,459	21,908,660	2,703,760	1,256,063,202	4.80
2000	1999	n/a	n/a	n/a	n/a	280,741,800	29,775,300	24,749,901	24,402,670	1,922,540	1,342,531,189	5.60
2001	2000	n/a	n/a	n/a	n/a	288,211,300	31,344,500	26,007,194	58,031,510	2,394,160	1,398,799,251	5.60
2002	2001	n/a	n/a	n/a	n/a	292,504,630	40,460,700	29,716,243	141,211,780	2,504,990	1,514,529,312	5.60
2003	2002	n/a	n/a	n/a	n/a	297,192,690	46,732,320	33,721,607	252,166,850	2,797,030	1,680,163,416	5.82
2004	2003	n/a	n/a	n/a	n/a	300,712,550	54,592,070	60,873,772	350,697,790	2,990,880	1,811,412,383	5.82
2005	2004	n/a	n/a	n/a	n/a	354,840,809	64,418,643	71,831,051	413,823,392	3,529,238	2,138,901,131	6.02
2006	2005	n/a	n/a	n/a	n/a	355,994,920	187,710,230	75,452,364	950,577,710	5,887,900	2,675,359,177	6.02

CITY OF LAUDERHILL, FLORIDA
PROPERTY TAX MILLAGE RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll	Operating	Debt Service	Broward County			So. Florida Water		Florida Inland		North Broward Hospital		Total Tax Rate
				Government	Schools	Childrens Services	Management District	Navigationl District	Hospital District				
1997	1996	4.1000		8.1165	10.0366	-	0.6720	0.0380	2.4200	25.3831			
1998	1997	4.4500		7.7524	9.9400	-	0.6970	0.5000	2.4087	25.7481			
1999	1998	4.8000		7.8380	9.9745	-	0.6970	0.0470	2.5000	25.8565			
2000	1999	5.6000		7.5710	9.7256	-	0.6970	0.0410	2.4803	26.1149			
2001	2000	5.6000		7.5710	8.9553	-	0.6970	0.0385	2.4803	25.3421			
2002	2001	5.6000		7.4005	8.7541	-	0.6970	0.0385	2.4803	24.9704			
2003	2002	5.8200		7.1880	8.4176	0.3055	0.6970	0.0385	2.4803	24.9469			
2004	2003	5.8200		7.0230	8.8096	0.3316	0.6970	0.0385	2.5000	25.2197			
2005	2004	6.0200	0.6310	7.0230	8.2695	0.3920	0.6970	0.0385	2.4803	25.5513			
2006	2005	6.0200	0.6310	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746	24.8295			

Source: Broward County Property Appraiser

CITY OF LAUDERHILL, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		2006				1997			
TAXPAYER	TYPE OF BUSINESS	TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE		
Landings of Inverrary (Apartments)	Real Estate	\$ 21,156,620	1	1.5%	\$ 12,393,140	2	0.9%		
Westbrooke of Inverrary (Retirement Home)	Service	20,984,960	2	1.5%	8,453,250	4	0.6%		
Inverrary Apartments LLC (Apartments)	Real Estate	19,239,730	3	1.3%	6,326,390	5	0.4%		
Target Corporation (Shopping Center)	Retail	18,161,810	4	1.3%	-		0.0%		
Kimco Development (Shopping Center)	Retail	13,341,730	5	0.9%	-		0.0%		
Rossland Real Estate (Lauderhill Mall)	Retail	10,637,980	7	0.7%	13,156,930	1	0.9%		
Inverrary 441 Trust (Apartments)	Real Estate	9,353,230	8	0.6%	6,326,390	6	0.4%		
Inverrary Gardens (Apartments)	Real Estate	8,559,260	9	0.6%	11,719,740	3	0.8%		

CITY OF LAUDERHILL, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEAR

FISCAL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTION TO DATE	
		AMOUNT	AMOUNT			AMOUNT	PERCENTAGE OF LEVY
1997	\$ 4,856,685	\$	4,765,084	98.11	4,603	\$ 4,769,687	98.21%
1998	5,523,199		5,274,489	95.71	245,721	5,520,210	99.95%
1999	5,935,538		5,793,742	97.61	94,018	5,887,760	99.20%
2000	6,952,125		6,831,741	98.27	53,515	6,885,256	99.04%
2001	7,285,452		7,131,866	97.89	324,560	7,456,426	102.35%
2002	7,621,600		7,531,582	98.82	28,404	7,559,986	99.19%
2003	8,433,180		8,190,378	97.12	21,354	8,211,732	97.37%
2004	9,313,729		8,999,663	96.63	9,221	9,008,884	96.73%
2005	10,740,102		10,326,553	96.15	22,831	10,349,384	96.36%
2006	12,960,022		12,732,731	98.25	96,205	12,828,936	98.99%

Source: Office of Broward County Revenue Collections

CITY OF LAUDERHILL, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands Except per Capita)

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PER CAPITA*
	GENERAL OBLIGATION BONDS	HALF-CENT SALES TAX BONDS	WATER & SEWER REVENUE BONDS	STORMWATER REVENUE BONDS	STATE REVOLVING FUND LOANS					
1997	\$ -	\$ 7,465	\$ 4,192	\$ -	\$ -	\$ -			\$ 11,657	\$ 213.47
1998	0	6,905	4,080	0	0	0			10,985	198.20
1999	0	11,315	13,536	0	0	0			24,851	441.75
2000	0	10,680	17,555	0	0	0			28,235	495.32
2001	0	15,000	14,035	0	1,795	0			30,830	532.85
2002	0	14,610	16,415	0	1,717	0			32,742	557.54
2003	0	14,195	15,025	0	4,548	0			33,768	566.51
2004	0	18,650	14,320	0	7,191	0			40,161	663.81
2005	35,000	18,305	19,415	5,000	7,584	0			85,304	1,389.11
2006	33,960	17,465	18,615	5,000	7,262	0			82,302	1,210.32

* See Schedule of Demographic and Economic Statistics on page 97 for population data.

CITY OF LAUDERHILL, FLORIDA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
September 30, 2006

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS SINKING FUND	NET GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY *	PER CAPITA **
1997	\$ -	\$ -	\$ -	0.00	\$ -
1998	-	-	-	0.00	-
1999	-	-	-	0.00	-
2000	-	-	-	0.00	-
2001	-	-	-	0.00	-
2002	-	-	-	0.00	-
2003	-	-	-	0.00	-
2004	-	-	-	0.00	-
2005	35,000	-	35,000	1.96	570
2006	33,960	-	33,960	1.27	447

* See Schedule of Assessed Value and Actual value of Taxable Property on page 89 for property value data.
** See Schedule of Demographic and Economic Statistics on page 97 for population data.

City of Lauderhill, Florida - Financial Statistics
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES NET DEBT
September 30, 2006

GOVERNMENTAL UNIT	<u>NET DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING NET DEBT</u>
Debt Repaid with Property Taxes			
Broward County School Board	\$ 54,055,669	1.78%	\$ 963,273
Broward County Commission	575,382,288	1.78%	10,253,324
Other Debt			
Broward County School District Capital Outlay Plan	1,460,917,763	1.78%	26,004,336
Broward County			
Tourist Development Refunding Bonds	13,509,324	1.78%	240,466
Gas Tax Revenue Bonds	13,943,188	1.78%	248,189
Special Obligation Bonds	187,209,055	1.78%	<u>3,332,321</u>
Subtotal Overlapping Debt			41,041,909
City of Lauderhill General Obligation Debt	33,960,000	100.00%	<u>33,960,000</u>
Total Direct and Overlapping Debt			\$ <u><u>75,001,909</u></u>

Sources: Assesed value data used to estimate applicable percentages was provided by the Broward County Property Appraiser. Debt outstanding data was provided by each governmental unit.

City of Lauderdale, Florida - Financial Statistics

Revenue Bond Coverages

Last Ten Fiscal Years

Water and Sewer Revenue Bond Issues

Fiscal Year	Operating Income Before Depreciation and Amortization Plus Interest Income	Debt Service	Times Coverage
1996	\$ 3,305,634	\$ 440,288	7.51
1997	2,947,777	806,458	3.66
1998	1,781,726	803,553	2.22
1999	2,484,329	892,109	2.78
2000	3,783,693	1,157,328	3.27
2001	4,488,444	1,244,180	3.61
2002	4,204,998	1,452,166	2.90
2003	4,098,741	1,486,369	2.76
2004	2,904,567	1,479,750	1.96
2005	2,235,606	1,758,189	1.27
2006	2,862,425	1,652,829	1.73

Stormwater Revenue Bond Issues

Fiscal Year	Operating Income Before Depreciation and Amortization Plus Interest Income	Debt Service	Times Coverage
1996	\$ -	\$ -	-
1997	-	-	-
1998	-	-	-
1999	-	-	-
2000	-	-	-
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	784,453	217,878	3.60

Capital Improvement Revenue Bond Issues

Fiscal Year	1/2 Cent Sales Tax Revenues	Debt Service	Times Coverage
1997	\$ 2,553,267	\$ 271,290	9.41
1998	2,632,057	271,290	9.70
1999	2,729,888	464,041	5.88
2000	2,885,090	475,703	6.06
2001	3,039,058	573,144	5.30
2002	3,261,040	1,095,618	2.98
2003	3,368,877	1,106,142	3.05
2004	3,366,665	1,376,690	2.45
2005	3,503,740	1,645,000	2.13
2006	2,299,778	1,590,025	1.45

All outstanding city revenue bond issues require a minimum of 1.25 - 1.40 times coverage (revenue divided by debt service).

CITY OF LAUDERHILL, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

FIVE YEAR	CITY OF LAUDERHILL POPULATION	BROWARD COUNTY POPULATION	BROWARD COUNTY PERSONAL INCOME	COUNTY PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
1997	50,052	1,522,179	\$ 40,927,624	\$ 26,888	5.1%
1998	50,052	1,560,649	44,448,735	28,506	4.5
1999	50,052	1,594,130	46,481,179	29,158	4.2
2000	53,004	1,632,662	50,137,561	30,709	3.8
2001	56,226	1,670,494	52,614,372	31,496	4.2
2002	58,367	1,703,998	54,850,632	32,189	5.6
2003	57,003	1,728,336	55,790,306	32,280	5.4
2004	64,000	1,753,000	59,615,576	34,008	4.4
2005	68,000	1,753,000	59,615,576	34,008	3.5
2006	76,000	1,753,000	59,615,576	34,008	3.1

U.S. Department of Commerce, Bureau of the Census for 1960-2000
City of Lauderhill Community Development Department for 1985, 1995

* Estimate based on annexation of un-incorporated area's

CITY OF LAUDERHILL, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR

**ESTIMATE
NUMBER OF
EMPLOYEES**

EMPLOYER

50-100	Publix
150 - 200	Target
300-400	United Parcel Service
400-500	Broward County Public School District in Lauderhill
500-600	City of Lauderhill

Note: Little reliable data currently exist on employment within the City of Lauderhill.

CITY OF LAUDERHILL, FLORIDA
FULL TIME EQUIVALENT CITY GOVERNMENT EOMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

FUNCTION/PROGRAM	2002	2003	2004	2005	2006
General Government					
Commission	5	5	5	5	5
City Manager	5	4	5	6	5
City Clerk	4	4	4	4	5
Redevelopment Agency	0	0	0	0	1
MIS	4	4	4	4	4
Special Events	1	2	3	3	3
Finance	5	6	7	7	7
Purchasing	1	1	1	1	1
Utility Billing	4	5	5	5	13
Management & Budget	0	0	0	3	2
Central Garage	5	5	5	4	4
Resources	5	4	4	4	6
Economic Dev	3	3	3	0	0
CDBG Program	1	1	4	4	2
SHIP Program	1	1	1	1	1
Planning/Zoning	5	6	6	6	6
Code Inspections	12	15	15	7	10
Public Work	11	10	10	12	9
Streets & Roads	10	5	4	4	2
Public Safety					
Police - Administration	8	7	8	16	9
Police - Operations	80	74	78	84	82
Police - Community Serv.	0	0	0	7	10
Police - Support Serv.	26	37	42	26	42
Fire/EMS	52	63	54	54	54
Fire - Building	6	6	6	6	6
Fire Inspections	4	4	4	4	5
Fire - Rescue	25	25	34	34	35
Culture and Recreation					
Rec-Admin	4	4	4	4	4
PALS - Aquatics	2	2	2	2	2
PALS - Athletic Programs	5	4	4	4	5
PALS - Grounds Main.	27	25	20	20	20
PALS-Sports Park	0	0	6	6	5
PALS - Childrens Programs	1	1	2	2	3
PALS -Municipal Golf Course	0	0	2	2	2
Rec Maintenance	0	0	0	0	3
PALS - Community Services	8	8	9	9	6
Business Enterprise					
Utility Admin	9	10	10	10	10
Water	10	10	10	10	11
Stormwater	11	12	12	18	17
Stormwater Construction	0	0	0	0	3
Sewer	29	29	29	30	29
TOTALS	384	397	417	423	444

CITY OF LAUDERHILL, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEAR

FUNCTION/PROGRAM	2002	2003	2004	2005	2006
Public Safety					
Police					
911 & Non Emergency Calls Received	63,608	62,791	59,205	64,459	72,793
Citations Processed	-	9,330	9,887	8,505	13,214
Arrests Processed	1,504	1,508	1,814	1,754	1,861
Fire Rescue					
Total Incidents	9,784	9,694	10,384	11,974	12,421
Total Fire Incidents	291	243	277	284	296
Physical Environmen					
Water Distribution					
Water Main Failures	-	-	-	-	-
New Water Mains Construction (Feet)	-	-	-	-	73,920
Raw Water Treated (Billions of Gallons)	-	-	-	-	-
Water Treatment					
Raw Wastewater Treated (Bilion of Gallons)	-	-	-	-	-
Sanitation					
Household Refuse Collected (Tons)	-	-	-	-	-
Recycling Tonnage	-	-	-	-	-
Culture and Recreation					
Parks and Recreation	-	-	-	-	-
Pavilion Rentals	-	-	-	-	396
Park Attendance	-	-	-	-	200,336
Pool Attendance	-	-	-	-	15,847

*Figures were unavailable

City of Lauderhill, Florida – Financial Statistics

Miscellaneous Statistics

September 30, 2006

Date of Incorporation	June 20, 1959
Form of Government	City Manager-Mayor-Commission
Area	Eight Square Miles
Miles of Streets	110
Number of Vehicular Bridges	8
Culverts	24
Fire Protection :	
Number of Fire/EMS Stations	4
Number of Firefighter/Paramedics	105
Police Protection:	
Number of Police Stations/Sub-Stations	4
Number of Police Officers	118
City Employees:	
Management	54
Career Service	369
Part Time/Temporary	80
	503
Recreation and Culture:	
Number of Parks	15
Number of Libraries	2
Education (County):	
Elementary Schools	138
Middle Schools	41
High Schools	31
Adult/Vocational/Exceptional Student Schools	16
Charter Schools	38
Student Population	270,935
Public Utilities Department:	
Number of Retail Water Customers	10,000
Average Daily Retail Water Consumption	7.5 million gallons
Miles of Water Mains	140.5
Miles of Sanitary Sewer Lines	116.5
Acres of Drainage Canals	239

***Insurance Coverage
October 1, 2005-2006***

The following information is presented in accordance with the City of Lauderhill's Bond Resolutions:

Comprehensive Protected Self-Insurance Program period October 1, 2005 to September 30, 2006. General Liability, Auto Liability, Public Officials/Employment Practices Liability, Police Professional Liability, Workers' Compensation, Property, and Flood are included.

Self-Insured Retentions (SIR):

Property	\$125,000
General and Auto Liability	\$125,000
Workers' Compensation	\$125,000
Public Officials	\$125,000

Princeton Excess and Surplus Lines - Package Policy Number G1A3EX000002301. Loss fund of \$2,525,250 excess Loss Fund protection - \$500,000 annual aggregate. Property limits of \$2,375,000 x/s \$125,000 all other perils and \$2,000,000 excess \$500,000 Named Windstorm and Flood Zone A. Third party liability/Public Officials Liability/Employee Benefits Liability limit of 1,000,000, with \$1,000,000 annual aggregate for Public Officials Liability and \$1,000,000 annual aggregate for Employee Benefits Liability. Worker's Compensation and Employer's Liability at a limit of \$400,000. All limits inclusive of \$125,000 Self Insured Retention. Policy Premium \$1,067,836 + TRIA \$25,412.

Traders & Pacific Insurance Company - Excess Property Policy Number CPN100000 \$2,500,000 excess of \$2,500,000 Primary per occurrence. Sub limit of \$7,500,000 aggregate Earthquake and \$7,500,000 aggregate Flood excluding flood zone V. Policy Premium \$250,000+ TRIA \$20,000.

Arch Specialty Insurance Company - Excess Property Policy Number ESP001014600 \$5,000,000 excess of \$5,000,000 Primary per occurrence. Sub limit of \$7,500,000 aggregate Earthquake and \$7,500,000 aggregate Flood excluding flood zone V. Policy Premium \$100,000+ TRIA \$10,000.

Westchester Surplus Lines Insurance Company - Excess Property Policy Number D36060335001 \$15,000,000 excess of \$10,000,000 Primary per occurrence. Sub limit of \$7,500,000 aggregate Earthquake and \$7,500,000 aggregate Flood excluding flood zone V. Policy Premium \$57,500 + TRIA \$4,025.

Landmark American Insurance Company - Excess Property Policy Number LHD343194 \$32,890,518 excess of \$25,000,000 Primary per occurrence. Sub limit of \$7,500,000 aggregate Earthquake and \$7,500,000 aggregate Flood excluding flood zone V. Policy Premium \$60,000 + TRIA \$2,400.

Safety National Casualty Corporation - **Excess Workers' Compensation and Employers' Liability Policy # SP145-FL. Coverage A Statutory and Coverage B \$1,000,000 with a Self Insured Retention of \$400,000 (limit in the underlying). Policy Premium - \$338,652.**

Princeton Excess and Surplus - Excess Third Party Liability Policy Number R1A3FF000001700

Excess General Liability, Automobile Liability, and Law Enforcement Liability. \$2,000,000, excess of \$1,000,000, per occurrence for a total limit of \$3,000,000 per occurrence. Public Officials Liability including Sexual Harassment \$1,000,000, excess of \$1,000,000, for a total limit of \$2,000,000 per occurrence/subject to annual aggregate. Policy Premium - \$87,202 + TRIA \$2,127.

Lexington Insurance Company. - Misconduct Liability Policy Number 4178629 Each Insured Event Limit and annual aggregate of \$1,000,000 subject to \$50,000 Self-Insured retention. Policy premium - \$67,500.

Travelers Property and Casualty Ins – Boiler and Machinery Policy Number 051845B57A \$50,000,000 Equipment Breakdown Limit/\$1,000, Demolition and ICC Limit/\$2,000,000 Hazardous Substances Limit/ Included for 365 days Newly Acquired Locations.\$1,000 Deductible. Policy Premium -\$ 8,283

Guaranty Trust Life Ins. Co.- Policy #SRG9100271, \$500,000 Accidental Medical Expense Maximum per accident/\$10,000 Accidental Dismemberment Benefit/\$10,000 Accidental Death Benefit. Full Excess Coverage with Policy Deductible of \$100. Policy Premium - \$8,133.30

The Hartford Fire Insurance Company, Crime Policy #21BPEAG5551, \$50,000 Employee Dishonesty, \$50,000 Depositors Forgery and Alterations, \$25,000 Theft and Disappearance, \$1,000 deductible. Policy premium - \$1,623

The Hartford Insurance Company - Public Official Bond #21 BSBAN3817. \$50,00 limit, Policy Premium - \$200.

