

# Comprehensive Annual Financial Report

City of Lauderdale, Florida



For the Fiscal Year Ending September 30, 2007

Prepared by

City of Lauderdale Finance Department

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# TABLE OF CONTENTS

INTRODUCTION	PAGE(S)
▪ Letter of Transmittal	1-8
▪ Certificate of Achievement for Excellence In Financial Reporting	9
▪ Organizational Chart	10
▪ Elected City Officials	11
▪ Appointed City Officials	12
<b>FINANCIAL SECTION</b>	
▪ Independent Auditors Report	13-14
▪ Management’s Discussion & Analysis	15-26
Basic Financial Statements	
▪ Government-wide Financial Statements	
▪ Statement of Net Assets	27
▪ Statement of Activities	28
▪ Fund Financial Statements	
▪ Balance Sheets- Governmental Funds	29
▪ Reconciliation of the Balance Sheet to the ▪ Statement of Net Assets- Governmental Funds	30
▪ Statement of Revenues, Expenditures, & Changes ▪ In Fund Balances- Governmental Funds	31
▪ Reconciliation of the Statement of Revenues, Expenditures, ▪ & Changes in Fund Balances of Governmental Funds to ▪ The Statement of Activities	32
▪ Statements of Net Assets- Proprietary Fund	33
▪ Statements of Revenues, Expenses & Changes in Fund ▪ Net Assets- Proprietary Funds	34
▪ Statements of Cash Flows- Proprietary Fund Types	35
▪ Statement of Fiduciary Net Assets- Fiduciary Funds	36
▪ Statement of Changes in Fiduciary Net Assets- Fiduciary Funds	37
▪ Notes to the Financial Statements	38-64
▪ Required Supplementary Information	
▪ Budgetary Comparison Schedule- General Fund	65
▪ Notes to Budgetary Comparison Schedule	66
▪ Schedule of Funding Progress- Employee Retirement Systems	67
▪ Combining & Individual Statements and Schedules	
▪ Combining Balance Sheet- Non-major Governmental Funds	68
▪ Combining Statement of Revenues, Expenditures & Changes in Fund Balances - Non-major Governmental Funds	69

## TABLE OF CONTENTS (Continued)

	PAGE(S)
▪ Budgetary Comparison Schedule- Capital Projects	70
▪ Budgetary Comparison Schedule- Debt Service	71
▪ Budgetary Comparison Schedule- Community Redevelopment Agency	72
▪ Budgetary Comparison Schedule- Special Revenue Fund State Housing Initiative Program (SHIP)	73
▪ Budgetary Comparison Schedule- Special Revenue Fund Law Enforcement	74
▪ Budgetary Comparison Schedule- Special Revenue Fund Federal Forfeiture	75
▪ Budgetary Comparison Schedule- Special Revenue Fund Community Development Block Grant (CDBG)	76
▪ Budgetary Comparison Schedule- Special Revenue Fund Home Grant	77
▪ Combining Statement of Net Assets- Fiduciary Funds	78
▪ Combining Statement of Changes in Fiduciary Net Assets- Fiduciary Funds	79
<b>STATISTICAL SECTION</b>	
▪ Financial Trends	81-85
▪ Revenue Capacity	86-89
▪ Debt Capacity	90-93
▪ Demographic and Economic Information	94-95
▪ Operating Information	96-97
▪ Miscellaneous Statistics	98-99





April 21, 2008

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, 2007, 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 Harvey Covington Thomas, CPAs . The goal of the independent auditor was to provide reasonable assurance that the financial

statements for fiscal year ending September 30, 2007, 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, 2007, 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 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. 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, 2006 CAFR, a list of principal officials as of September 30, 2007, 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 storm water collection; street and bridge repair, maintenance, and lighting; public record maintenance; building inspection, business licensing, zoning regulation, and 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 76,000 year-round residents. That number increases to over 80,000 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, five of the ten largest property taxpayers in Lauderhill are apartment complexes.

Lauderhill has experienced a resurgence in development activity during the past nine years. Over 1,000 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 our City. As of September 15, 2006, all three communities (West Ken Lark, St. George and Broward Estates) voted in the affirmative and have joined our City. The inclusion of the three new communities added an additional 1,750 homes and 13,000 individuals to the City. Fiscal Year 2007 CAFR represents the first full year that data will be included for the three new neighborhoods. In addition, Broward County has completed the construction of a 110 plus acre regional park in Lauderhill that which includes a multi-use stadium and multiple ball-fields. The goal of the city is to attract events such as the state high school football championship, international cricket tournaments and track meets and related events.

The local economy has slowed over the past two years. Property values in the tri-county area have leveled and in most cases decreased in value from their one year ago values. In spite of decreasing market values in existing real estate, the City still enjoyed an overall increase in existing property values due to new construction and an increase in existing home values due to the States Save Our Homes tax legislation. However, the market is expected to continue to decline over the next year; therefore, yielding increases more reflective to historical trends over the next several years.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000) , except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an



average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from the Broward County Property Appraiser's Office, the estimated annual loss of property tax revenues for our city from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$1,700,000. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential loss of property tax revenues; estimates for our city range from four percent to eight percent annually which would translate into an additional loss of property tax revenues of \$500,000 to \$1 million.

### **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 two of its Great Neighborhood Bond community improvement program during Fiscal Year 2007. The City has entered the planning and developmental stages on major projects such as park improvements (\$7 million) and the construction of two new community centers and major renovations to the existing senior community center (\$4.5 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 various 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 Lauderdale and Inverrary, and landscaping and median improvements along West Oakland Park Boulevard and State Road 7, the renovations to Windermere Community Center and Park, Renaissance Park and Play Area, and roadway and median improvements along State Road 7. In addition, major projects such as the development of Ilene Lieberman Botanical Park, roadway, median and landscaping improvements along North West 55<sup>th</sup> Avenue and turf and field replacements are under construction and are scheduled to be completed during Fiscal Year 2008. As mentioned in previous CAFR's, City Hall suffered substantial damage which

caused us to relocate 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 developmental plans, is scheduled for completion 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 is in the plans review stage for 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, including a hotel, along with commercial and office space that can benefit from direct proximity to the park and the cricket stadium and 300 townhouses and retail space, which will include the country's first Gospel Complex, on the second property.

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**

The City has outstanding; four sales tax revenue bonds, five water and sewer revenue bonds, one Stormwater revenue bond, a General Obligation bond and two lines of credit. With the exception of the 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, 2007 is \$16.595 million for the sales tax bonds, \$22.785 million for the water and sewer revenue bonds, \$4.890 million for the Stormwater bonds, \$33.070 million for the General Obligation Bonds and \$6.959 for the two bank lines of credit.

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 Note 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 \$6,920 million in loans due to the State of Florida Department of Environmental Protection for storm water 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 \$46,298,602 generated \$2,077,076 in income for a total return of 4.49%. 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 2007, 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 61 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. These reports 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 Comptroller, Sean Henderson, Assistant Finance Director, and C. Borders–Byrd, CPA's, Contracted Internal Auditor, 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 in 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, 2006

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.

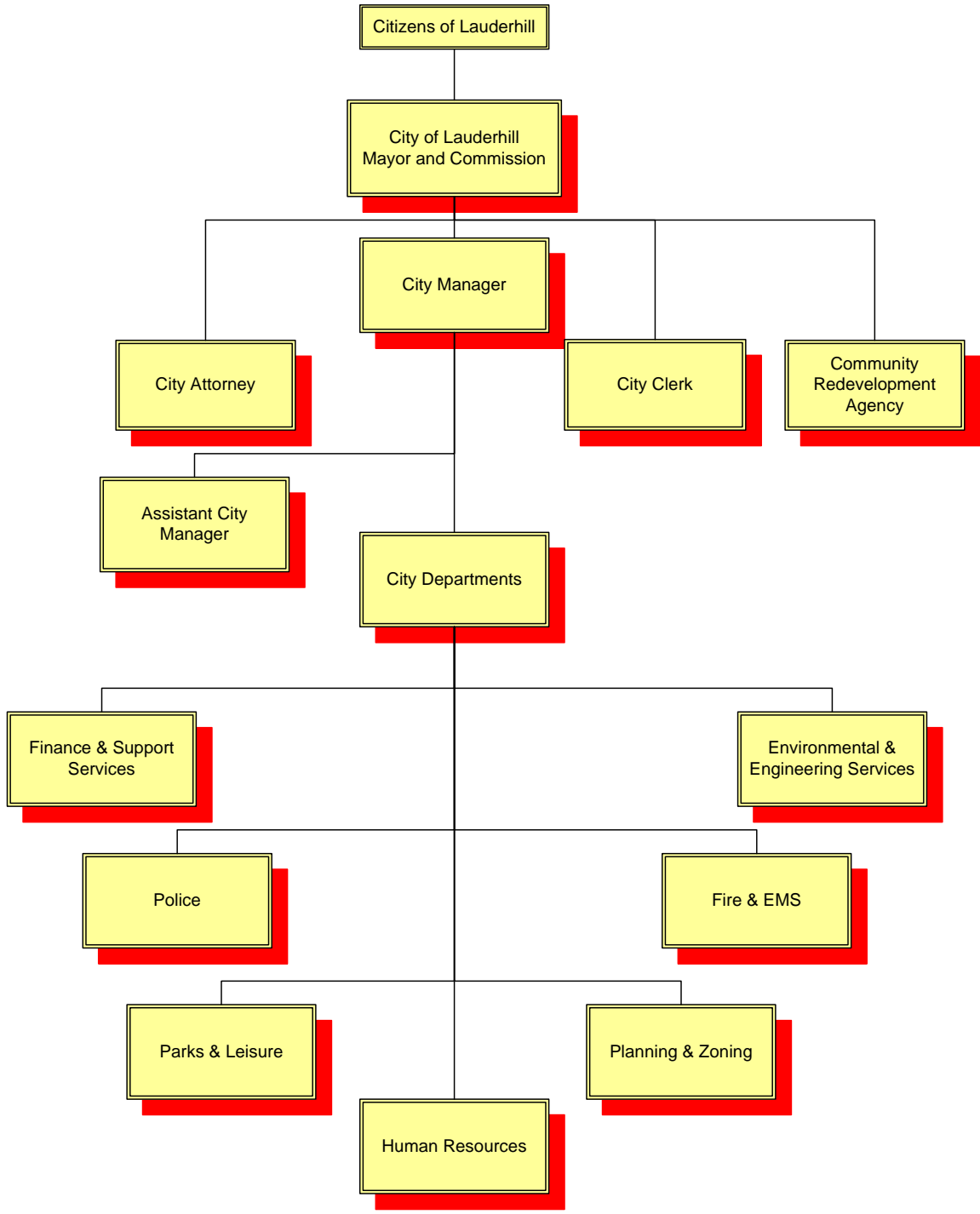


*Charles S. Cox*

President

*Jeffrey R. Emery*

Executive Director



# City of Lauderhill

## Commission/Manger Form of Government



Mayor  
Richard J. Kaplan

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

City of Lauderdale  
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	<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**

To the 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, "in-relation to" reports, and the aggregate remaining fund information of the City of Lauderhill, Florida (the "City") as of and for the fiscal year ended September 30, 2007, 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 an opinion on these basic financial statements based on our audit. We did not audit the Pension Trust Fund for the Firefighters and Police Officers, which represent 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 the 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 consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the City adopted provisions of the Governmental Accounting Standards Board Statement (GASB) No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments; GASB No. 37, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus; GASB No. 38, Certain Financial Statement Note Disclosures; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements; as of October 1, 2002. This resulted in a change in the format and content of the basic financial statements. GASB 39 Determining whether Certain Organizations are Component Units, GASB Statement No. 40, Deposit and Risk Disclosures, GASB 41 Budgetary Comparison Schedules were also implemented.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, "in-relation to" reports, and the aggregate remaining fund information of the City of Lauderhill, Florida as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 9, 2008 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, 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 read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 15 through 26 and the schedules of budgetary comparison on pages 70 through 77 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 such information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the City of Lauderhill's basic financial statements taken as a whole. The accompanying combining financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal & state financial assistance projects is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the introduction section and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Harvey, Covington & Thomas, L.L.C.  
March 9, 2008

## 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 fiscal year ending September 30, 2007. 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 8 and the City's financial statements, which begin on page 27. 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 \$67,575 (net assets). Of this amount, \$18,623 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- During fiscal year 2007, the government's total net assets increased by \$1,872 to \$67,575. Governmental net assets increased by \$270 or (.67 percent), while business-type activity net assets increased by \$1,602 or (2.44 percent).
- On September 30, 2007, revenues of all Governmental Funds totaled \$55,922 while expenditures (net of other financing sources and uses) totaled \$64,426. As a result, Governmental Revenues were \$8,504 less than Governmental Fund Expenditures; as a result, the City realize decrease in total Governmental Funds Fund Balance of \$5,860 during fiscal year 2007.
- Business-type activities yielded a net operating gain of \$2,266 while non-operating activities yielded a loss of (\$665). During fiscal year 2007, operating revenues increase by \$887 over fiscal year 2006. Moreover, on September 30, 2007, operating revenues totaled \$15,889 compared to \$15,093 on September 30, 2006. The increase in operating revenues is primarily due to an increase in the monthly minimum charges for providing water utility service to our residents; in addition, close to 500 new customers were added to the system during fiscal year 2007. 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 operating cost for general government and enterprise fund services amounted to \$78,049 or \$2,747 (3.51 percent) more than fiscal year 2006. On September 15, 2007, 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. In addition, the City has completed more than \$8,000 in capital improvements with funds provide from the \$35,000 General Obligation Bonds that were issued during fiscal year 2005.

Additionally, some departments had large decreases in spending, which further decreased 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 \$3,788 before operating transfers of \$3,329 for debt service. As the city braces for the impact of a declining real estate market we are prepared to operate with less revenue. However, during fiscal year 2007 the city did not increase its ad-valorem tax rate, but as a result of property value increases and annexation, additional property tax revenue of \$3,049 or 21.70 percent over fiscal year 2006 was collected.

## **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 27-28 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 nonmajor 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 29-32 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 33-35 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 36-37 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 38-64 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 65-67 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 68-69 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 2006 and 2007 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 2007 and 2006:

<b>City of Lauderhill</b>						
<b>Net Assets</b>						
<b>(In Thousands)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Current and other assets	\$39,459	\$42,066	\$17,495	\$17,608	\$56,955	\$ 59,674
Capital assets	<u>61,092</u>	<u>57,710</u>	<u>48,051</u>	<u>46,149</u>	<u>109,143</u>	<u>103,859</u>
Total assets	<u>100,551</u>	<u>99,776</u>	<u>65,546</u>	<u>63,757</u>	<u>166,098</u>	<u>163,533</u>
Long-term debt outstanding	56,963	53,656	36,738	37,226	93,701	90,882
Other liabilities	<u>3,009</u>	<u>5,812</u>	<u>1,813</u>	<u>1,138</u>	4,822	<u>6,950</u>
Total liabilities	<u>59,972</u>	<u>59,468</u>	<u>38,551</u>	<u>38,364</u>	<u>98,523</u>	<u>97,832</u>
Net assets:	<u>\$40,579</u>	<u>\$40,309</u>	<u>\$26,996</u>	<u>\$25,394</u>	<u>\$67,575</u>	<u>\$ 65,703</u>
Invested in capital assets, net of debt	\$31,012	\$33,663	\$11,361	\$9,230	\$42,374	\$42,893
Restricted	3,352	3,225	3,226	2,063	6,578	5,288
Unrestricted	<u>6,215</u>	<u>3,421</u>	<u>12,408</u>	<u>14,101</u>	<u>18,623</u>	<u>17,522</u>
Total net assets	<u>\$40,579</u>	<u>\$40,309</u>	<u>\$26,996</u>	<u>\$25,394</u>	<u>\$67,575</u>	<u>\$ 65,703</u>

The City's combined net assets were \$67,575 million for fiscal year 2007, \$40,579 million for governmental activities and \$26,996 million for business-type activities. This represents an increase of \$1,872 million over fiscal year 2006 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, Capital assets and restricted assets increased by \$3.382 million and \$127 thousand respectively, while current and other assets decreased by \$2,607 million from fiscal year 2006. The considerable decrease in Current and other assets is a result of the city continued investment in infrastructure and building improvements related to the \$35 million General Obligation bond issuance; additionally, capital assets for business-type activities increased by \$1,902 million as compared to 2006.

The use of a portion of net assets are restricted and can not be used to meet the ongoing obligations of the City. For fiscal year 2007, restricted net assets equaled \$34,364 million for governmental activities and \$14,587 million for business-type activities. Unrestricted net assets of governmental activities represent \$6,215 million or 15.32 percent of total net assets; while business-type activities unrestricted net assets are \$12,408 million or 46.12

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 2006.

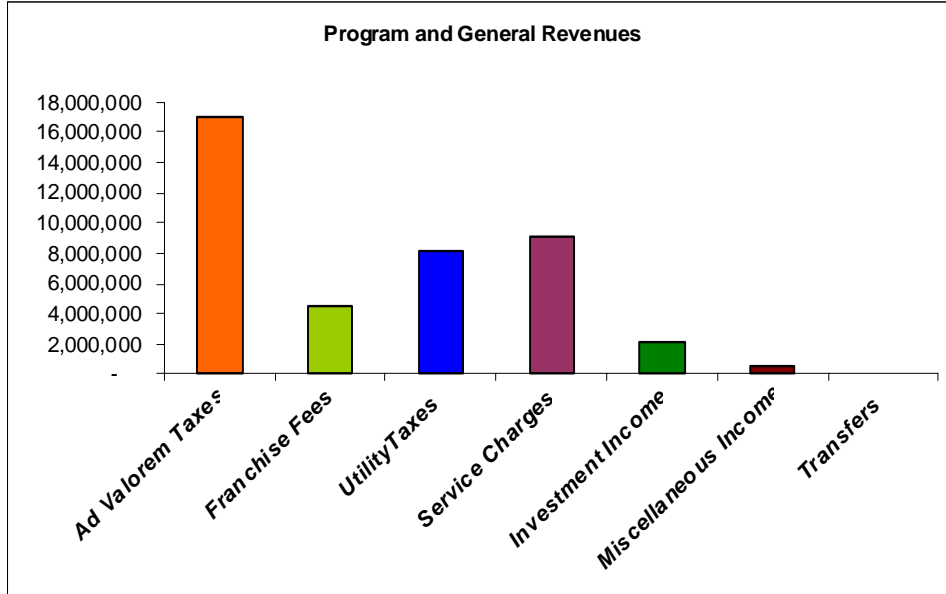
### **Statement of Activities**

Governmental activities for the current fiscal year increased net assets by \$270 due primarily to greater increases in operating revenue relative to the overall increase in operating expenditures. During Fiscal Year 2007 the City received additional property tax revenue, which resulted from increased property values. 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)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$10,352	\$ 10,755	\$ 15,889	\$ 15,093	\$26,241	\$25,848
Operating grant	4,219	9,898	-	-	4,219	9,898
Capital grants and contributions	-	82	-	-	-	82
General revenues:						
Property taxes	17,100	14,051	-	-	17,100	14,051
Other taxes	12,592	12,582	-	-	12,592	12,582
Contributed capital – land	-	-	-	-	-	-
Other	<u>11,789</u>	<u>10,341</u>	<u>1,139</u>	<u>686</u>	<u>11,528</u>	<u>11,027</u>
Total revenues	<u>56,052</u>	<u>57,709</u>	<u>17,028</u>	<u>15,779</u>	<u>71,680</u>	<u>73,488</u>
Expenses:						
General government	13,106	10,461	-	-	13,041	10,461
Public safety	27,221	26,086	-	-	27,221	26,086
Public works	5,046	11,269	-	-	5,046	11,269
Recreation and social services	7,980	5,144	-	-	7,980	5,144
Interest on long-term debt	2,429	2,369	-	-	2,429	2,369
Water and sewer	-	-	11,929	12,027	10,592	12,027
Stormwater	-	-	<u>3,498</u>	<u>3,224</u>	<u>3,498</u>	<u>3,224</u>
Total expenses	<u>55,782</u>	<u>55,329</u>	<u>15,427</u>	<u>15,251</u>	<u>69,807</u>	<u>70,580</u>
Increase (decrease) in net assets	270	2,380	1,601	528	1,873	2,908
Net assets, October 1	<u>40,309</u>	<u>37,929</u>	<u>25,394</u>	<u>24,865</u>	<u>65,702</u>	<u>62,794</u>
Net assets, September 30	<u>\$40,579</u>	<u>\$ 40,309</u>	<u>\$ 26,995</u>	<u>\$ 25,393</u>	<u>\$ 67,575</u>	<u>\$ 65,702</u>



- Property taxes increased in the general fund by \$3,049 million (21.70 percent) during fiscal year 2007 over fiscal year 2006. Even though the City's millage rate remained unchanged

(\$6.02/\$1,000 in taxable value) the increase in tax collections was due

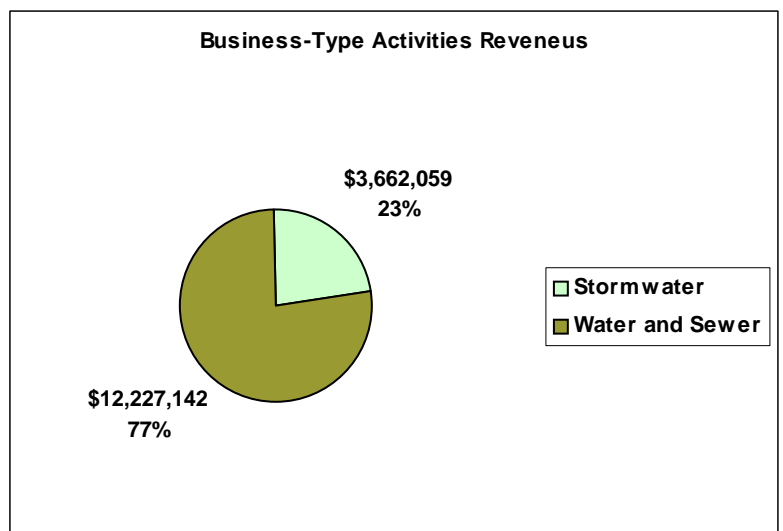
to the increase in taxable property value of \$507 million, primarily related to increasing values for existing housing and real estate. Other revenues were generally stable between 2007 and 2006.

- Expenses increased most significantly in general government and public safety, each increasing by over \$1 million. The increases were primarily due to additional staff hired due to the annexation of 4,000 new residents on October 1, 2007. In addition, the cost of hiring temporary staff and overtime for public safety staffing at during to service the new areas 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 \$1,602 million. Key elements of this change are as follows:

- The Stormwater Utility net assets increased by \$678 thousand, as operating revenues exceeded operating expenses by \$630 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 \$923 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 part-way through the fiscal year. Consequently, fixed charges were increased an average of 50 percent during fiscal year 2007.

**Financial Analysis of the Governmental Funds**

The City of Lauderhill 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.

	<b>Governmental Funds</b>			<b>Total</b>
	<b>(In thousand)</b>			
	<u>General</u>	<u>Capital Project</u>	<u>Other</u>	<u>Governmental</u>
Fund balance, September 30, 2006	\$ 5,994	\$ 26,566	\$ 3,047	\$ 35,607
Revenues	50,017	3,505	2,400	55,922
Expenditures	(46,229)	(8,115)	(10,082)	(64,426)
Other financing sources (uses)	<u>(3,117)</u>	<u>(2,558)</u>	<u>8,319</u>	<u>2,644</u>
Fund balance, September 30, 2007	<u>\$ 6,665</u>	<u>\$ 19,398</u>	<u>\$ 3,684</u>	<u>\$ 29,747</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 \$29,747 million, with general fund representing \$6,665 million. Of the \$6,665 million in the general fund, \$707 thousand is reserved, leaving a \$5,958 million unreserved fund balance at year-end. The increase in the general fund unreserved fund balance was primarily contributed to the City collecting \$3,050 million in additional ad valerom taxes due primarily to increased property values while reducing interest costs through debt refunding and personnel related costs through departmental mergers and staff reductions to increase efficiencies.

The capital project funds had a combined fund balance of \$19,398 million at year-end, down from \$26,566 in fiscal year 2006. 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 over \$2.2 million. The most significant differences between the Adopted Budget and the Amended Budget are as follows:

- \$615 thousand in additional appropriations in the Department of Engineering and Environmental Services primarily in the Central Garage division for higher fuel cost and infra-structure maintenance.
- \$1 million in additional appropriations in the Police Department 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.
- An increase of \$515 thousand in unbudgeted revenue, primarily as a result of a one-time distribution from the county Natural Resources Recovery Board.
- An increase of \$158 thousand in budgeted Licenses and Permits revenues, primarily as a result of increased collections of licenses for individual rental properties because of improved enforcement and because of permit fees from the continued strong building activity in the City of Lauderhill.

Of the total expenditure budget additions of \$2.2 million, \$1.2 million was funded from additional projected revenues and the remaining \$900 thousand was funded by appropriations from the prior year fund balance. Actual expenditures for the year were approximately \$1.7 million more 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. During 2007, the City was the recipient of \$515 thousand from the County Natural Resources Recovery Board. These funds were not budgeted and are non-recurring revenue.

The major expenditure variances between the final budget and actual budget in the general fund are attributed to the reallocation of our insurance service fund into the general fund. As a result, departments are now being charged directly for all related insurance expenditures based on actual experience.

## 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, 2007 amounts to \$109,144 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:

<b>City of Lauderdale</b>						
<b>Capital Assets (net of depreciation)</b>						
<b>(In Thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 25,924	\$ 25,908	\$ 349	\$ 349	\$ 26,273	\$ 26,257
Building and structures	13,441	12,272	18,299	18,968	31,741	31,240
Equipment	3,284	3,501	759	764	4,033	4,265
Permanent improvements	11,168	6,492	9,876	7,930	21,054	14,422
Infrastructure	3,909	4,181	14,261	14,490	18,170	18,671
Construction-in-progress	<u>3,366</u>	<u>5,355</u>	<u>4,507</u>	<u>3,648</u>	<u>7,873</u>	<u>9,003</u>
	<u>\$ 61,092</u>	<u>\$ 57,709</u>	<u>\$ 48,051</u>	<u>\$ 46,149</u>	<u>\$109,144</u>	<u>\$103,858</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. Major projects included wastewater and storm water 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 \$91,219 million. Net increase in debt was \$2,827 million during the year. This increase came from the issuance of revenue bonds issued to retire higher interest existing debt and from the City's bank line of credit to provide funding for capital investments for the City's CRA and other related entities.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>General Obligation Bonds</b>	\$33,070	\$33,960	\$ -	\$ -	\$33,070	\$33,960
<b>Revenue Bonds</b>	16,595	17,465	27,675	23,615	44,270	41,080
<b>State Revolving Fund</b>	-	-	6,920	7,262	6,920	7,262
<b>Bank Lines of Credit</b>	4,865	48	2,094	6,042	6,959	6,090
	<b><u>\$54,530</u></b>	<b><u>\$51,473</u></b>	<b><u>\$36,689</u></b>	<b><u>\$36,919</u></b>	<b><u>\$91,219</u></b>	<b><u>\$88,392</u></b>

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 58-61.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Lauderhill's finances for all those with an interest in its finances. 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, 2007**

<b>ASSETS</b>	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
Cash and equity in pooled cash and investments	\$ 20,699,081	\$ 10,840,949	\$ 31,540,030
Accounts receivable - net	3,727,771	2,889,637	6,617,408
Accrued Interest Receivable	64,307	-	64,307
Due from other governments or related entities	3,803,965	261,169	4,065,134
Inventories	83,292	61,966	145,257
Restricted assets:			
Investments	7,198,460	3,025,905	10,224,364
Other assets	1,207,323	-	1,207,323
Deferred charges	454,890	415,788	870,678
Due from related entity	2,220,237	-	2,220,237
Capital assets - net	<u>61,092,088</u>	<u>48,050,872</u>	<u>109,142,960</u>
Total Assets	<u>100,551,413</u>	<u>65,546,285</u>	<u>166,097,698</u>
<b>LIABILITIES</b>			
Accounts payable	1,182,323	1,003,073	2,185,396
Accrued interest payable	707,389	679,298	1,386,687
Accrued payroll	952,014	114,109	1,066,123
Customer deposits	6,850	16,500	23,350
Deferred revenue	153,009	-	153,009
Insurance claim reserves,current portion	7,401	-	7,401
Noncurrent liabilities:			
The amount due in one year	2,815,938	2,330,164	5,146,102
The amount due in more than one year	<u>54,147,062</u>	<u>34,407,834</u>	<u>88,554,896</u>
Total Liabilities	<u>59,971,985</u>	<u>38,550,978</u>	<u>98,522,963</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	31,011,882	11,361,249	42,373,131
Restricted for:			
Renewal and replacement	-	200,000	200,000
Social services	623,869	-	623,869
Law Enforcement	189,556	-	189,556
Debt service	2,539,315	3,025,905	5,565,220
Unrestricted	<u>6,214,806</u>	<u>12,408,154</u>	<u>18,622,959</u>
Total Net Assets	<u>\$ 40,579,428</u>	<u>\$ 26,995,307</u>	<u>\$ 67,574,735</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, 2007

	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
<b>Functions/programs</b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 13,106,473	\$ 3,011,098	\$ 589,172	\$ -	\$ (9,506,203)	\$ -	\$ (9,506,203)
Public safety	27,220,653	6,818,193	1,852,782	-	(18,549,678)	-	(18,549,678)
Public works	5,045,729	-	-	-	(5,045,729)	-	(5,045,729)
Recreation and social services	7,980,173	523,069	1,777,440	-	(5,679,663)	-	(5,679,663)
Interest on long-term debt	2,429,421	-	-	-	(2,429,421)	-	(2,429,421)
<b>Total governmental activities</b>	<b>55,782,448</b>	<b>10,352,360</b>	<b>4,219,394</b>	<b>-</b>	<b>(41,210,695)</b>	<b>-</b>	<b>(41,210,695)</b>
<b>Business-type activities:</b>							
Water & Sewer	11,928,642	12,227,142	-	-	-	298,500	298,500
Stormwater	3,498,582	3,662,059	-	-	-	163,477	163,477
<b>Total business-type activities</b>	<b>15,427,224</b>	<b>15,889,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,977</b>	<b>461,977</b>
<b>Total primary government</b>	<b>\$ 71,209,673</b>	<b>\$ 26,241,561</b>	<b>\$ 4,219,394</b>	<b>\$ -</b>	<b>(41,210,695)</b>	<b>461,977</b>	<b>(40,748,718)</b>
<b>GENERAL REVENUES:</b>							
Property taxes, levied for general purpose					17,100,159	-	17,100,159
Franchise taxes					4,420,174	-	4,420,174
Public service taxes					8,171,622	-	8,171,622
Unrestricted intergovernmental					9,207,900	-	9,207,900
Investment Income					2,098,581	217,841	2,316,422
Miscellaneous					482,610	921,653	1,404,263
<b>Total General Revenues</b>					<b>41,481,046</b>	<b>1,139,494</b>	<b>42,620,540</b>
Change in net assets					270,351	1,601,471	1,871,822
Net assets, October 1,					40,309,077	25,393,836	65,702,913
Net assets, September 30					\$ 40,579,428	\$ 26,995,307	\$ 67,574,735

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



**CITY OF LAUDERHILL, FLORIDA**  
Balance Sheets  
Governmental Funds  
September 30, 2007

**MAJOR FUNDS**

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,166,772	\$ -	\$ 14,740,708	\$ 1,791,601	\$ 20,699,081
Accounts receivable - net	616,482	-	3,111,289	-	3,727,771
Accrued interest receivable	8,928	-	44,640	10,739	64,307
Due from other funds	728,577	-	1,268,040	-	1,996,617
Due from other governments	2,124,977	-	253,199	1,425,789	3,803,965
Inventories	83,292	-	-	-	83,292
Restricted assets: Investment	-	5,031,918	-	2,166,542	7,198,460
Other assets	1,135,697	-	-	71,627	1,207,323
Total assets	<u>\$ 8,864,724</u>	<u>\$ 5,031,918</u>	<u>\$ 19,417,877</u>	<u>\$ 5,466,297</u>	<u>\$ 38,780,816</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 251,649	\$ 18,228	\$ 20,000	\$ 892,446	\$ 1,182,323
Accrued payroll	933,142	10,915	-	7,956	952,014
Accrued compensated absences	921,799	11,979	-	2,160	935,938
Accrued interest	-	-	-	707,389	707,389
Due to other funds	-	1,996,618	-	-	1,996,617
Customer deposits	6,850	-	-	-	6,850
Deferred revenues	78,599	-	-	74,410	153,009
Insurance claim Payable	7,401	-	-	-	7,401
Total liabilities	<u>2,199,440</u>	<u>2,037,740</u>	<u>20,000</u>	<u>1,684,361</u>	<u>5,941,540</u>
<b>Fund balances:</b>					
Reserved for:					
Social services	623,869	-	-	-	623,869
Law enforcement	-	-	-	189,556	189,556
Debt service	-	-	-	2,539,315	2,539,315
Capital projects	-	-	19,397,877	-	19,397,877
Inventories	83,292	-	-	-	83,292
Unreserved	5,958,123	2,994,178	-	1,053,065	10,005,365
Total fund balances	<u>6,665,283</u>	<u>2,994,178</u>	<u>19,397,877</u>	<u>3,781,936</u>	<u>32,839,275</u>
Total liabilities and fund balances	<u>\$ 8,864,724</u>	<u>\$ 5,031,918</u>	<u>\$ 19,417,877</u>	<u>\$ 5,466,297</u>	<u>\$ 38,780,816</u>

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, 2007**

Fund balances - total government funds	\$ 29,746,870
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Governmental capital assets, net	61,092,088
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Funds Due From CRA and Related Entity	4,449,194
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

1998 Sales Tax Bonds	(3,700,000)	
2001 Sales Tax Bonds	(4,420,000)	
2003 Sales Tax Bonds	(4,710,000)	
2005 Sales Tax Bonds	(3,765,000)	
Line Of Credit	(4,865,000)	
2005 General Obligation Bonds	(33,070,000)	
Compensated absences	(178,724)	<u>(54,708,724)</u>

Net assets of governmental activities	\$ <u>40,579,428</u>
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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, 2007

	<b>MAJOR FUNDS</b>				<b>TOTAL GOVERNMENTAL FUNDS</b>
	<b>General</b>	<b>Community Redevelopment Agency</b>	<b>Capital Projects</b>	<b>Other Nonmajor Governmental Funds</b>	
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 15,477,407	\$ -	\$ 1,622,752	\$ -	\$ 17,100,159
Franchise taxes	4,420,174	-	-	-	4,420,174
Public service taxes	8,171,622	-	-	-	8,171,622
Charges for services	7,280,089	-	-	-	7,280,089
Administrative charges	3,131,312	-	-	-	3,131,312
Intergovernmental	7,717,109	-	-	1,777,440	9,494,549
Licenses and permits	2,848,814	-	-	-	2,848,814
Fines and forfeitures	393,768	-	-	223,457	617,225
Investment income	194,309	140,342	1,605,850	158,080	2,098,581
Rental income	133,142	-	-	-	133,142
Miscellaneous	249,666	100,000	276,865	-	626,531
Total revenues	<u>50,017,412</u>	<u>240,342</u>	<u>3,505,467</u>	<u>2,158,977</u>	<u>55,922,198</u>
<b>EXPENDITURES</b>					
Current:					
General government	11,056,170	1,208,893	-	-	12,265,063
Public safety	25,907,953	-	-	180,700	26,088,653
Public works	4,334,729	-	-	-	4,334,729
Recreation and social services	4,930,627	-	-	2,053,525	6,984,153
Debt service:					
Principal retirement	-	-	-	1,807,500	1,807,500
Interest and issuance cost	-	-	-	2,429,420	2,429,420
Capital Outlay:					
Land	-	-	22,780	-	22,780
Buildings	-	2,228,712	1,311,844	-	3,540,556
Improvements	-	164,916	5,107,932	-	5,272,848
Infrastructure	-	-	579,325	-	579,325
Equipment	-	7,715	1,093,576	-	1,101,291
Total Expenditures	<u>46,229,479</u>	<u>3,610,236</u>	<u>8,115,456</u>	<u>6,471,146</u>	<u>64,426,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,787,933</u>	<u>(3,369,894)</u>	<u>(4,609,989)</u>	<u>(4,312,169)</u>	<u>(8,504,119)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	211,199	3,684,788	25,220	4,502,969	8,424,175
Transfers out	(3,328,614)	(221,541)	(2,583,171)	(2,290,849)	(8,424,175)
Debt proceeds	-	-	-	4,864,619	4,864,619
Advance to related organization	-	-	-	(2,220,237)	(2,220,237)
Total Other Financing Sources (Uses)	<u>(3,117,415)</u>	<u>3,463,246</u>	<u>(2,557,951)</u>	<u>4,856,501</u>	<u>2,644,381</u>
Net change in fund balances	670,518	93,352	(7,167,941)	544,331	(5,859,739)
Fund balances-beginning	<u>5,994,765</u>	<u>(191,579)</u>	<u>26,565,818</u>	<u>3,237,605</u>	<u>35,606,609</u>
Fund balances-ending	<u>\$ 6,665,283</u>	<u>\$ (98,227)</u>	<u>\$ 19,397,877</u>	<u>\$ 3,781,936</u>	<u>\$ 29,746,870</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, 2007**

Changes in fund balances - total government funds

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

Net change in fund balances	\$	(5,859,739)
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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 outlays	10,516,799	
Less current year depreciation	(3,096,000)	7,420,799

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 costs, 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.

Debt issued		
Issuance of Revolving Loan Debt Bonds	(4,864,619)	
Principal repayments	1,807,500	(3,057,119)

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

Compensated absences		<u>1,766,410</u>
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Change in net assets of governmental activities	\$	<u><u>270,351</u></u>
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The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF LAUDERHILL, FLORIDA**  
**STATEMENTS OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2007**

<b>ASSETS</b>	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS-MAJOR FUNDS</b>		
	<b>Water &amp; Sewer</b>	<b>Stormwater</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and equity in pooled cash and investments	\$ 9,867,698	\$ 973,251	\$ 10,840,949
Accounts receivable - net	2,870,919	18,719	2,889,637
Due from other government	261,169	-	261,169
Inventories	61,966	-	61,966
<b>Total current assets</b>	<b>13,061,751</b>	<b>991,969</b>	<b>14,053,720</b>
<b>Non-current assets:</b>			
Restricted Assets:			
Equity in pooled cash and investments	2,075,781	950,123	3,025,905
Deferred charges	415,788	-	415,788
Capital assets - net	31,639,540	16,411,332	48,050,872
<b>Total non-current assets</b>	<b>34,131,109</b>	<b>17,361,456</b>	<b>51,492,565</b>
<b>Total Assets</b>	<b>47,192,860</b>	<b>18,353,425</b>	<b>65,546,285</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	975,173	27,900	1,003,073
Accrued payroll	81,009	33,100	114,109
Accrued interest payable	542,403	136,895	679,298
Customer deposits	16,500	-	16,500
Bonds payable - current portion	1,855,000	453,395	2,308,395
Compensated absences - current portion	18,734	3,035	21,769
<b>Total current liabilities</b>	<b>3,488,819</b>	<b>654,325</b>	<b>4,143,144</b>
<b>Non-current liabilities:</b>			
Bonds payable - noncurrent	23,024,735	11,356,493	34,381,228
Compensated absences - noncurrent	22,897	3,709	26,606
<b>Total noncurrent liabilities</b>	<b>23,047,632</b>	<b>11,360,202</b>	<b>34,407,834</b>
<b>Total Liabilities</b>	<b>26,536,451</b>	<b>12,014,527</b>	<b>38,550,978</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	6,759,805	4,601,444	11,361,249
Restricted for:			
Renewal and replacement	200,000	-	200,000
Debt service	2,075,781	950,123	3,025,905
Unrestricted	11,620,823	787,330	12,408,154
<b>Total Net Assets</b>	<b>\$ 20,656,410</b>	<b>\$ 6,338,897</b>	<b>\$ 26,995,307</b>

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

**CITY OF LAUDERHILL, FLORIDA**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS-MAJOR FUNDS</b>		
	<b>Water &amp; Sewer</b>	<b>Stormwater</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 12,056,949	\$ 3,654,773	\$ 15,711,722
Connection fees	136,299	-	136,299
Other income	33,894	7,286	41,180
Total Operating Revenues	<u>12,227,142</u>	<u>3,662,059</u>	<u>15,889,201</u>
<b>OPERATING EXPENSES</b>			
Personal services	2,994,671	1,400,428	4,395,099
Administrative expenses	2,288,368	236,193	2,524,562
Contractual services	3,110,937	14,969	3,125,907
Utilities	173,376	308,697	482,073
Repairs and maintenance	186,282	114,014	300,296
Materials and supplies	480,234	354,753	834,987
Insurance claims and expenses, net	-	9,860	9,860
Depreciation and amortization	1,357,945	592,375	1,950,320
Total Operating Expenses	<u>10,591,814</u>	<u>3,031,290</u>	<u>13,623,104</u>
Operating income	<u>1,635,328</u>	<u>630,769</u>	<u>2,266,098</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	128,049	89,792	217,841
Miscellaneous revenues	496,666	424,987	921,653
Interest expense and fees	(1,336,829)	(467,292)	(1,804,121)
Total Nonoperating Revenues (Expenses)	<u>(712,113)</u>	<u>47,487</u>	<u>(664,626)</u>
Change in net assets	923,215	678,256	1,601,471
TOTAL NET ASSETS, OCTOBER 1	<u>19,733,195</u>	<u>5,660,641</u>	<u>25,393,836</u>
TOTAL NET ASSETS, SEPTEMBER 30	<u>\$ 20,656,410</u>	<u>\$ 6,338,897</u>	<u>\$ 26,995,307</u>

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

**CITY OF LAUDERHILL, FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS</b>		
	<b>Water &amp; Sewer</b>	<b>Stormwater</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers, other government and users	\$ 11,736,672	\$ 3,676,662	\$ 15,413,334
Payments for Interfund activities	(2,288,368)	(236,193)	(2,524,562)
Cash paid to suppliers	(4,006,147)	(802,363)	(4,808,510)
Cash paid to employees	(3,170,137)	(1,452,895)	(4,623,032)
Net Cash Provided by Operating Activities	<u>2,272,020</u>	<u>1,185,210</u>	<u>3,457,230</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(841,682)	(3,000,634)	(3,842,315)
Proceeds from capital debt	5,000,000	-	5,000,000
Principal retirements of long-term debt	(4,777,765)	(451,866)	(5,229,631)
Interest paid on long-term debt	(1,058,112)	(330,397)	(1,388,509)
Miscellaneous Income	496,666	424,987	921,653
Net Cash Provided by Capital and Related Financing Activities	<u>(1,180,893)</u>	<u>(3,357,909)</u>	<u>(4,538,802)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	128,049	89,792	217,841
Net Cash Provided by Investing Activities	<u>128,049</u>	<u>89,792</u>	<u>217,841</u>
<b>NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS</b>	1,209,284	(2,116,228)	(863,731)
<b>POOLED CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	<u>10,734,195</u>	<u>4,039,602</u>	<u>14,773,797</u>
<b>POOLED CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<u>\$ 11,943,479</u>	<u>\$ 1,923,374</u>	<u>\$ 13,910,066</u>
<b>POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET ASSETS</b>			
Unrestricted	\$ 9,867,698	\$ 973,251	\$ 10,840,949
Restricted	2,075,781	950,123	3,025,905
<b>TOTAL, SEPTEMBER 30</b>	<u>\$ 11,943,479</u>	<u>\$ 1,923,374</u>	<u>\$ 13,866,853</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating Income	\$ 1,635,328	\$ 630,769	\$ 2,266,098
Adjustments to reconcile operating income to net Cash provided by Operating Activities:			
Depreciation and amortization	1,357,945	592,375	1,950,320
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(204,286)	(5,398)	(209,683)
(Increase) decrease in due from other funds and governments	(239,309)	20,000	(219,309)
(Increase) decrease in inventories	(20,829)	-	(20,829)
Increase (decrease) in accounts payable	(34,489)	(70)	(34,559)
Increase (decrease) in accrued payroll	18,219	11,941	30,160
Increase (decrease) in compensated absences	(193,685)	(64,408)	(258,093)
Increase (decrease) in due to other funds and governments	(46,875)	-	(46,875)
Total adjustments	<u>636,692</u>	<u>554,441</u>	<u>1,191,133</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 2,272,020</u>	<u>\$ 1,185,210</u>	<u>\$ 3,457,230</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  
For the Year Ended September 30, 2007 and 2006

	<b>2007 Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and short-term investments	\$ 5,836,653
Investments, at fair value	
U.S. Government and agency securities	11,378,672
Corporate bonds and notes	6,237,566
Mutual funds	9,760,507
Common stocks	36,793,063
International equity funds	6,114,971
Real estate funds	3,497,728
Investments, at fair value	73,782,507
Receivables:	
State contribution	5,537
Interest and dividends	220,295
Contributions	819,149
Total Receivables	1,044,981
<b>Total Assets</b>	<b>80,664,141</b>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	90,404
Payable for securities purchased	-
Deferred revenues/future benefits	2,206,635
Prepaid city contributions	165,256
<b>Total Liabilities</b>	<b>2,462,295</b>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<b>\$ 78,201,846</b>

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, 2007 and 2006

	<b>2007</b> <b>Pension Trust</b> <b>Funds</b>
<b>ADDITIONS</b>	
Contributions:	
City	\$ 5,814,923
Plan members	2,614,820
State revenue	651,924
Total contributions	9,081,667
Investment income:	
Net appreciation in fair value of investments	8,683,973
Interest and dividend income	2,292,528
Total investment income	10,976,501
Less: Investment expenses	385,451
Deferred retirement option plan participant's earning	132,777
Net investment income	10,458,273
<b>Total additions</b>	<b>19,539,940</b>
<b>DEDUCTIONS</b>	
Benefits paid	2,834,662
Administrative expenses	405,351
Refunds of contributions	96,827
<b>Total deductions</b>	<b>3,336,840</b>
CHANGE IN NET ASSETS	16,203,100
NET ASSETS, OCTOBER 1 Restated	61,998,746
NET ASSETS, SEPTEMBER 30	\$ 78,201,846

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



**CITY OF LAUDERHILL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

**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 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/Related Organization**

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, 2007, the City had one entity that met the requirements as described above. In addition, the City has a related entity, Lauderhill Housing Authority. The City Commission appoints the governing board of the Housing Authority but is not financially accountable for the organization.

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 a *Special Revenue Fund*.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of 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.

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

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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**

The City will be required to adopt the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" in fiscal year 2009. The City is currently evaluating the effect of this statement on its financial position and results of operations.

### **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.

## **E. Assets, liabilities and net assets or equity (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 un-collectibles. Accounts receivable allowances are based on historical trends.

### **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

## **E. Assets, liabilities and net assets or equity (CONTINUED)**

County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2007.

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, 2007 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.

### **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:



## **E. Assets, liabilities and net assets or equity (CONTINUED)**

<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

### **7. Unearned revenue**

Unearned revenues 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.

## **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 \$5,966,948 including petty cash on hand of \$ 3,610 as of September 30, 2007; 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.

*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

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2007, the City had the following investments and maturities:

	<u>Ratings</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
Money Market Funds	Not Rated	\$ 17,429,488	-
SBA	Not Rated	788,813	-
US Treasury Securities	N/A	1,100,000	0.08
Callable US Govt. Securities	Aaa/AAA	2,001,880	0.04
US Government Securities	Aaa/AAA	14,477,266	1.60
		<u>35,797,446</u>	<u>1.72</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.

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.

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

*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>Type</u>	<u>Amount</u>	<u>%</u>
FHLB	Federal Agency Securities	\$ 11,279,277	32%
US Treasury	Treasury Bonds/Notes/Strips	2,606,751	7%
FNMA	Federal Agency Securities	1,867,180	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:

<u>Investment type</u>	Amounts in Thousands			
	<u>General Employees Retirement System</u>	<u>Firefighter Retirement System</u>	<u>Police Officer Retirement System</u>	<u>Confidential and Managerial Retirement Plan</u>
US Government securities	\$ 3,142	\$ 6,005	\$ -	\$ 2,230
Corporate bonds and notes	1,392	3,869	4,991	977
Mutual funds	4,274	2,648	-	1,346
International equities	-	4,761	1,354	-
Common stocks	5,876	17,539	8,752	4,625
	<u>\$ 14,684</u>	<u>\$ 34,822</u>	<u>\$ 15,097</u>	<u>\$ 9,178</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.

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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	\$ 149				
U.S. Government securities	3,142				
Corporate bonds and notes	1,392				
Sub-total	4,683	689	2,317	872	805
Mortgage	850				
Common stocks	5,877				
Mutual funds	3,424				
	\$ 14,834				

*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, 2007, the fixed income portfolio's weighted average was 7.99 years.

*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, 2007, 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	45%
Foreign equity securities	20%
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, 2007.

#### 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

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2007:

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	\$ 511	\$ -	\$ -	\$ -	\$ 511
U.S. Government securities	5,495	-	1,701	156	3,638
Corporate bonds and notes	3,869	130	478	1,201	2,059
Total	<u>\$ 9,875</u>	<u>\$ 130</u>	<u>\$ 2,179</u>	<u>\$ 1,357</u>	<u>\$ 6,208</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, 2007, as applicable:

	In Thousands Fair Value	Percentage of Portfolio
US Government guaranteed*	<u>\$ 6,006</u>	<u>60.82%</u>
Quality rating of credit risk debt securities		
AAA	1,640	16.60%
AA	252	2.55%
AA-	480	4.86%
A+	516	5.23%
A	595	6.02%
A-	267	2.71%
BBB+	119	1.21%
Not rated	-	-
Total credit risk debt securities	<u>3,869</u>	<u>39.18%</u>
Total fixed income securities	<u>\$ 9,875</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

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

percentages. There were no individual investments that represent 5% or more of combined plan net assets at September 30, 2007.

*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.

#### 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, 2007:

<u>Investment type</u>	Amounts in Thousands				
	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Investment Maturities (in Years)</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	4,991	-	4,991	-	-
Total	<u>\$ 4,991</u>	<u>\$ -</u>	<u>\$ 4,991</u>	<u>\$ -</u>	<u>\$ -</u>

*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, 2007 as applicable:

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

	In Thousands <u>Fair Value</u>	Percentage of <u>Portfolio</u>
US Government guaranteed*	\$ -	0.00%
Quality rating of credit risk debt securities		
AAA	3,444	69.00%
AA+	599	12.00%
A+	349	7.00%
BBB+	200	4.00%
BB	299	6.00%
B	100	2.00%
Total credit risk debt securities	<u>4,991</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, 2007

*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.

As of September 30, 2007, the Plan had the following investment and maturities in its portfolio:

Investment type	Amounts in Thousands				
	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			<u>More than 10 Years</u>
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	
U.S. Treasury bonds and notes	\$ 424	\$ -	\$ -	\$ -	\$ 424
U.S. Government securities	1,806	151	217	260	1,178
Corporate bonds and notes	977	56	354	397	170
Total	<u>\$ 3,207</u>	<u>\$ 207</u>	<u>\$ 571</u>	<u>\$ 657</u>	<u>\$ 1,772</u>



### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

*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, 2007, the value of each position held by the Plan portfolio comprised less than 5% of the Plan assets.

#### RESTATEMENT OF NET ASSETS

The Plan's net assets for the fiscal year ended September 30, 2006 were restated as the result of investments maintained by the Plan in the amount of \$1,052,560, not being reported. The details of the adjustments are as follows:

Investments, at fair value as, previously stated, September 30, 2006	\$5,869,640
Adjustment to add Mutual Fund not previously reported	<u>1,052,560</u>
Investments, at fair value, restated, September 30, 2006	<u>\$6,922,200</u>
Net effect on net assets held in trust for pension benefits:	
Ending, as previously stated, September 30, 2006	\$6,014,431
Adjustment	<u>1,052,560</u>
Ending, restated, September 30, 2006	<u>\$7,066,991</u>

#### 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>
<b>Governmental activities</b>			
General	\$ 675,222	\$ 2,124,977	\$ 2,800,199
Capital Project	3,155,929	253,199	3,409,128
Other Non-Major Governmental F	10,739	1,425,789	1,436,527
	<u>3,841,890</u>	<u>3,803,965</u>	<u>7,645,855</u>
Allowance	(49,812)	-	(49,812)
	<u>3,792,078</u>	<u>3,803,965</u>	<u>7,596,043</u>
<b>Business-type activities</b>			
Water and Sewer	2,905,147	261,169	3,166,315
Stormwater	18,719	-	18,719
	<u>2,923,865</u>	<u>261,169</u>	<u>3,185,034</u>
Allowance	(34,228)	-	(34,228)
	<u>2,889,637</u>	<u>261,169</u>	<u>3,150,806</u>
<b>Pension trust funds</b>	<u>1,044,981</u>	<u>-</u>	<u>1,044,981</u>
<b>TOTAL</b>	<u>\$ 7,726,697</u>	<u>\$ 4,065,134</u>	<u>\$ 11,791,830</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, 2007, unearned revenue in the governmental funds amounted to \$153,009.

4. **RECEIVABLES AND PAYABLES (CONTINUED)**

Payables at September 30, 2007 were as follows:

	<u>Vendor</u>
Governmental activities:	
General	\$ 251,649
CRA	18,228
Capital Project	20,000
Other Non-Major Governmental Funds	892,446
	<u>1,182,323</u>
Business-type activities:	
Water and sewer	975,173
Stormwater	27,900
	<u>1,003,073</u>
Pension trust funds:	<u>90,404</u>
Total	<u>\$ 2,275,800</u>

## 5. Capital assets

Capital asset activity for the year ended September 30, 2007 was as follows  
(Amounts in Thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 25,908	16	-	\$ 25,924
Construction in progress	<u>5,355</u>	<u>921</u>	<u>(2,910)</u>	<u>3,366</u>
Total capital assets not being depreciated	<u>31,263</u>	<u>937</u>	<u>(2,910)</u>	<u>29,290</u>
Capital assets being depreciated:				
Building	16,458	1,606	-	18,064
Improvements (other than building)	14,300	5,325	-	19,625
Machinery and equipment	13,655	1,196	(213)	14,638
Infrastructure	<u>12,987</u>	<u>325</u>	<u>-</u>	<u>13,312</u>
Total capital assets being depreciated	<u>57,400</u>	<u>8,452</u>	<u>(213)</u>	<u>65,639</u>
Less: accumulated depreciation for:				
Building	(4,186)	(437)	-	(4,623)
Improvements (other than building)	(7,808)	(649)	-	(8,457)
Machinery and equipment	(10,154)	(1,413)	213	(11,354)
Infrastructure	<u>(8,806)</u>	<u>(597)</u>	<u>-</u>	<u>(9,403)</u>
Total accumulated depreciation	<u>(30,954)</u>	<u>(3,096)</u>	<u>213</u>	<u>(33,837)</u>
Total capital assets, being depreciated, net	<u>26,446</u>	<u>5,356</u>	<u>-</u>	<u>31,802</u>
Governmental activities capital assets, net	<u>\$ 57,709</u>	<u>6,292</u>	<u>(2,910)</u>	<u>\$ 61,092</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	3,648	1,405	(546)	4,507
Total capital assets not being depreciated	<u>3,997</u>	<u>1,405</u>	<u>(546)</u>	<u>4,856</u>
Capital assets being depreciated:				
Building	28,116	28	-	28,144
Improvements (other than building)	12,812	2,402	-	15,214
Machinery and equipment	5,101	293	-	5,394
Infrastructure	21,851	260	-	22,111
Total capital assets being depreciated	<u>67,880</u>	<u>2,983</u>	<u>-</u>	<u>70,863</u>
Less: accumulated depreciation for:				
Building	(9,148)	(697)	-	(9,845)
Improvements (other than building)	(4,882)	(456)	-	(5,338)
Machinery and equipment	(4,327)	(308)	-	(4,635)
Infrastructure	(7,361)	(489)	-	(7,850)
Total accumulated depreciation	<u>(25,738)</u>	<u>(1,950)</u>	<u>-</u>	<u>(27,668)</u>
Total capital assets, being depreciated, net	<u>42,152</u>	<u>1,033</u>	<u>-</u>	<u>43,202</u>
Business-type activities capital assets, net	<u>\$ 46,149</u>	<u>\$ 2,438</u>	<u>\$ (546)</u>	<u>\$ 48,051</u>

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

#### Governmental activities:

General government	\$ 459
Public safety	1,132
Public works	711
Recreation and social services	794
Total depreciation expense – governmental activities	<u>\$ 3,096</u>

#### Business-type activities:

Water and sewer	\$ 1,358
Stormwater	592
Total depreciation expense – business-type activities	<u>\$ 1,950</u>

## 5. CAPITAL ASSETS (CONTINUED)

### Construction commitments

The City of Lauderhill has active construction projects as of September 30, 2007.

Roadway Improvements	\$	3,573	\$	4,520
Building Improvement		601		470
Turnpike Cross North/South		3,534		78
Recreational Improvement		165		5,800
Total	\$	<u>7,873</u>	\$	<u>10,868</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, 2007, is as follows:

### Due to / from other funds:

Receivable Fund	Amount	Payable Fund	Amount
General	\$ 728,577	Community Redevelopment Agency	\$ 1,996,617
Capital Projects	1,268,040		
	<u>\$ 1,996,617</u>		<u>\$ 1,996,617</u>

The outstanding balances between funds mainly resulted from time log 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.

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

### Inter-fund transfers:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 211,199	\$ 3,328,614
Community Redevelopment	3,684,788	221,541
Capital Projects	25,220	2,583,171
Non Major Funds	4,502,969	2,290,849

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 \$46,070,000 and during the year, revenue bonds totaling \$5,000,000 were issued to finance various capital projects and to refund previously issued revenue bonds.

Revenue bonds outstanding as at September 30, 2007 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	336	\$ 5,000	\$ 3,700
2001 Half-cent sales tax	4.30% - 4.95%	2021	276	5,000	4,420
2003 Half-cent sales tax	4.00% - 4.45%	2025	262	5,000	4,710
2005 Half-cent sales tax - refunding	2.75% - 4.15%	2017	377	4,385	3,765
					<u>16,595</u>
Business-type activities:					
Water and Sewer					
1999 Water and sewer	4.40% - 5.10%	2020	302	5,000	3,920
2000 Water and sewer	4.88% - 5.50%	2022	293	4,800	4,400
2001 Water and sewer - refunding	3.70% - 4.00%	2011	326	3,035	1,305
2005A Water and sewer	3.00% - 4.50%	2026	278	5,000	5,000
2005B Water and sewer - refunding	2.75% - 4.13%	2016	351	3,850	3,160
2006 Water and sewer	4.13% - 4.25%	2031	556	5,000	5,000
2004 Stormwater	4.00% - 5.00%	2028	233	5,000	4,890
					<u>27,675</u>
Total Revenue Bonds				\$	<u>44,270</u>

## 7. LONG-TERM DEBTS (CONTINUED)

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	3.25% - 4.50%	2030	1,438	33,070

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

### 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 \$6,919,888 is outstanding in the Stormwater Fund as of September 30, 2007. This loan requires annual payment of approximately \$340,000 and interest rate ranging from 2.86% to 3.52%.

### D. Bank Loans

The City has established two bank revolving loan lines of credits. These funds were used to address short-term cash needs to fund post-hurricane expenditures; to fund capital purchase needs of the Community Redevelopment Agency and a related organization. As of September 30, 2007, the outstanding balance is \$6,960,000 and is reflected in both the Governmental and Business-type Activities.

### F. Debt service requirements

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



## 7. LONG-TERM DEBTS (CONTINUED)

### Government activities

<u>Revenue</u>		<u>General Obligation</u>		<u>Economic Development</u>		<u>Total</u>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
900	691	920	1,331	60	222	1,880	2,244
925	659	950	1,301	80	215	1,955	2,174
955	625	980	1,269	80	211	2,015	2,105
985	590	1,015	1,236	4,645	207	6,645	2,032
1,015	552	1,050	1,199	-	-	2,065	1,751
5,680	2,118	5,860	5,379	-	-	11,540	7,496
4,315	981	7,155	4,088	-	-	11,470	5,069
1,820	145	8,830	2,411	-	-	10,650	2,555
-	-	6,310	434	-	-	6,310	434
<u>\$ 16,595</u>	<u>\$ 6,360</u>	<u>\$ 33,070</u>	<u>\$ 18,647</u>	<u>\$ 4,865</u>	<u>\$ 855</u>	<u>\$ 54,530</u>	<u>\$ 25,862</u>

### Business-type Activities

<u>Water &amp; Sewer</u>		<u>Stormwater</u>		<u>FEMA Reimbursement</u>		<u>Total</u>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
855	1,008	453	425	1,000	122	2,308	1,554
980	976	464	409	1,095	40	2,539	1,426
1,010	939	485	394	-	-	1,495	1,333
1,035	901	497	378	-	-	1,532	1,278
1,060	859	519	361	-	-	1,579	1,220
5,815	3,568	2,853	1,533	-	-	8,668	5,101
5,270	2,201	3,361	1,021	-	-	8,631	3,222
2,410	1,252	2,703	441	-	-	5,113	1,692
4,350	472	475	24	-	-	4,825	496
<u>\$ 22,785</u>	<u>\$ 12,174</u>	<u>\$ 11,810</u>	<u>\$ 4,985</u>	<u>\$ 2,095</u>	<u>\$ 162</u>	<u>\$ 36,690</u>	<u>\$ 17,322</u>

## E. Changes in long-term liabilities

Long-term liability activity (in thousands) for the year ended September 30, 2007 is listed below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Governmental activities:</b>					
Bonds payable					
Revenue bonds	\$ 17,465	\$ -	\$ 870	\$ 16,595	\$ 900
General obligation bonds	33,960	-	890	33,070	920
Bank Lines of Credit	48	4,864	48	4,865	60
Total bonds payable	<u>51,473</u>	<u>4,864</u>	<u>1,808</u>	<u>54,530</u>	<u>1,880</u>
Compensated absences	<u>2,226</u>	<u>1,973</u>	<u>1,766</u>	<u>2,433</u>	<u>936</u>
Governmental activity Long-term liabilities	<u>\$ 53,699</u>	<u>\$ 6,837</u>	<u>\$ 3,574</u>	<u>\$ 56,963</u>	<u>\$ 2,816</u>
<b>Business-type activities</b>					
Bonds payable					
Revenue bonds	\$ 23,615	\$ 5,000	\$ 940	\$ 27,675	\$ 965
State revolving fund loan	7,262	-	342	6,920	343
Bank Lines of Credit	6,042	-	3,948	2,094	1,000
Compensated absences	<u>443</u>	<u>-</u>	<u>394</u>	<u>49</u>	<u>22</u>
Business-type activity Long-term liabilities	<u>\$ 37,362</u>	<u>\$ 5,000</u>	<u>\$ 5,624</u>	<u>\$ 36,738</u>	<u>\$ 2,330</u>

## **7. LONG-TERM DEBTS (CONTINUED)**

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 \$458,336 for the fiscal year ended September 30, 2007, of which \$7,401 is currently due and payable. 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:

### **B. 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.

### **C. On behalf payment of fringe benefits and salaries**

In 2007, 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

## **8. OTHER INFORMATION (CONTINUED)**

\$167,361 and \$249,845, respectively. The monies were deposited within 5 days from their receipt in accordance with the provisions of the law.

### **D. Restricted assets**

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

Revenue bond reserve	\$ 3,025,905
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## **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.

## 9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

### A. General Employees Retirement System (GERS)

*Annual Pension Cost.* For 2007, the City's annual pension cost of \$695,661 equaled its required and actual contribution. The required contribution was determined by the September 30, 2006 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. GERS unfunded actuarial accrued liability is being amortized on an open level dollar basis. Four years remained in the amortization period at September 30, 2007.

#### 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, 2007	\$ 695,661	100%	N/A
September 30, 2006	588,553	100%	N/A
September 30, 2005	583,904	100%	N/A

### B. Firefighter Retirement System (FRS)

*Annual Pension Cost.* For 2007, the City's annual pension cost of \$2,320,002 equaled its required and actual contribution. The required contribution was determined by the October 1, 2006 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 7% projected salary increases. In addition, contributions in the amount of \$167,361 were received from the State of Florida from fire and casualty insurance premium taxes. 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. twenty five years remained in the amortization period at September 30, 2007.

#### 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, 2007	\$ 2,320,002	100%	N/A
September 30, 2006	1,613,426	100%	N/A
September 30, 2005	1,537,942	100%	N/A

### C. Police Retirement System (PRS)

*Annual Pension Cost.* For 2007, the City's annual pension cost of \$1,782,115 equaled its required and actual contribution. The required contribution of 10% was determined by the October 1, 2006 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return and 6% projected salary increases. In addition, contributions in the amount of \$249,845 were received from the State of Florida from fire and casualty insurance premium taxes. The actuarial value of assets was determined using the market value of investments. PRS unfunded actuarial

## 9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2007.

### 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, 2007	\$ 1,782,115	100%	N/A
September 30, 2006	1,415,977	100%	N/A
September 30, 2005	1,151,914	100%	N/A

### D. Confidential and Managerial Retirement System (CMRS)

*Annual Pension Cost.* For 2007, the City's annual pension cost of \$1,009,804 equaled its required and actual contribution. The required contribution of 10% in 2003, and 8% in 2006 and 2007 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. Twenty-three years remained in the amortization period at September 30, 2007

### 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, 2007	\$ 1,009,804	130%	N/A
September 30, 2006	762,751	109%	N/A
September 30, 2005	548,459	100%	N/A



**CITY OF LAUDERHILL, FLORIDA**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	Budgeted Amounts		ACTUAL	VARIANCE WITH
	Original	Final		FINAL BUDGET
				Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 15,237,679	\$ 15,448,679	\$ 15,477,407	\$ 28,728
Franchise taxes	4,040,000	4,245,000	4,420,174	175,174
Public service taxes	8,722,500	8,571,000	8,171,622	(399,378)
Charges for services	7,277,651	7,404,151	7,280,089	(124,062)
Administrative charges	2,325,000	2,325,000	3,131,312	806,312
Intergovernmental	6,813,432	7,149,432	7,717,109	567,677
Licenses and permits	2,305,500	2,845,900	2,848,814	2,914
Fines and forfeitures	381,000	353,500	393,768	40,268
Investment income	324,000	324,000	194,309	(129,691)
Rental income	310,100	289,250	133,142	(156,108)
Miscellaneous	104,300	273,150	249,666	(23,484)
Total revenues	<u>47,841,162</u>	<u>49,229,062</u>	<u>50,017,412</u>	<u>788,350</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City Clerk	574,809	596,310	556,143	40,167
City Commission	792,869	792,994	691,177	101,817
Administration	3,839,718	3,980,720	3,915,558	65,162
Finance	1,895,780	1,895,780	1,895,570	210
Legal	498,525	498,525	563,685	(65,160)
Human resources	3,136,940	2,970,448	2,841,091	129,357
Planning and Zoning	651,525	638,637	592,947	45,690
Total general government	<u>11,390,166</u>	<u>11,373,414</u>	<u>11,056,170</u>	<u>317,244</u>
Public safety:				
Police	12,959,925	13,158,722	13,922,788	(764,066)
Fire and Rescue	7,408,561	11,986,707	11,985,165	1,542
Total public safety	<u>20,368,486</u>	<u>25,145,429</u>	<u>25,907,953</u>	<u>(762,524)</u>
Public works:				
Fleet maintenance	1,462,059	1,924,514	1,696,915	227,599
Facility maintenance	1,134,624	1,172,124	948,593	223,531
Infrastructure maintenance	690,759	1,839,827	1,689,221	150,606
Total public works	<u>3,287,442</u>	<u>4,936,465</u>	<u>4,334,729</u>	<u>601,736</u>
Parks and leisure services:				
Recreation and social services	4,821,149	4,954,128	4,930,627	23,501
Total parks and leisure services	<u>4,821,149</u>	<u>4,954,128</u>	<u>4,930,627</u>	<u>23,501</u>
Total Expenditures	<u>39,867,243</u>	<u>46,409,436</u>	<u>46,229,479</u>	<u>179,957</u>
Excess (Deficiency) of Revenue over				
Expenditures	7,973,919	2,819,626	3,787,933	608,393
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	211,199	(211,199)
Transfers	(2,819,626)	(2,819,626)	(3,328,614)	508,988
Total other financing sources and uses	<u>(2,819,626)</u>	<u>(2,819,626)</u>	<u>(3,117,415)</u>	<u>297,789</u>
Net change in fund balances	5,154,293	-	670,518	906,182
Fund balances - beginning	5,994,765	5,994,765	5,994,765	-
Fund balances - ending	<u>\$ 11,149,058</u>	<u>\$ 5,994,765</u>	<u>\$ 6,665,283</u>	<u>\$ 906,182</u>

See notes to Budgetary Comparison Schedule

**CITY OF LAUDERHILL, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**SEPTEMBER 30, 2007**

**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, 2007 expenditures exceeded appropriations in the following departments:

Department	Excess Expenditures over Budget
Police	\$ 764,066
Legal services	65,160

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



**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)
10/1/2006	\$ 12,148,566	\$ 15,693,097	\$ 3,544,531	77.40%	\$ 4,581,654	77.4%
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%

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)
10/1/2006	\$ 29,298,559	\$ 42,957,015	\$ 13,658,456	68.20%	\$ 4,408,687	262.2%
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%

**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)
10/1/2006	\$ 11,939,547	\$ 17,766,881	\$ 5,827,334	67.20%	\$ 7,098,797	82.1%
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%

**CMRS**

Valuation Date	Value of Assets	Accrued Liability (AAL) Entry Age	Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	of Covered Payroll (4)/(6)
10/1/2006	\$ 8,169,991	\$ 14,330,615	\$ 6,160,624	57.00%	\$ 3,895,689	158.1%
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%



**CITY OF LAUDERHILL, FLORIDA**  
 Combining Balance Sheet  
 Nonmajor Governmental funds  
 September 30, 2007

	Special Revenue					Total
	Debt Service	SHIP	Law Enforcement	Federal Forfeiture	CDBG	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,123,195	\$ 479,212	\$ 48,858	\$ 140,336	\$ -	\$ 1,791,601
Accrued Interest receivable	9,157	1,220	123	239	-	10,739
Due from other governments	-	42,000	-	-	813,281	1,425,789
Restricted assets: Investments	2,114,352	52,190	-	-	-	2,166,542
Other assets	-	71,627	-	-	-	71,627
<b>Total assets</b>	<b>\$ 3,246,704</b>	<b>\$ 646,249</b>	<b>\$ 48,981</b>	<b>\$ 140,575</b>	<b>\$ 813,281</b>	<b>\$ 5,466,297</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ 14,655	\$ -	\$ -	\$ 678,311	\$ 892,446
Accrued payroll	-	1,682	-	-	6,275	7,956
Accrued compensated absences	-	-	-	-	2,160	2,160
Accrued interest	707,389	-	-	-	-	707,389
Deferred revenues	-	74,410	-	-	-	74,410
<b>Total liabilities</b>	<b>707,389</b>	<b>90,746</b>	<b>-</b>	<b>-</b>	<b>686,746</b>	<b>1,684,361</b>
<b>FUND BALANCES</b>						
Reserved for:						
Law enforcement	-	-	48,981	140,575	-	189,556
Debt service	2,539,315	-	-	-	-	2,539,315
Unreserved	-	555,502	-	-	126,535	1,053,065
<b>Total fund balances</b>	<b>2,539,315</b>	<b>555,502</b>	<b>48,981</b>	<b>140,575</b>	<b>126,535</b>	<b>3,781,936</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,246,704</b>	<b>\$ 646,249</b>	<b>\$ 48,981</b>	<b>\$ 140,575</b>	<b>\$ 813,281</b>	<b>\$ 5,466,297</b>

**CITY OF LAUDERHILL, FLORIDA**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2007

	Special Revenue					Total
	Debt Service	SHIP	Law Enforcement	Federal Forfeitures	CDBG	
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 154,811	\$ -	\$ -	\$ 896,882	\$ 1,777,440
Fines and forfeitures	-	-	102,967	120,490	-	223,457
Investment income	122,377	28,949	2,077	4,677	-	158,080
Total revenues	122,377	183,760	105,044	125,167	896,882	2,158,977
<b>EXPENDITURES</b>						
Current:						
Public safety	-	-	115,662	65,039	-	180,700
Social services	-	855,495	-	-	996,882	2,053,525
Debt Service:						
Principal retirement	1,807,500	-	-	-	-	1,807,500
Interest	2,429,420	-	-	-	-	2,429,420
Total Expenditures	4,236,920	855,495	115,662	65,039	996,882	6,471,146
Excess (deficiency) of revenue over (under) expenditures	(4,114,543)	(671,735)	(10,618)	60,128	(100,000)	(4,312,169)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	4,502,969	-	-	-	-	4,502,969
Transfers out	(2,290,849)	-	-	-	-	(2,290,849)
Debt proceeds	4,864,619	-	-	-	-	4,864,619
Advance to related organization	(2,220,237)	-	-	-	-	(2,220,237)
Total other financing sources and (uses)	4,856,501	-	-	-	-	4,856,501
Net change in fund balances	741,958	(671,735)	(10,618)	60,128	(100,000)	544,331
Fund balances-beginning	1,797,357	1,227,237	59,599	80,447	226,535	3,237,605
Fund balances-ending	\$ 2,539,315	\$ 555,502	\$ 48,981	\$ 140,575	\$ 126,535	\$ 3,781,936

**CITY OF LAUDERHILL, FLORIDA**

Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 1,597,706	\$ 1,597,706	\$ 1,622,752	\$ 25,046
Investment income	655,493	655,493	1,605,850	950,357
Miscellaneous	-	-	276,865	276,865
Total revenues	<u>2,253,199</u>	<u>2,253,199</u>	<u>3,505,467</u>	<u>975,403</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Land	-	-	22,780	(22,780)
Buildings	2,750,000	2,750,000	1,311,844	1,438,156
Improvements	9,802,000	9,802,000	5,107,932	4,694,068
Infrastructure	1,855,000	1,855,000	579,325	1,275,675
Equipment	2,627,118	2,627,118	1,093,576	1,533,542
Total expenditures	<u>17,034,118</u>	<u>17,034,118</u>	<u>8,115,456</u>	<u>8,918,662</u>
Excess (Deficiency) of Revenue over Expenditures	(14,780,919)	(14,780,919)	(4,609,989)	(7,943,258)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,068,675	1,068,675	25,220	(1,043,455)
Transfers out	-	-	(2,583,171)	(2,583,171)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(2,557,951)</u>	<u>(3,626,626)</u>
Net change in fund balances	(13,712,244)	(13,712,244)	(7,167,941)	(11,569,885)
Fund balances - beginning	<u>26,565,818</u>	<u>26,565,818</u>	<u>26,565,818</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,853,574</u>	<u>\$ 12,853,574</u>	<u>\$ 19,397,877</u>	<u>\$ (11,569,885)</u>

**CITY OF LAUDERHILL, FLORIDA**

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 122,377	\$ 122,377
Total revenues	-	-	122,377	122,377
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	1,760,000	1,807,500	1,807,500	-
Interest	2,261,831	2,429,420	2,429,420	-
Total expenditures	4,021,831	4,236,920	4,236,920	-
Excess (Deficiency) of Revenue over Expenditures	(4,021,831)	(4,236,920)	(4,114,543)	122,377
Other Financing Sources (Uses)				
Operating transfers in	4,021,831	4,502,969	4,502,969	-
Operating transfer out	-	(2,290,849)	(2,290,849)	-
Debt proceeds	-	4,864,619	4,864,619	-
Advance to related organization	-	(2,220,237)	(2,220,237)	-
Total Other Financing Sources (Uses)	4,021,831	4,856,502	4,856,502	-
Net change in fund balances	-	619,582	741,958	122,377
Fund balances - beginning	-	1,797,357	1,797,357	-
Fund balances - ending	-	-	2,539,315	122,377

**CITY OF LAUDERHILL, FLORIDA**  
Community Redevelopment Agency  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNT</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>Positive (Negative)</b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ 166,941	\$ 140,342	\$ (26,599)
Miscellaneous	-	-	100,000	100,000
Total revenues	-	166,941	240,342	73,401
<b>EXPENDITURES</b>				
General government:				
Administrative expense	894,576	894,576	380,128	514,448
Contractual Service	-	-	828,765	(828,765)
Capital Outlay:				
Buildings	-	-	2,228,712	(2,228,712)
Improvements	-	-	164,916	(164,916)
Equipment	-	-	7,715	(7,715)
Total expenditures	894,576	894,576	3,610,236	(2,715,660)
Excess (Deficiency) of Revenue over Expenditures	(894,576)	(727,635)	(3,369,894)	65,686
Other Financing Sources (Uses)				
Operating transfers in	-	-	3,684,788	(3,684,788)
Operating transfer out	-	-	(221,541)	221,541
Total Other Financing Sources (Uses)	-	-	3,463,246	(3,463,246)
Net change in fund balances	(894,576)	(727,636)	93,352	(3,397,562)
Fund balances - beginning	(191,579)	(191,579)	(191,579)	-
Fund balances - ending	<u>\$ (1,086,155)</u>	<u>\$ (919,215)</u>	<u>\$ (98,227)</u>	<u>\$ (3,528,932)</u>

**CITY OF LAUDERHILL, FLORIDA**  
Special Revenue Fund - State Housing Initiative Program (SHIP)  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 741,572	\$ 741,572	\$ 154,811	\$ (586,761)
Investment income	<u>500</u>	<u>500</u>	<u>28,949</u>	<u>28,449</u>
Total revenues	<u>742,072</u>	<u>742,072</u>	<u>183,760</u>	<u>(558,312)</u>
<b>EXPENDITURES</b>				
Social services	<u>741,572</u>	<u>741,572</u>	<u>855,495</u>	<u>(113,923)</u>
Total expenditures	<u>741,572</u>	<u>741,572</u>	<u>855,495</u>	<u>(113,923)</u>
Net change in fund balances	500	500	(671,735)	(672,235)
Fund balances - beginning	<u>1,227,237</u>	<u>1,227,237</u>	<u>1,227,237</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,227,737</u>	<u>\$ 1,227,737</u>	<u>\$ 555,502</u>	<u>\$ (672,235)</u>



**CITY OF LAUDERHILL, FLORIDA**  
Special Revenue Fund - Law Enforcement  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 88,224	\$ 102,967	\$ 14,743
Investment income	-	-	2,077	2,077
Total revenues	-	88,224	105,044	16,820
<b>EXPENDITURES</b>				
Public safety	-	88,224	115,662	(27,438)
Total expenditures	-	88,224	115,662	(27,438)
Net change in fund balances	-	-	(10,618)	10,618
Fund balances - beginning	-	59,599	59,599	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 59,599</u>	<u>\$ 48,981</u>	<u>\$ 10,618</u>

**CITY OF LAUDERHILL, FLORIDA**  
Special Revenue Fund - Federal Forfeitures  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 57,077	\$ 120,490	\$ 63,413
Investment income	-	-	4,677	4,677
Total revenues	-	57,077	125,167	68,090
<b>EXPENDITURES</b>				
Recreation and social services	-	57,077	65,039	(7,962)
Total expenditures	-	57,077	65,039	(7,962)
Change in fund balance	-	-	60,128	60,128
Fund balances - beginning	-	80,447	80,447	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 80,447</u>	<u>\$ 140,575</u>	<u>\$ 60,128</u>

**CITY OF LAUDERHILL, FLORIDA**  
Special Revenue Fund - Community Development Block Grant  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 946,700	\$ 946,700	\$ 896,882	\$ (49,818)
Total revenues	<u>946,700</u>	<u>946,700</u>	<u>896,882</u>	<u>(49,818)</u>
<b>EXPENDITURES</b>				
Social services	<u>946,700</u>	<u>946,700</u>	<u>996,882</u>	<u>(50,182)</u>
Total expenditures	<u>946,700</u>	<u>946,700</u>	<u>996,882</u>	<u>(50,182)</u>
Net change in fund balances	-	-	(100,000)	(100,000)
Fund balances - begining	<u>226,535</u>	<u>226,535</u>	<u>226,535</u>	<u>-</u>
Fund balances - ending	<u>\$ 226,535</u>	<u>\$ 226,535</u>	<u>\$ 126,535</u>	<u>\$ (100,000)</u>

**CITY OF LAUDERHILL, FLORIDA**  
Special Revenue Fund - Home Grant  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 272,023	\$ 272,023	\$ 725,747	\$ 453,724
Total revenues	<u>272,023</u>	<u>272,023</u>	<u>725,747</u>	<u>453,724</u>
<b>EXPENDITURES</b>				
Social services	<u>272,023</u>	<u>272,023</u>	<u>201,149</u>	<u>70,874</u>
Total expenditures	<u>272,023</u>	<u>272,023</u>	<u>201,149</u>	<u>70,874</u>
<b>Net change in fund balances</b>	-	-	524,599	524,599
Fund balances - beginning	<u>(153,570)</u>	<u>(153,570)</u>	<u>(153,570)</u>	<u>-</u>
Fund balances - ending	<u>\$ (153,570)</u>	<u>\$ (153,570)</u>	<u>\$ 371,029</u>	<u>\$ 524,599</u>

**CITY OF LAUDERHILL, FLORIDA**  
 Combining Statement of Fiduciary Net Assets  
 Pension Trust Fiduciary Funds  
 September 30, 2007

	PENSION TRUST FUNDS					TOTAL
	General Employees Retirement	Firefighters Retirement	Police Retirement	Confidential and Managerial		
<b>ASSETS</b>						
Cash and short-term investments	\$ 170,476	\$ 4,416,686	\$ 527,174	\$ 722,317	\$ 5,836,653	
Receivables:						
State contribution	-	5,537	-	-	5,537	
Interest and dividends	57,976	80,038	35,956	46,325	220,295	
Contributions	395,930	236,984	162,300	23,935	819,149	
Total Receivables	453,906	322,559	198,256	70,260	1,044,981	
Investments, at fair value						
U.S. Government and agency securities	3,142,424	6,005,873	-	2,230,375	11,378,672	
Corporate bonds and notes	1,391,912	3,869,149	-	976,505	6,237,566	
Mutual funds	3,423,719	-	4,990,818	1,345,970	9,760,507	
Common stocks	5,876,507	17,539,107	8,752,418	4,625,031	36,793,063	
International equity funds	-	4,760,528	1,354,443	-	6,114,971	
Real estate funds	850,000	2,647,728	-	-	3,497,728	
Investments, at fair value	14,684,562	34,822,385	15,097,679	9,177,881	73,782,507	
<b>Total Assets</b>	<b>15,308,944</b>	<b>39,561,630</b>	<b>15,823,109</b>	<b>9,970,458</b>	<b>80,664,141</b>	
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	6,756	61,822	6,182	15,644	90,404	
Deferred revenues/future benefits	-	1,726,071	-	480,564	2,206,635	
Prepaid city contributions	-	88,563	76,693	-	165,256	
<b>Total Liabilities</b>	<b>6,756</b>	<b>1,876,456</b>	<b>82,875</b>	<b>496,208</b>	<b>2,462,295</b>	
<b>NET ASSETS</b>						
Held in trust for pension benefits	15,302,188	37,685,174	15,740,234	9,474,250	78,201,846	
Total net assets and liabilities	<b>\$15,308,944</b>	<b>\$39,561,630</b>	<b>\$15,823,109</b>	<b>\$9,970,458</b>	<b>\$80,664,141</b>	

**CITY OF LAUDERHILL, FLORIDA**  
Combining Statements of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended September 30, 2007

	<b>PENSION TRUST FUNDS</b>				<b>TOTAL</b>
	<b>General Employees Retirement</b>	<b>Firefighters Retirement</b>	<b>Police Retirement</b>	<b>Confidential and Managerial</b>	
<b>ADDITIONS</b>					
<b>Contributions:</b>					
City	\$ 830,542	\$ 2,152,641	\$ 1,514,281	\$ 1,317,459	\$ 5,814,923
Plan members	377,052	785,154	912,303	540,311	2,614,820
State revenue	-	384,090	267,834	-	651,924
Total contributions	<u>1,207,594</u>	<u>3,321,885</u>	<u>2,694,418</u>	<u>1,857,770</u>	<u>9,081,667</u>
<b>Investment income:</b>					
Net appreciation in fair value of investments	1,323,882	4,914,829	1,606,981	838,281	8,683,973
Interest and dividend income	584,243	946,735	411,996	349,554	2,292,528
Total investment income	1,908,125	5,861,564	2,018,977	1,187,835	10,976,501
Less: Investment expenses	71,918	220,442	45,629	47,462	385,451
Deferred retirement option plan participants' earning	-	132,777	-	-	132,777
Net investment income	<u>1,836,207</u>	<u>5,508,345</u>	<u>1,973,348</u>	<u>1,140,373</u>	<u>10,458,273</u>
Total additions	<u>3,043,801</u>	<u>8,830,230</u>	<u>4,667,766</u>	<u>2,998,143</u>	<u>19,539,940</u>
<b>DEDUCTIONS</b>					
Benefits paid	477,383	1,722,202	124,873	510,204	2,834,662
Administrative expenses	69,530	165,813	100,136	69,872	405,351
Refunds of contributions	34,557	13,638	37,824	10,808	96,827
Total deductions	<u>581,470</u>	<u>1,901,653</u>	<u>262,833</u>	<u>590,884</u>	<u>3,336,840</u>
CHANGE IN NET ASSETS	2,462,331	6,928,577	4,404,933	2,407,259	16,203,100
NET ASSETS, OCTOBER 1 - Restated	<u>12,839,857</u>	<u>30,756,597</u>	<u>11,335,301</u>	<u>7,066,991</u>	<u>61,998,746</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 15,302,188</u>	<u>\$ 37,685,174</u>	<u>\$ 15,740,234</u>	<u>\$ 9,474,250</u>	<u>\$ 78,201,846</u>

CITY OF LAUDERHILL, FLORIDA  
 STATISTICAL SECTION  
 FISCAL YEAR ENDED SEPTEMBER 30, 2007

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.....81-85

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.....86-89

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

DEBT CAPACITY.....90-93

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..... 94-95

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

OPERATING INFORMATION.....96-97

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.....98-99

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 FIVE FISCAL YEAR**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 30,455,333	\$ 33,750,444	\$ 31,458,503	\$ 40,245,122	\$ 31,011,883
Restricted	6,798,634	5,100,808	4,643,969	3,224,852	3,352,740
Unrestricted	<u>2,274,118</u>	<u>1,323,133</u>	<u>1,826,652</u>	<u>(2,063,112)</u>	<u>6,214,805</u>
	<u>39,528,085</u>	<u>40,174,385</u>	<u>37,929,124</u>	<u>41,406,862</u>	<u>40,579,428</u>
Business Activities					
Invested in Capital Assets, Net of Related Debt	12,952,757	16,603,233	15,313,066	9,229,731	11,361,249
Restricted	1,642,648	1,826,060	2,565,696	2,063,261	3,225,904
Unrestricted	<u>7,120,115</u>	<u>5,023,062</u>	<u>6,986,447</u>	<u>14,100,843</u>	<u>12,408,154</u>
	<u>\$ 21,715,520</u>	<u>\$ 23,452,355</u>	<u>\$ 24,865,209</u>	<u>\$ 25,393,835</u>	<u>\$ 26,995,307</u>



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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 5,549,472	\$ 7,188,906	\$ 7,825,228	\$ 10,437,902	\$ 13,106,473
Public Safety	18,088,026	19,318,700	21,043,096	26,085,909	27,220,653
Public Works	3,062,120	3,143,153	3,539,765	11,268,896	5,045,729
Recreation and Social Sevcies	5,886,336	5,484,553	8,341,193	5,144,089	7,980,172
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	2,429,421
Total Governmental Activities Expenses	<u>34,290,353</u>	<u>37,310,586</u>	<u>41,903,409</u>	<u>55,306,650</u>	<u>55,782,448</u>
Business-type Activities					
Water and Sewer	10,479,830	10,793,198	11,855,081	12,027,074	11,928,642
Stormwater	1,112,590	1,695,166	2,567,637	3,223,739	3,498,582
Total Business-type Activiites Expenses	<u>11,592,420</u>	<u>12,488,364</u>	<u>14,422,718</u>	<u>15,250,813</u>	<u>15,427,224</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>	<u>71,209,673</u>
<b>PROGRAM REVENUES</b>					
Governmentat Activities					
Charges for Services					
General Government	\$ 1,335,454	\$ 4,423,194	\$ 3,782,796	\$ 3,718,244	\$ 3,011,098
Public Safety	4,409,053	3,880,522	6,370,334	6,766,565	6,818,193
Recreation and Social Sevcies	348,760	548,822	366,858	270,278	523,069
Operating Grants/ Contributions	1,636,116	3,003,761	2,794,438	9,898,002	4,219,394
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>	<u>14,571,754</u>
Business-type Activites					
Water and Sewer	12,286,917	11,392,655	11,626,887	12,406,872	12,227,142
Stormwater	2,130,704	2,060,614	2,825,060	2,919,077	3,662,059
Operating Grants/ Contributions	-	-	75,000	-	-
Capital Grants/Contributions	-	633,264	1,166,970	-	-
Total Business-type Activiites Program Revenues	<u>14,417,621</u>	<u>14,086,533</u>	<u>15,693,917</u>	<u>15,325,949</u>	<u>15,889,201</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>	<u>\$ 30,460,955</u>
<b>NET (EXPENSE) REVENUE</b>					
Governmental Activities	\$ (25,437,215)	\$ (23,836,920)	\$ (27,920,420)	\$ (34,571,818)	\$ (41,210,694)
Business-type Activities	2,825,201	1,598,169	1,271,199	75,136	461,977
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>	<u>\$ (40,748,718)</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>GENERAL REVENUES AND TRANSFERS</b>					
Governmental Activities					
Property Taxes	\$ 8,211,732	\$ 8,999,663	\$ 10,326,553	\$14,027,917	\$ 17,100,159
Other Taxes	7,732,348	7,817,926	9,231,595	12,581,463	12,591,796
Investment Earnings	273,982	172,533	311,228	1,599,334	2,098,581
Other	8,013,353	6,263,204	6,996,304	9,063,657	9,690,510
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>	<u>41,481,046</u>
Business-type Activities					
Investment Earnings	\$ 160,921	\$ 138,666	\$ 141,655	\$ 132,890	\$ 217,841
Miscellaneous	-	-	-	-	921,652
Transfers	-	-	-	320,600	-
Total Business-type Activities Revenues	<u>160,921</u>	<u>138,666</u>	<u>141,655</u>	<u>453,490</u>	<u>1,139,493</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>	<u>42,620,540</u>
<b>NET (EXPENSE) REVENUE</b>					
Governmental Activities	(152,323)	646,300	(2,245,261)	2,379,953	270,352
Business-type Activities	2,986,122	1,736,835	1,412,854	528,626	1,601,470
Total Primary Government	<u>\$ 2,833,799</u>	<u>\$ 2,383,135</u>	<u>\$ (832,407)</u>	<u>\$ 2,908,579</u>	<u>\$ 1,871,822</u>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 87,822	\$ 72,637	\$ 43,787	\$ 62,264	\$ 49,141	\$ 2,406,942	\$ 2,250,682	\$ 91,597	\$ 61,805	\$ 707,160
Unreserved	6,113,060	5,227,982	1,851,342	3,482,167	4,050,539	1,023,533	(71,241)	3,665,104	5,932,960	5,958,123
	<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>	<u>\$ 6,665,283</u>
All Other Governmental Funds										
Reserved	\$ 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	\$ 3,781,937
Unreserved Reported In	-	-	-	-	-	-	-	-	(173,784)	2,994,178
Special Revenue	-	-	-	-	-	-	-	-	-	19,397,877
Capital Project	-	-	-	-	-	-	-	-	-	-
	<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>	<u>\$ 26,173,992</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	2007
<b>REVENUES</b>											
Property Taxes	4,613,784	5,164,218	5,664,670	6,673,891	7,200,386	7,312,101	8,211,732	8,999,663	10,326,553	14,051,334	17,100,159
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	4,420,174
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	8,171,622
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	7,280,089
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	3,131,312
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	9,494,549
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	2,848,814
Fines and Forfeiture	236,435	284,868	383,770	340,621	260,552	277,978	405,533	418,392	362,777	450,644	617,224
Investment Income	354,367	571,409	184,705	269,877	391,880	324,737	273,982	172,533	311,227	1,599,334	2,098,581
Rental Income											133,142
Other	99,969	178,209	150,239	184,182	48,164	112,742	3,669,149	279,108	302,359	559,816	626,531
<b>Total Revenue</b>	<b>20,604,316</b>	<b>22,550,756</b>	<b>22,796,030</b>	<b>24,360,850</b>	<b>27,804,074</b>	<b>29,217,279</b>	<b>36,446,221</b>	<b>36,739,786</b>	<b>40,876,399</b>	<b>58,030,120</b>	<b>55,922,198</b>
<b>EXPENDITURE</b>											
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	12,265,063
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	26,088,653
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	4,334,729
Miscellaneous											6,984,153
Economic and Community Development							1,013,257	1,390,506	41,624		
Debt Service:											
Principal retirement							415,000			1,880,000	1,807,500
Interest and issuance cost							691,142			2,393,270	2,429,420
Capital Outlay:	604,937	1,143,933	1,063,244	1,964,449	1,322,891	489,760	4,835,525	8,837,988	4,336,755	6,570,880	10,516,800
<b>Total Expenditures</b>	<b>19,192,106</b>	<b>20,881,608</b>	<b>22,445,855</b>	<b>24,994,750</b>	<b>25,254,772</b>	<b>26,970,272</b>	<b>37,096,784</b>	<b>43,311,946</b>	<b>42,097,593</b>	<b>61,587,004</b>	<b>64,426,317</b>
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)	(8,504,119)
<b>OTHER FINANCING SOURCE (USES)</b>											
Transfer In										3,848,208	8,424,175
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)	(8,424,175)
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)	2,644,382
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)	(5,859,739)

**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	252,186,850	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
2007	2006	n/a	n/a	n/a	n/a	380,328,250	246,808,100	98,329,092	1,176,566,740	1,013,308	3,035,752,766	4.73

**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		Florida		North		Total Tax Rate
				Government	Schools	Childrens Services	Water Management District	Inland Navigational District	Hospital District	Broward District			
1998	1997	4.4500		7.7524	9.9400	-	0.6970	0.5000	2.4087	2.4087	25.7481		
1999	1998	4.8000		7.8380	9.9745	-	0.6970	0.0470	2.5000	2.5000	25.8565		
2000	1999	5.6000		7.5710	9.7256	-	0.6970	0.0410	2.4803	2.4803	26.1149		
2001	2000	5.6000		7.5710	8.9553	-	0.6970	0.0385	2.4803	2.4803	25.3421		
2002	2001	5.6000		7.4005	8.7541	-	0.6970	0.0385	2.4803	2.4803	24.9704		
2003	2002	5.8200		7.1880	8.4176	0.3055	0.6970	0.0385	2.4803	2.4803	24.9469		
2004	2003	5.8200		7.0230	8.8096	0.3316	0.6970	0.0385	2.5000	2.5000	25.2197		
2005	2004	6.0200	0.6310	7.0230	8.2695	0.3920	0.6970	0.0385	2.4803	2.4803	25.5513		
2006	2005	6.0200	0.6310	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746	2.1746	24.8295		
2007	2006	4.7340	0.7500	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255	1.6255	21.0604		

Source: Broward County Property Appraiser

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

TAXPAYER	TYPE OF BUSINESS	2007			1998		
		TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE
Landings of Inverrary (Apartments)	Real Estate	\$ 23,556,000	1	1.6%	\$ 13,330,800	2	0.9%
Westbrooke of Inverrary (Retirement Home)	Service	21,824,360	2	1.5%	9,529,580	4	0.7%
Inverrary Gardens (Apartments)	Real Estate	21,133,570	3	1.5%	14,620,600	1	1.0%
Target Corporation (Shopping Center)	Retail	18,460,680	4	1.3%	-	-	0.0%
Rossland Real Estate (Lauderhill Mall)	Retail	14,266,500	5	1.0%	6,326,390	3	0.4%
Inverrary 441 Trust (Apartments)	Real Estate	10,007,960	6	0.7%	-	-	0.0%
Inverrary Apartments LLC (Apartments)	Real Estate	7,094,950	7	0.5%	-	-	0.0%
Kimco Development (Shopping Center)	Retail	6,988,390	8	0.5%	-	-	0.0%

**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
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%	
2007	16,045,030	15,414,838	96.07	62,570	15,477,407	96.46%	

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		
1998	\$ -	\$ 6,905	\$ 4,080	\$ -	\$ -	\$ 10,985	198.20
1999	-	11,315	13,536	-	-	24,851	441.75
2000	-	10,680	17,555	-	-	28,235	495.32
2001	-	15,000	14,035	-	1,795	30,830	532.85
2002	-	14,610	16,415	-	1,717	32,742	557.54
2003	-	14,195	15,025	-	4,548	33,768	566.51
2004	-	18,650	14,320	-	7,191	40,161	663.81
2005	35,000	18,305	19,415	5,000	7,584	85,304	1,389.11
2006	33,960	17,465	18,615	5,000	7,262	82,302	1,210.32
2007	33,070	16,595	22,785	4,890	6,920	84,260	1,108.68

\* 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, 2007

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS SINKING FUND	NET GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY *	PER CAPITA **
1998	\$ -	\$ -	\$ -	-	\$ -
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	35,000	-	35,000	1.96	570
2006	33,960	-	33,960	1.27	447
2007	33,070	-	33,070	1.09	435

\* 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, 2007

<b>GOVERNMENTAL UNIT</b>	<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	33,070,000	100.00%	<u>33,070,000</u>
Total Direct and Overlapping Debt			\$ <u><u>74,111,909</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 Lauderhill, 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
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
2007	3,121,322	1,840,847	1.70

Stormwater Revenue Bond Issues

Fiscal Year	Operating Income Before Depreciation and Amortization Plus Interest Income	Debt Service	Times Coverage
1998	\$ -	\$ -	-
1999	-	-	-
2000	-	-	-
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	784,453	217,878	3.60
2007	1,312,936	327,878	4.00

Capital Improvement Revenue Bond Issues

Fiscal Year	1/2 Cent Sales Tax Revenues	Debt Service	Times Coverage
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
2007	3,902,132	1,591,476	2.45

*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**

FISCAL 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
2007	76,000	1,787,636	59,615,576	36,595	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 Lauderdale
500-600	City of Lauderdale

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

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

<b>FUNCTION/PROGRAM</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>General Government</b>					
Commission	5	5	5	5	5
City Manager	4	5	6	5	5
City Clerk	4	4	4	5	5
Redevelopment Agency	0	0	0	1	2
MIS	4	4	4	4	4
Special Events	2	3	3	3	3
Finance	6	7	7	7	6
Purchasing	1	1	1	1	3
Utility Billing	5	5	5	13	15
Management & Budget	0	0	3	2	7
Central Garage	5	5	4	4	4
Resources	4	4	4	6	5
Economic Dev	3	3	0	0	0
CDBG Program	1	4	4	2	2
SHIP Program	1	1	1	1	1
Planning/Zoning	6	6	6	6	6
Code Inspections	15	15	7	10	16
Public Work	10	10	12	9	8
Streets & Roads	5	4	4	2	3
<b>Public Safety</b>					
Police - Administration	7	8	16	9	16
Police - Operations	74	78	84	82	88
Police - Community Serv.	0	0	7	10	20
Police - Support Serv.	37	42	26	42	23
Fire/EMS	63	54	54	54	68
Fire - Building	6	6	6	6	6
Fire Inspections	4	4	4	5	5
Fire - Rescue	25	34	34	35	25
<b>Culture and Recreation</b>					
Rec-Admin	4	4	4	4	3
PALS - Aquatics	2	2	2	2	2
PALS - Athletic Programs	4	4	4	5	3
PALS - Grounds Main.	25	20	20	20	3
PALS-Sports Park	0	6	6	5	1
PALS - Childrens Programs	1	2	2	3	1
PALS -Municipal Golf Course	0	2	2	2	0
Rec Maintenance	0	0	0	3	0
PALS - Community Services	8	9	9	6	5
<b>Business Enterprise</b>					
Utility Admin	10	10	10	10	8
Water	10	10	10	11	8
Stormwater	12	12	18	17	18
Stormwater Construction	0	0	0	3	4
Sewer	29	29	30	29	24
<b>TOTALS</b>	<b>397</b>	<b>417</b>	<b>423</b>	<b>444</b>	<b>431</b>

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

<b>FUNCTION/PROGRAM</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Public Safety					
Police					
911 & Non Emergency Calls Received	62,791	59,205	64,459	72,793	74,577
Citations Processed	9,330	9,887	8,505	13,214	9,627
Arrests Processed	1,508	1,814	1,754	1,861	1,936
Fire Rescue					
Total Incidents	9,694	10,384	11,974	12,421	12,246
Total Fire Incidents	243	277	284	296	265
Physical Environmen					
Water Distribution					
Water Main Failures	-	-	-	-	-
New Water Mains Construction (Feet)	-	-	-	73,920	-
Raw Water Treated (Billions of Gallons)	-	-	-	-	2193.528
Water Treatment					
Raw Wastewater Treated (Bilion of Gallons)	-	-	-	-	-
Sanitation					
Household Refuse Collected (Tons)	-	-	-	-	-
Recycling Tonnage	-	-	-	-	-
Culture and Recreation					
Parks and Recreation					
Pavilion Rentals	-	-	-	396	1,244
Park Attendance	-	-	-	200,336	325,871
Pool Attendance	-	-	-	15,847	18,136

\*Figures were unavailable



**City of Lauderhill - Financial Statistics**

**Florida Municipal Insurance Trust  
Insurance Coverage  
October 1, 2006-2007**

**The following information is presented in accordance with the City of Lauderhill's Request:**

Comprehensive Municipal Insurance Program  
October 1, 2006 to September 30, 2007.

**Includes:**

General Liability	Auto Liability	Auto Physical Damage,
Public Officials/Employment	Practices Liability	Law Enforcement
Workers' Compensation	Property	Flood.

**Deductibles:**

Property Retention)	\$100,000 SIR (Self Insured
General and Auto Liability	\$100,000 Deductible
Workers' Compensation Retention)	\$400,000 SIR (Self Insured
Public Officials	\$100,000 Deductible

**Florida Municipal Insurance Trust Lines- FMIT Number 0326.**

- **Property** limits of 33,083,900 with \$100,000 deductible on all other perils and 33,083,900 with 5% Named Windstorm deductible.
- **Flood** \$500,000 maximum limit over NFIP primary limit if primary is elected.
- **General Liability/Public Officials Liability/Employee Benefits Liability** limit of 1,000,000 General and Public Officials Liability and \$1,000,000 Employee Benefits Liability. Limit is per occurrence no aggregate applies.
- **Automobile Liability** \$1,000,000 and Auto Physical Damage per schedule.
- **Worker's Compensation and Employer's Liability** limit of \$1,000,000.
- **Law Enforcement** \$1,000,000. All limits exclusive of \$100,000 Self Insured Retention.

- **Annual Policy Premium \$885,593.**
- Policy premium is not inclusive of additions or deletions of property or auto after the policy inception date.