

Comprehensive Annual Financial Report

City Of
Pompano Beach,
Florida

Fiscal Year Ended September 30, 2009

Prepared by the
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CITY OF POMPANO BEACH, FLORIDA

Commission-Manager Form of Government

CITY COMMISSION

Lamar Fisher
George Brummer
Barry Dockswell
Charlotte Burrie
Rex Hardin
Woodrow J. Poitier

Mayor at Large
Vice Mayor, District V
Commissioner, District I
Commissioner, District II
Commissioner, District III
Commissioner, District IV

APPOINTED OFFICIALS

Dennis Beach
Gordon B. Linn
Mary Chambers
Barbara DeLeon

City Manager
City Attorney
City Clerk
Internal Auditor

CITY OF POMPANO BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2009
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INTRODUCTORY SECTION



City of Pompano Beach, Florida

February 26, 2010

The Honorable Mayor,
Commissioners and Residents of the
City of Pompano Beach, Florida

Dear Honorable Mayor, City Commissioners and Residents:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Pompano Beach, Florida (the City), for the fiscal year ended September 30, 2009. This report, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), was prepared by the City's Finance Department and audited by an independent firm of certified public accountants, McGladrey and Pullen, LLP, as mandated by Florida Statutes, Chapter 218.39, *Annual Financial Audit Reports*. The audit was conducted in accordance with the rules of the Auditor General of the State of Florida, promulgated pursuant to Florida Statute, Chapter 11.45. The independent auditor has issued an unqualified opinion that this report fairly presents the financial position of the City and complies with applicable reporting standards.

The City is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. Management has established an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds.

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The City is required to undergo an annual single audit performed under the provisions of the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations are included in a separate report.

This report is divided into three parts. The Introductory Section provides a summary of the contents of the entire report and general information about the reporting entity. The Financial Section includes the Independent Auditors' Opinion, Management's Discussion and Analysis (Unaudited), the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information (Unaudited), and the Combining and Individual Fund Financial Statements and Schedules. The Management's Discussion and Analysis section provides a narrative introduction, overview and analysis of the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City was incorporated in 1947 and covers an area of approximately 25.08 square miles. The legal authority by which the City was created and is governed is its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large. In addition to general government services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. Furthermore, the City's water and sewer, stormwater, sanitation, golf, pier and airpark operations are reported as enterprise funds.

Located in Broward County, Florida, the City is centrally located between Palm Beach and Miami, and is the year round home to 99,031 residents. During the peak season (*September through March*), this number increases to nearly 150,000. As the name implies (*Pompano - a species of in-shore tropical game fish*) the City is famous for some of the world's best sport fishing. Once a thriving agricultural community, the City has evolved into a warehouse/distribution hub for a wide range of companies that service the over 5 million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp.

The City offers 3 miles of beautiful shoreline and the City's public beach has been declared a Blue Wave Award winner since 2000. Additionally, in 2005 the City was named an All-America City. The All-America City Award is America's original and most prestigious community recognition award honoring communities in which community members, government, businesses and non-profit organizations work together to address critical local issues. The City has also been declared a Tree City USA for the twentieth year and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests. Due to its mild year round climate, visitors to the City can also enjoy its beautiful parks, beaches, boating, fishing, scuba diving and all other types of outdoor recreation.

Due to its tremendous transportation links, the City is now home to over 30 million square feet of industrial/warehouse/distribution space, which includes regional headquarters for companies such as Aetna, Aquathin, Associated Grocers, FedEx Ground and Stimpson Co. The City provides access to both the Florida Turnpike and Interstate 95 and also provides access to both the CSX and FEC railroads.

THE REPORTING ENTITY

The accompanying CAFR includes the financial activities of the City, the primary government, and its component units, which are the Pompano Beach Emergency Medical Services District ("EMS"), the Herb Skolnick Cultural Arts Foundation, Inc. (the CAF) and the Pompano Beach Community Redevelopment Agency, which includes the Northwest and the East Districts (the Districts). Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board ("GASB"). The criterion used for including component units consists of identification of legally separate organizations for which elected officials of the City are financially accountable. The criterion also includes identification of organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete and as such, these entities are presented on a blended basis.

EMS is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS has been presented as a blended component unit because it is governed by the City Commission. The EMS fund is reported as a special revenue fund.

The CAF and the Districts have also been presented as blended component units because they are governed by the City Commission. The CAF and the Districts are reported as special revenue funds.

FACTORS IMPACTING ECONOMIC CONDITION

Industrial

Over the past decade the major thrust of economic expansion in the City has been from industrial development. From 1998 to 2007, 9,673,868 square feet of industrial, manufacturing and warehouse space has been constructed, averaging one million square feet of new space per year. The market for new industrial space fell short of that average with only 610,885 square feet approved in 2009. The largest building was for the Pompano Center for Commerce, which received permits for 377,652 square feet in building space.

Residential

In the short term, the residential market is dismal. The market for new construction has evaporated and the market for used residential units continues to remain soft in 2009. Foreclosures and job losses continue to drive down the market prices for existing residential units. Changes in the life situations of the elderly contribute to the number of used homes coming on the market. Tighter restrictions on credit also contribute to illiquidity in the residential market. In addition, many homeowners who have purchased their homes in recent years find themselves "upside down" due to falling prices, owing more on the mortgage than the current market value of the house, creating potential instability.

In the long term, it is expected that the residential market will experience a strong recovery. The City has always had a very large retiree population (22.4% over the age of 62 years). As the members of the baby boom generation (those born between 1946 and 1964) begin to seek retirement homes, the residential market will rebound as they purchase homes. These new retirees will come to the City, where many of the residential units were designed for retiree living and are still relatively affordable.

There are several large residential projects still ongoing in the City:

- The site of the former Skycrest Mobile Home Park on South Dixie Highway was approved for 312 dwelling units. Construction has not yet started;
- Orchid Grove, a 483 unit townhouse development on Cypress Road - Half of the units have been built, the other half will be constructed when the sales pace for the unsold units picks up;
- The Atlantic Point project, located at East Atlantic Boulevard and SR A1A, consists of 186 housing units and construction of 50,465 square feet of new commercial space is completed. The commercial space has not been leased and the sales pace for the luxury condominiums has slowed. The developer, WCI Communities, is now in bankruptcy proceedings;
- The site of the former Bali Hi Mobile Home Park on North Federal Highway, is being redeveloped for about 420 residential units to be marketed to financially affluent senior citizens;
- North of the former Bali Hi Mobile Home Park at 4661 North Federal Highway, there is another housing development for 113 townhomes;
- Palm Aire Resorts, Ltd, Partnership proposes to convert the Palm Aire Golf Course, lying north of West Atlantic Boulevard and west of NW 31st Avenue, into a residential

development of 907 housing units on 84.88 acres. The application to amend the Future Land Use Plan is still in process; and

- Finally, the Housing Authority of Pompano Beach completed a 302 apartment complex along NW 18th Avenue north of Dr. Martin Luther King, Jr. Blvd.

North Andrews Extension

The long awaited construction of the missing segment of the North Andrews Extension between Copans Road and West Atlantic Boulevard is finished and opened for traffic in December 2008. This new road will provide a superior transportation corridor to hundreds of acres of industrial property, west of I-95.

The widening of North Andrews Avenue from NW 18th Street to Copans Road, to four lanes, is scheduled to be complete in 2014. In addition, the widening of North Andrews Avenue from West Atlantic Boulevard to SW 3rd Street, to four lanes, is scheduled for 2025 (this section requires extensive right of way acquisition).

Isle of Capri Casino

The Isle of Capri Casino opened in April 2007 at the Pompano Park Harness Track. This casino is one of the four allowed in Broward County by local initiative. Three of the four casinos are complete, while the owner/operator of the fourth casino has postponed construction. The Isle of Capri Casino is limited to slot machines, like the other two casinos. All three casinos are facing serious competition from the Hard Rock Casino, which is located on Seminole Indian tribal land north of Hollywood and offers Black Jack and table games.

Florida Governor, Charles Crist, negotiated an agreement with the Seminole Indian tribe regarding expansion of their gaming activities. As part of the agreement, the Seminole Indian tribe has to pay monies in lieu of taxes, which the State of Florida will utilize to reduce expected budget deficits. However, State of Florida legislative approval is needed for passage. As a result, other bills regulating gaming have been proposed to reduce the state taxes on gaming receipts from 50 percent to a 30-35 percent range, and to allow increased betting limits for card games and betting on simulcast broadcast of horse racing at other racetracks. The proposed legislation would greatly benefit the Isle of Capri Casino and ultimately the City.

Property Tax Reform and Other Revenue Sources

During June of 2007, the Florida Legislature adopted a Property Tax Relief and Reform Package. Beginning with fiscal year 2008, all cities and counties were required to roll back ad valorem tax revenues to the 2006-2007 levels and then reduce it by an additional percentage. As a result of this legislation, the City's General Fund continues to be impacted by the limitation on the normal increases in property tax revenues, pre-tax reform legislation. In addition, most other revenue sources received by the City are susceptible to economic factors, such as consumer spending patterns and overall recessionary pressures. As a result, it will be necessary for the City to continue to budget conservatively for all revenue sources.

Increased Costs

While revenues remain virtually stagnant and continue to remain susceptible to economic pressures, municipal costs continue to increase. In addition to increased operating costs, increased pension and health care costs will be a challenge for the City in the upcoming fiscal years.

Both the General Employees Retirement System and the Police and Firefighters Retirement System Pension Plans (the "Plans") have experienced substantial investment losses due to the overall

downturn in the global financial markets. These losses have had a negative impact on the Plans recent actuarial valuations. As a result, it is anticipated that employer contribution rates will increase

in future years in order to sustain funding levels. Both Plans employ smoothing of investment gains and losses over a five year period, in an effort to avoid the immediate short term impact of investment losses on the City's contribution rate.

MAJOR INITIATIVES

The City commenced or completed many significant improvements and programs during the year to meet the needs of the community. The most significant programs and improvements for the fiscal year ending September 30, 2009 were:

- Community Park improvements involves the demolition of the old municipal stadium and construction of two new ballfields, two practice fields and a combination football/soccer field next to the existing Four Fields in Community Park. Total cost is approximately \$6 million dollars. Construction is expected to be finished in 2010.
- The beach fire station will be rebuilt on the barrier island at NE 3rd Street and the Intracoastal Waterway at a cost of approximately \$3 million.
- A new fire station to serve the annexed areas has been proposed. Although a location has not been selected, the estimated cost is \$4.6 million. This project will begin in 2010.
- The City will construct distribution lines for reclaimed water in the residential area between the Intracoastal Waterway and Federal Highway. The City continues to budget \$.3 million annually for the project. Also, in 2008 the City awarded a contract to extend the reclaimed water distribution main across East Atlantic Boulevard to the City Cemetery. The reclaimed water will only be used for irrigation of landscaped areas, thus saving our drinking water supplies for household use.
- The first twenty drainage projects in the Storm Water Master Plan have been completed. Nine (9) projects in phase two of the Storm Water Master Plan have been completed. The remaining projects are being scheduled over the next five year period. Estimated total cost for the phase two projects is \$10.3 million.

FINANCIAL POLICIES AND PLANNING

Financial Policies – The City has adopted a written comprehensive investment policy to safeguard against the loss of its assets. Oversight for the investment program lies with the Finance Director under the direction of the City Manager. During the current fiscal year the City revised its investment policy and further contracted with an investment manager in order to allow the City to navigate the challenges in the financial markets. The City's investment program is established in accordance with the City's investment policy, which was adopted by ordinance by the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment Policies), which establishes investment plan guidelines for local governments in Florida. The City's investment guidelines permit the investment of City funds in United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Paper, Time Deposits (Certificates of Deposit), Repurchase Agreements, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories in accordance with Florida State Statute Chapter 280.01 (Security for Public Deposits). All securities are purchased on a delivery-versus-payment basis. This requirement assures the City that it has possession of the securities before release of its funds.

The investments of the pension plans are controlled by the pension boards, who have hired professional money managers responsible for managing the assets of those funds.

Budget Projections – Multi-year budget projections based on a budget forecast model are currently being prepared by the City's Budget Office to forecast financial issues beyond the typical next year budget timeframe. This tool will allow the City to adjust expenditure levels to those of available future revenues to prevent financial emergencies.

Risk Management – The City is exposed to various risks and losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and group health. The City is self-insured except for commercial insurance purchased for airport liability and group health insurance, and purchases of excess commercial insurance beyond the self-insured retention for general liability, auto liability, property damage and workers' compensation and has not incurred a reduction in insurance coverage. No workers' compensation settlements exceeded the City's current self-insured retention levels in fiscal year 2009.

Pension Plans – Two defined benefit plans are maintained for employee retirement; the General Employee's Retirement System and the Police and Firefighters' Retirement System. Funding of these plans continue on an actuarially sound basis. The City has also established a Defined Contribution Retirement System for certain professional and managerial employees, but does not contribute to the Plan on behalf of its employees.

REPORTING ACHIEVEMENT AND ACKNOWLEDGEMENTS

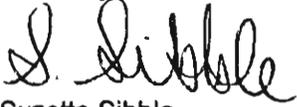
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the year ended September 30, 2008. The City has received the GFOA's prestigious Certificate of Achievement for Excellence in Financial Reporting award for twenty-seven years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The financial responsibility exhibited by the Commission throughout the year is certainly commendable, especially given the current and future challenges faced by the City given continued economic decline impacting the fiscal affairs of the City and ultimately the residents of the City. Your interest in the fiscal matters of the City combined with a commitment to assume continual sufficient financial capacity is appreciated.

This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Sincere appreciation is extended to them for their efforts in the preparation of this report. Special thanks to Larry Schuster, the City's Principal Planner for his contributions in providing readers with a summary of economic conditions and major initiatives impacting the City and Chris Clemens, City Planner, for his contributions in providing a comprehensive profile of the City.

For further information, please refer to the Management's Discussion and Analysis section (page 3) of this report.

Sincerely,

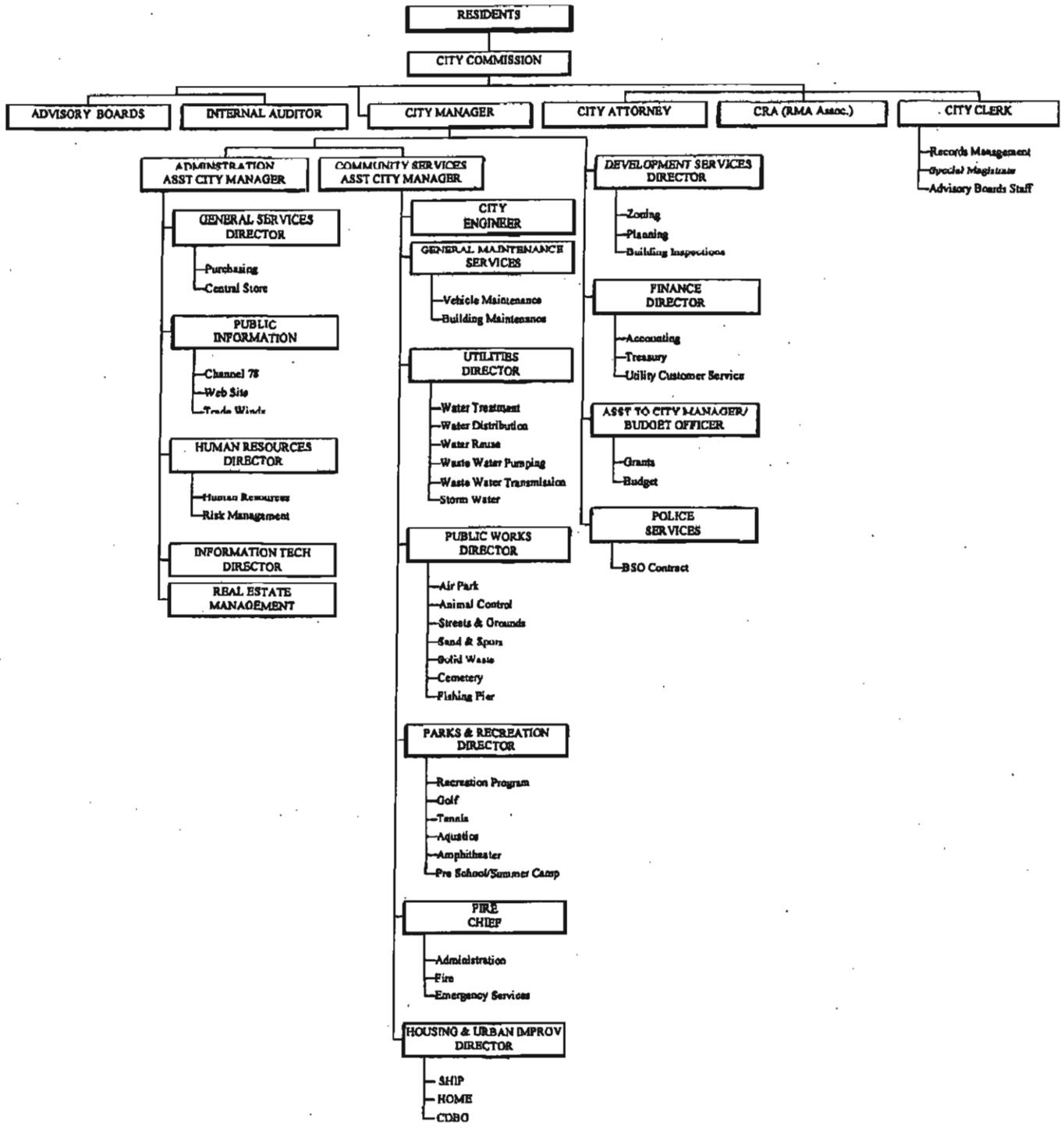
A handwritten signature in black ink, appearing to read "S. Sibble".

Suzette Sibble
Finance Director

A handwritten signature in black ink, appearing to read "Dennis Beach".

Dennis Beach
City Manager

City of Pompano Beach Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Pompano Beach
Florida**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008**

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



President

Executive Director

FINANCIAL SECTION

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

Honorable Mayor, Members of the City of Pompano Beach
City Commission and City Manager,
City of Pompano Beach, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pompano Beach, Florida (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, which represent 78% of the total assets and 29% of revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pompano Beach, Florida, as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated February 26, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the police and firefighters' retirement system, general employees' retirement system and other post employment benefits schedules of funding progress, and the budgetary comparison schedules – general fund, northwest community redevelopment district fund and the emergency medical services fund are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Fort Lauderdale, Florida
February 26, 2010

City of Pompano Beach, Florida
Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2009
(Unaudited)

The City offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv through x of this report.

New Accounting Pronouncements Adopted

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The City has implemented this accounting pronouncement within the required timeframe. There were no significant obligations requiring the recording of a liability and/or disclosure at September 30, 2009.

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued March 2009, is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The City has implemented this accounting pronouncement within the required timeframe in its reference to authoritative literature to determine the proper application of accounting principles in the preparation of its financial statements.

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, issued March 2009 is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement incorporates into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting* principles—related party transactions, going concern considerations, and subsequent events. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards.

New Accounting Pronouncements Not Yet Adopted

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, is effective for the City beginning with its fiscal year ending September 30, 2010. This Statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. Although the City's management has begun its assessment of this new pronouncement, it has not yet been determined the effect this Statement will have on the City's financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its fiscal year ending September 30, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make

investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. The City's management does not anticipate that this statement will have an impact on its financial statements as the City's investment policy prohibits investments in derivative instruments. However, should the statement apply to the City's separately managed pension plans, management of the City will ensure that the statement will be implemented by the pension plans within the required timeframe.

GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, issued February 2009, will be effective for the City beginning with its fiscal year ending September 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City's management is aware of this requirement and has already begun to assess its impact.

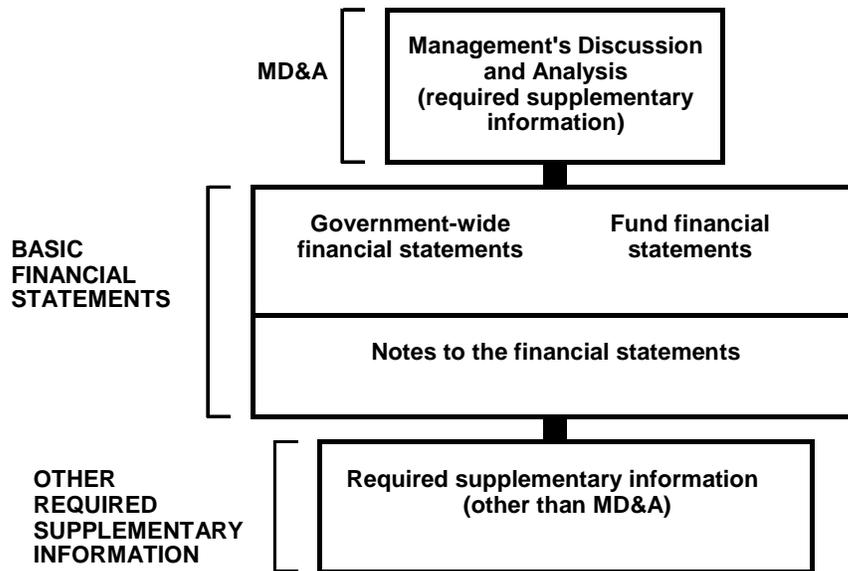
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an optional section that presents combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general government services like public safety were financed in the short-term, as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and sewer utility.
- Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for the City's employees, in which the City acts solely as trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

FIGURE 1



FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by **\$527.6 million**. Of this amount, **\$189.0 million** (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. The City's total net assets increased by **\$10.0 million**.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of **\$179.7 million**, representing an increase of \$12.2 million from the previous fiscal year.

The General Fund accounted for approximately \$7.3 million of the net increase. This was primarily due to greater than anticipated collections for utility taxes, communication service taxes, pari mutuel revenue, fines and forfeitures and delinquent ad valorem taxes collected in the current fiscal year. The increase was also a result of lower than anticipated expenditures for the public safety function (vacancy credits), the Public Works and Culture and Recreation functions (primarily due to prolonged vacancies, resulting from the City's effected hiring freeze), and less than anticipated expenditures from working capital reserves (community improvement fund).

Approximately \$6.2 million of the net increase is the result of activity for the Pompano Beach Community Redevelopment Agency Northwest District, primarily due to the capitalization of property acquisition and related costs to "assets held for resale" (representing a cash outflow) in the current fiscal year. In addition, management turnover during the fiscal year delayed project activities. In July 2009 the Agency contracted with Redevelopment Management Associates to serve as Executive Director for the Agency.

The Capital Projects Fund reported a negative change in fund balance for the fiscal year, as projects were funded with fund balance reserves that had been committed to various projects in previous fiscal years.

- At the end of the current fiscal year, unreserved fund balance for the General Fund was **\$65.7 million**. Approximately 82% of this amount has been designated by management for various purposes (such as hurricane and operating contingency funds and community improvement funds).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, physical environment, and culture and recreation. The business-type activities of the City include utilities, stormwater, sanitation, golf, airpark and pier activities.

The government-wide financial statements include not only the City itself (the primary government), but also its blended component units, as discussed in the notes to the financial statements. In addition, the City has two defined benefit pension plans and a defined contribution pension plan established for the exclusive benefit of its employees and beneficiaries. The pension plans are reported as fiduciary funds in the fund financial statements of this report, but are not included in the government-wide statements. The government-wide financial statements can be found on pages 20 through 22 of this report.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements include statements for each of the three fund types- governmental, proprietary and fiduciary. The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Reconciliations of the Governmental Fund Financial Statements to the Government-wide Financial Statements are provided in the Basic Financial Statements (pages 25 and 28) to explain the differences between the governmental fund financial statements and the government-wide financial statements.

REPORTING THE CITY AS A WHOLE

Governmental-wide Financial Analysis - Net assets may serve over time as a useful indicator of the government's financial position. In the case of the City, assets exceeded liabilities by **\$527.6 million** at **September 30, 2009**. Net assets may serve over time as a useful indicator of a government's financial position. The City's net assets increased by **\$10.0 million** during the current fiscal year. The largest portion of the City's net assets **58%** reflects its investment in capital assets (e.g., land, building, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service 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 those liabilities. Approximately **6%** or **\$33.9 million** of net assets is subject to external restrictions for various purposes (e.g. building fund, capital projects).

TABLE 1

SUMMARY OF NET ASSETS
SEPTEMBER 30, 2009 and 2008

	Governmental		Business-type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 217,037,430	201,188,195	\$ 66,424,760	67,584,122	\$ 283,462,190	\$ 268,772,317
Capital assets	206,553,533	209,045,782	131,516,549	131,106,147	338,070,082	340,151,929
Total assets	423,590,963	410,233,977	197,941,309	198,690,269	621,532,272	608,924,246
Long-term liabilities	45,510,224	42,419,156	36,283,967	39,042,551	81,794,191	81,461,707
Other liabilities	7,746,060	6,033,331	4,356,755	3,789,734	12,102,815	9,823,065
Total liabilities	53,256,284	48,452,487	40,640,722	42,832,285	93,897,006	91,284,772
Net assets:						
Invested in capital assets						
net of related debt	205,458,533	207,930,782	99,197,519	97,062,152	304,656,052	304,992,934
Restricted	29,455,841	31,369,262	4,476,707	13,573,396	33,932,548	44,942,658
Unrestricted	135,420,305	122,481,446	53,626,361	45,222,436	189,046,666	167,703,882
Total net assets	\$ 370,334,679	361,781,490	\$ 157,300,587	155,857,984	\$ 527,635,266	\$ 517,639,474

At **September 30, 2009**, the City is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate categories-governmental and business-type activities.

Governmental Activities – There was an increase of **\$15.8 million** in current and other assets for governmental activities, primarily as a result of an adjustment to the net pension asset (as actuarially determined) reported for the City’s General Employees Retirement Pension Plan and the Police and Fire Retirement System Pension Plan, as well as current year operations, as discussed on page 9.

There was a decrease of **\$2.5 million** in capital assets. The decrease noted was primarily due to the net effect of current fiscal year construction activity (as discussed in more detail on page 16) and the recognition of current fiscal year depreciation expense.

The increase of **\$3.1 million** in long-term liabilities is primarily the result of an increase in the recorded liability for other post employment benefits (OPEB) in the current fiscal year (approximately \$1.6 million), the result of the City’s policy to fund its OPEB obligation on a pay-as-you go basis, combined with changes in various actuarial assumptions (health cost trend rates and morbidity rate), an increase in the claims and judgments liability (approximately \$1.8 million) as actuarially determined, due to a revision in loss development related to certain workers compensation cases as a result of an increase in incurred losses, and an increase in compensated absences liability (approximately \$0.5 million). The increase of **\$1.7 million** in other liabilities is primarily the result of an increase in accounts payables due to the timing of the processing of vendor payments and accrued payroll expenses, primarily due to the payout of 9.5% bonus to general employees in October 2009.

Business-type Activities – The decrease of **\$1.2 million** in current and other assets is primarily as a result of current year’s operations, as discussed on page 10.

The increase of **\$.4 million** in capital assets is primarily due to current fiscal year construction activity (as discussed in more detail on page 17) and the recognition of current fiscal year depreciation expense. The decrease of **\$2.8 million** in long-term liabilities is primarily the result of the satisfaction of debt service requirements for the 2006 Water and Sewer Bonds in the current fiscal year. The increase of **\$.6 million** in other liabilities is the result of the refund of previously remitted rental amounts by a tenant at the City's Airpark, with regard to the computation of past annual rental increases.

Analysis of the City's Operations

The following table provides a summary of the City's changes in net assets for the fiscal year ended **September 30, 2009**.

TABLE 2
CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	Governmental		Business-type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 34,289,439	33,218,119	\$ 46,883,660	45,052,265	\$ 81,173,099	78,270,384
Operating grants & contribs.	3,384,796	4,718,209	-	35,268	3,384,796	4,753,477
Capital grants and contribs.	3,736,634	2,367,151	796,775	805,267	4,533,409	3,172,418
General revenues:						
Taxes	75,547,782	77,112,469	-	-	75,547,782	77,112,469
Franchise fees	9,097,345	9,161,456	-	-	9,097,345	-
State revenue sharing	7,417,427	8,299,249	-	-	7,417,427	8,299,249
Gain from sale of capital assets	3,626	39,875	6,800	100,184	10,426	140,059
Investment earnings	3,518,665	5,571,020	1,099,783	1,690,003	4,618,448	7,261,023
Miscellaneous	835,460	704,511	417,233	439,655	1,252,693	1,144,166
Total revenues	137,831,174	141,192,059	49,204,251	48,122,642	187,035,425	189,314,701
Expenses						
General government	30,976,218	30,134,110	-	-	30,976,218	30,134,110
Public safety	72,982,320	70,342,631	-	-	72,982,320	70,342,631
Physical environment	13,122,352	11,987,508	-	-	13,122,352	11,987,508
Transportation	3,837,107	3,811,263	-	-	3,837,107	3,811,263
Culture and recreation	8,632,761	9,183,233	-	-	8,632,761	9,183,233
Interest costs	932,515	884,964	-	-	932,515	884,964
Utility	-	-	36,050,530	33,570,638	36,050,530	33,570,638
Sanitation	-	-	3,605,435	3,302,781	3,605,435	3,302,781
Stormwater	-	-	1,891,753	1,646,758	1,891,753	1,646,758
Pier	-	-	139,979	127,568	139,979	127,568
Airpark	-	-	1,399,077	1,412,469	1,399,077	1,412,469
Golf course	-	-	3,469,586	3,386,558	3,469,586	3,386,558
Total expenses	130,483,273	126,343,709	46,556,360	43,446,772	177,039,633	169,790,481
Increase in net assets before special item and transfers	7,347,901	14,848,350	2,647,891	4,675,870	9,995,792	19,524,220
Special item	-	-	-	340,199	-	340,199
Transfers	1,205,288	(5,581,068)	(1,205,288)	5,581,068	-	-
Increase (decrease) in net assets	8,553,189	9,267,282	1,442,603	10,597,137	9,995,792	19,864,419
Beginning net assets - 10/01/08	361,781,490	352,514,208	155,857,984	145,260,847	517,639,474	497,775,055
Ending net assets - 09/30/09	\$ 370,334,679	361,781,490	\$ 157,300,587	155,857,984	\$ 527,635,266	517,639,474

Governmental Activities – During fiscal year 2009 the Florida Department of Financial Services revised the grouping for its chart of accounts by reclassifying revenues derived from special assessments from “charges for services” to “permits, fees and special assessments”. The fiscal year 2008 figures denoted above have therefore been restated, accordingly, for comparative purposes.

Governmental activities increased the City’s net assets by **\$8.6 million**.

Charges for services increased by **\$1.1 million** primarily as a result of the net effect of an increase in emergency transport fees collections, a decrease in permit revenue due to less construction activity, as well as an increase in rent charged by the General Fund to various proprietary funds related to parcels owned by the General Fund and utilized by these funds for operations.

Operating grants and contributions decreased by **\$1.3** primarily as a result of less SHIP funds expended in the current fiscal year as compared to the previous fiscal year. SHIP funds are advance funded and as a result, revenue related to these funds is not recognized until expenditures related to grant activity has been incurred.

Capital grants and contributions increased by \$1.4 million primarily as a result of the City qualifying for additional grant funds from the Federal Emergency Management Agency (FEMA) for hurricane impact glass at City Hall, the recognition of additional CDBG/Home grant funds in the current fiscal year due to an increase in grant activity, the receipt of CDBG Disaster Recovery grant funds (Golden Acres Development) and the donation of infrastructure from Broward County (the County) related to park improvements at North Broward Park, in accordance with the City’s Highlands annexation agreement with the County.

The decrease of **\$1.6 million** in taxes is primarily due to a decrease in debt service ad valorem revenue due to the current fiscal year debt service assessment in accordance with the debt amortization repayment schedule, as well as a decrease in pari-mutuel revenues derived from the Isle of Capri Racino.

The decrease of **\$.9 million** in state revenue sharing is the result of less revenue received from the State of Florida. This revenue source is a function of state sales tax, municipal fuel taxes and state alternative fuel user decal fees.

The decrease of **\$2.1 million** in investment earnings is primarily the result of a decrease in various revenue sources from the prior fiscal year, resulting in less surplus funds available for investing, as well as a general decrease in interest rates.

General government expenses increased by **\$.8 million** primarily as a result of the net effect of an increase in the City’s liability for other post employment benefits, as actuarially determined, an increase in the compensated absences liability, an increase in the claims and judgments liability as actuarially determined, the write-off of CIP amounts in the prior fiscal year (no significant write-offs in the current fiscal year) and the recording of a liability for a loan due Broward County for improvements to Atlantic Boulevard in the prior fiscal year.

Public safety expenses increased by **\$2.6 million** primarily as a result of the net effect of an adjustment to the net pension obligation reported at prior fiscal year-end for the Police and Fire Retirement System pension plan (as actuarially determined), the re-class of lifeguards from the Culture and Recreation Department to the Fire Department during the current fiscal year and an increase in contractual amounts paid to BSO for policing services, including the City’s amendment of the contract with BSO to fund additional officers. The City has been approved for U.S. Department of Justice Grant Funds to cover the additional officers.

Physical environment expenses increased by **\$1.1 million** primarily as a result of an increase in expenses for the CDBG/Home grants and an increase in internal service charges, primarily risk management.

Culture and recreation expenses decreased by **\$.6 million** primarily as a result of the re-class of lifeguards from the Parks and Recreation Department to the Fire Department in fiscal year 2009.

The change of \$6.8 million in net transfers is primarily the result of the transfer of funds from the General Fund to the Airpark Fund to facilitate the buyout land deed restrictions at the Airpark from the Federal Aviation Administration in fiscal year 2008.

Business-type Activities - The business-type activities increased the City's net assets by **\$1.4 million**. The Utility, Airpark and Stormwater funds primarily produced the net increase in net assets with an increase of approximately **\$1.1 million** being attributable to the Utility Fund, and **\$.2 million** and **\$.6 million** to the Airpark and Stormwater funds, respectively. Decreases in net assets for the Pier and Golf Funds primarily account for the net increase noted overall. The Pier Fund did not have any receipts during the current fiscal year. The Pier rehabilitation project is now complete and the City is in the process of soliciting interest for the private operation of a bait shop, food concession and umbrella/chair rentals. The Golf Fund continues to operate at a deficit and as a result, operations continue to be subsidized by the General Fund.

Charges for services reported in business-type activities increased by **\$1.8 million** in comparison to the prior year primarily as a result of an increase in the Utility and Sanitation Funds. The increase in the Utility Fund is the result of a 3% increase in water rates effective October 1, 2008 coupled with an increase in consumption. The increase in the Sanitation Fund is the result of the City beginning to service garbage accounts for Leisureville residents in fiscal year 2009. The servicing of these garbage accounts resulted in an increase in current expenses in that fund related to the City's contract with Waste Management.

The decrease in investment earnings of **\$.6 million** is the result of a decrease in surplus funds available for investing, as well as a decrease in interest rates. Although the Utility and Sanitation funds saw an increase in charges for services during the fiscal year, this was offset by an increase in operating expenses.

Utility operating expenses increased by **\$2.5 million** primarily as a result of the capitalization of interest related to the outstanding water and sewer bonds in the prior fiscal year (interest was not capitalized in the current fiscal year as related projects did not incur significant expenses), a rent charge from the General Fund related to land owned by the General Fund and utilized by the Utility Fund for operations, increased personnel costs due to annual merit increases and the recognition of current fiscal year depreciation expense.

Sanitation operating expenses increased by **\$.3 million** primarily as a result of the City taking over the servicing of garbage accounts for Leisureville, which in turn resulted in an increase in contracted payments to Waste Management for disposal services.

The \$6.8 million change in net transfers is primarily a result of the receipt of funds by the Airpark Construction Fund from the General, Utility, Golf and Internal Services Funds, to facilitate the buyout of land deed restrictions from the Federal Aviation Administration in fiscal year 2008.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants.

However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

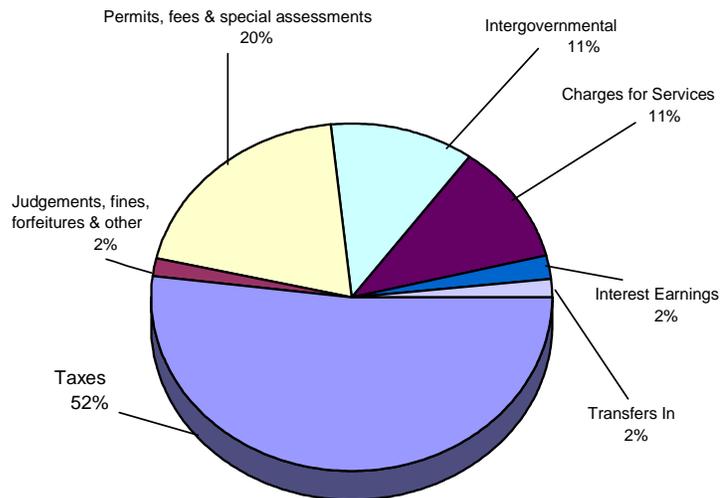
Governmental Funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those of the governmental activities of the Government-wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

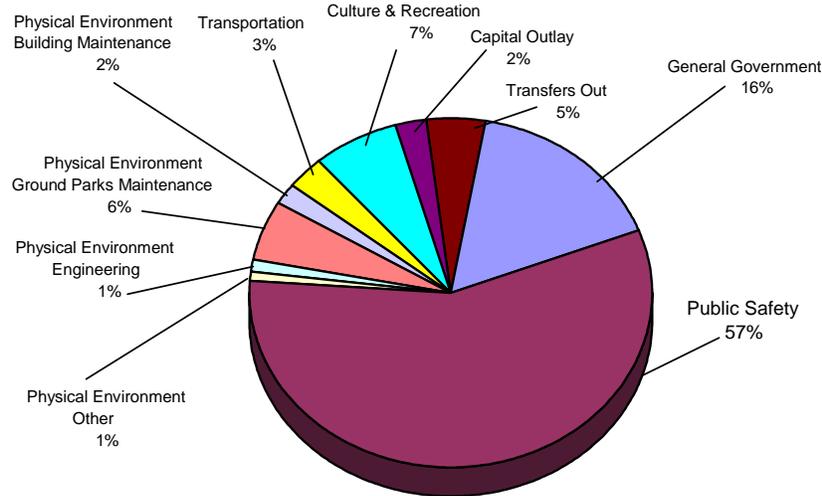
The General Fund

The General Fund is the chief operating fund of the City. The following pie charts depict the breakdown of actual receipts by revenue source and expenditures, by function, for the fiscal year ended September 30, 2009:

Revenues Received By Source



Actual Expenditures By Function



At the end of the current fiscal year, unreserved fund balance for the General Fund was \$65.7 million, while total fund balance was \$96.4 million. The fund balance for the City's General Fund increased by \$7.3 million during the current fiscal year.

Compared to the prior fiscal year, there was an increase of \$.6 million in tax revenue, primarily due to the net effect of a decrease in pari-mutuel revenue, an increase in current and delinquent property tax collections and an increase in communication service taxes. The increase in communication service taxes was the result of an audit performed by the Florida Department of Revenue, resulting in the reallocation of prior collections to applicable jurisdictions, in fiscal year 2009.

The increase of \$7.6 million in the "permits, fees and special assessments" revenue category is primarily the result of the net effect of the Florida Department of Financial Services requiring the City to report revenues derived from special assessments in this category compared to being reported in the "charges for services" category in the prior fiscal year and a decrease in building permit revenue as a result of current economic conditions impacting the housing rehabilitation and construction market.

The decrease of \$.9 million in intergovernmental revenue is primarily due to the net effect of a decrease in receipts for state revenue sharing, half cent sales tax, FEMA grant funds related to Hurricane Wilma activity and the receipt of grant funds from the U.S. Department of Justice to fund communication equipment for the Fire Department in the current fiscal year.

The decrease of \$8.1 million in charges for services is primarily due to the categorical re-class of amounts as mandated by the Florida Department of Financial Services, as discussed above.

The decrease of \$1.1 million in interest earnings is due to a decrease in various revenue sources and lower rates of return on deposited and invested funds.

The increase of \$.7 million in general government expenditures is primarily the net effect of an increase in water and sewer charges, due to a 3% increase in water rates, as well as an increase in consumption, an increase in the NW CRA District tax increment (a function of the increase in the tax increment from the base year, as well as the millage rate for the City), an increase in professional services for the Willdan Homeland Solutions Police Services Feasibility Study, the hiring of a consultant to assist with the development of performance measurement tools for City departments

(City Stats), the payout of severance to the City Manager and a decrease in risk management and information technology internal service charges.

The increase of \$3.7 million in public safety expenditures is primarily the result of the re-class of lifeguards from the Culture and Recreation Department to the Fire Department during the current fiscal year, an increase in the net pension asset related to the Police and Firefighters' Retirement System and an increase in contractual amounts paid to BSO for policing services, including the City's amendment of the contract with BSO to fund additional officers, to be funded with a grant award from the U.S. Department of Justice.

The increase of \$.5 million in physical environment expenditures is primarily the result of an increase in risk management internal service charges during the current fiscal year.

The \$1 million decrease in culture and recreation expenditures is primarily due to the re-class of lifeguards from the Parks and Recreation Department to the Fire Department.

The \$1.3 million increase in capital outlay is primarily the result of the purchase of radio communication equipment for the Fire Department with grant funds awarded from the U.S. Department of Justice, as well as the acquisition of land in Palmyra, to facilitate the development of a park.

The decrease of \$11.4 million in transfers out is primarily due to the transfer of funds to the Airpark Fund to facilitate the buyout of land deed restrictions at the Airpark from the Federal Aviation Administration in fiscal year 2008, as well as a decrease in transfers to the capital projects fund for project expenditures.

The Northwest Community Redevelopment Agency Northwest District Fund

The fund balance of the Northwest Community Redevelopment Agency Fund increased by **\$6.2 million** during the current fiscal year.

Compared to the prior fiscal year there was an increase in tax increment revenue of \$.5 million, a function of the change in the tax increment from the base year and the millage rate for each taxing district. The decrease of \$.5 million in interest earnings is the result of a decline in interest rates. Cash outlays related to expenditures capitalized to "assets held for resale" during the current fiscal year amounted to \$4.9 million.

Management turnover during the current fiscal year also delayed project activities. The Agency contracted with Redevelopment Management Associated in July 2009 to serve as Executive Director for the Agency.

Emergency Management Service Fund

The fund balance for the EMS Fund increased by **\$.3 million**. There was an increase of \$.8 million in emergency transport fees revenue due to increased collections, which was offset by an increase in personnel costs during the current fiscal year.

Capital Projects Fund

The fund balance of the Capital Projects Fund decreased by **\$2.6 million** during the current fiscal year due to the expenditure of previously committed project funds in the current fiscal year and less transfers in from the General Fund for capital projects.

Intergovernmental revenue increased by approximately **\$2.2 million** primarily due to an increase in activity for the CDBG (including CDBG Disaster Recovery Funds for the Golden Acres development project) and Home grants. However, approximately \$.8 million of this amount related to prior fiscal year activity as funds were not reimbursed by the grantor within the City's availability period at

September 30, 2008 and as a result the revenue was recognized in fiscal year 2009. There was a decrease of \$.2 million in interest earnings due to a decline in interest rates.

There was an increase of \$1.2 million in physical environment expenditures as a result of activity related to the CDBG and Home grants.

There was an increase of \$1 million in capital outlay expenditures due to activity related to projects in the previous and current fiscal year as discussed in more detail later.

The decrease in transfers in of \$4.5 million was due to a decrease in transfers from the General Fund related to several projects (Community Park Phase II, City Hall Impact Glass and Canal Dredging).

Proprietary Funds

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The City maintains internal service funds to report activities that provide services for the City's other programs and activities – such as the City's Risk Management Fund. Residual balances for internal service funds are reported with governmental activities in the Government-wide financial statements.

The approximately \$1 million increase in operating revenue for proprietary funds, is primarily the result of the net effect of an increase in charges for services in the Utility Fund as a result of a 3% increase in water rates in the Utility Fund effective October 1, 2008, as well as fluctuations in customer consumption activity, the City beginning to service garbage customers in the Sanitation Fund for Leisureville (offset by an increase in operating expenses to compensate Waste Management for this service), and a decrease in charges in the risk management general fund.

The approximately \$2.9 million increase in operating expenses in proprietary funds was primarily the result of increased personnel costs due to merit increases, accrued vacation/sick payouts and overtime in the Utility Fund, an increase in waste management disposal charges in the Sanitation Fund (addition of Leisureville residents), an increase in water treatment and hazardous disposal charges from Broward County in the Stormwater Fund, as well as an increase in administrative service charges from the General Fund and an increase risk management health and risk management general expenses during the current fiscal year.

General Fund Budgetary Highlights

Original budget compared to final budget - The City made revisions to the original appropriations approved by the City Commission. Overall these changes resulted in an increase from the original budget of \$10.4 million. The majority of the increase, \$9.7 million, was for the rollover of prior year Community Improvement Working Capital Reserve funds.

The taxes revenue budget increased by \$.3 million in order to establish a budget for the City's community bus program. This program is funded with local option gas tax revenue.

Intergovernmental revenue budget increased by \$5 million in order to budget for grant funds awarded related to the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development and funds awarded from the U.S. Department of Justice for radio communication equipment for the Fire Department.

The increase of \$4.5 million in the budget for general government expenditures is primarily the result of the award of Neighborhood Stabilization Program grant funds from the U.S. Department of Housing and Urban Development during the current fiscal year.

The finance expenditure budget increased by \$.5 million, primarily to fund the City's community bus program during the current fiscal year.

The increase of approximately \$1.0 million in the development services expenditure budget is primarily due to an increase in professional services in the Planning and Zoning Division to fund the rewrite of the zoning code, as well as an increase in professional services for the Building Inspection Division for plan review consultants.

The increase of \$.4 million in the Police expenditure budget is the result of the rollover of the outstanding encumbrance, from prior fiscal year, for the policing services contract with BSO.

The increase of \$1.7 million in the Fire expenditure budget is primarily the result of the re-class of lifeguards for the Ocean Rescue Division, in the Parks and Recreation Department to the Fire Department, as well as an increase in the overtime budget, during the current fiscal year.

The increase of \$.5 million in the public works expenditure budget is primarily due to additional funds required for repair and maintenance expenditures for the building maintenance division, on behalf of various City departments.

The increase of approximately \$.6 million in the non-departmental department expenditure budget is primarily due to an increase in funding for tax increment fees payable to the Pompano Beach Community Redevelopment Agency Northwest District, as well as to fund costs associated with a consultant to assist with the pursuit of American Recovery and Reinvestment Act grant funding, a consultant to assist with a "City Stat" performance measurement system for City departments and a consultant to perform a feasibility study for the City to consider effecting its own police force.

The decrease of \$1 million in the culture and recreation expenditure budget is primarily due to the net effect of the re-class of lifeguards from the Parks and Recreation Department to the Fire Department, as well as the budgeting for the CD Youth and Children Most grants from Broward County during the current fiscal year.

The increase of \$1.8 million in the capital outlay budget primarily relates to the appropriation of funds necessary for land acquisition (Palmaire), the award of grant funds for radio communication equipment for the Fire Department from the U.S. Department of Justice and the purchase of a bucket truck for the building maintenance division.

The transfers out budget increased by \$1 million primarily to fund water and sewer and bunker and tee renovation expenses in the Golf Fund, as well as to fund various general capital projects (Cypress Road Lighting, Fairview Park improvements, Hurricane Impact Glass etc.).

Final budget compared to actual – Tax revenues were \$1.9 million higher than the final budget primarily due to greater than anticipated collections from local option gas taxes, utility and communication service taxes and pari-mutuel revenue.

Judgments, fines and forfeitures revenues were \$.4 million higher than the final budget due to greater than anticipated collections for Broward County court fines and code enforcement fines.

Intergovernmental revenue was \$4.5 million lower than the final budget. This is primarily the result of the award of grant funds from the U.S. Department of Housing and Urban Development, related to the Neighborhood Stabilization Program grant. As the grant was not approved and established until the latter part of the fiscal year, Program activity related to this grant had not been underway as of fiscal year end.

Charges for services revenue was \$.7 million higher than the final budget primarily due to greater than anticipated receipts for lien search, fire annual inspection, athletic and other program and aquatic program fees.

Investment earnings were \$.3 million higher than the final budget due to greater than anticipated earnings as this line item is conservatively budgeted given current market conditions.

General government expenditures were \$5 million less than the final budget. This is primarily the result of the budgeting for the Neighborhood Stabilization Program grant award in September 2009 with grant expenditure activity expected in subsequent fiscal years.

Police expenditures were \$.8 million less than the final budget primarily due to the application of the vacancy credit for the City's contract with BSO.

Public Works expenditures were \$.5 million less than the final budget primarily as a result of less personnel costs due to prolonged vacancies in the Engineering and Grounds Parks Maintenance Divisions due to the City's hiring freeze and restructuring of operations given the impact of the economic decline on the City's fiscal affairs.

Non-departmental expenditures were \$.4 million less than the final budget due to the budgeting for amortization expense related to a loan between the General Fund and Sanitation Fund related to the City's settlement agreement with Waste Management in fiscal year 2004. It is necessary to account for this transaction in the budget. However, there is no actual fiscal impact to the General Fund.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of **September 30, 2009**, amounts to **\$338,070,082** (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements, infrastructure and construction in progress.

TABLE 3

**CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
September 30, 2009**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 46,889,879	\$ 46,476,357	\$ 277,365	\$ 217,307	\$ 47,167,244	\$ 46,693,664
Construction in Progress	14,574,119	9,275,758	20,324,304	14,670,729	34,898,423	23,946,487
Buildings	14,901,195	15,818,056	34,543,779	35,986,155	49,444,974	51,804,211
Infrastructure	78,487,185	81,927,830	52,404,827	51,141,246	130,892,012	133,069,076
Improvements	44,458,216	47,532,988	20,811,526	25,748,052	65,269,742	73,281,040
Machinery & Equipment	7,242,939	8,014,793	3,154,748	3,342,658	10,397,687	11,357,451
TOTALS	\$ 206,553,533	\$ 209,045,782	\$ 131,516,549	\$ 131,106,147	\$ 338,070,082	\$ 340,151,929

Major capital assets events during the fiscal year included:

- Land increased by \$.4 million in governmental activities primarily as a result of the purchase of property in Palmaire to facilitate the development of a park.
- Capital projects under construction in governmental activities increased by \$5.3 million primarily as a result of several projects being underway in the current fiscal year, primarily Community Park Improvements and Road Resurfacing, as well as the completion and capitalized of the Canal Dredging project in the current fiscal year.
- Buildings for governmental activities decreased by \$.9 million primarily as a result of the recognition of current fiscal year depreciation expense.
- Infrastructure for governmental activities decreased by approximately \$3.4 million, primarily due to the net effect of the recognition of current fiscal year depreciation expense and the completion and capitalization of the Canal Dredging project.
- The decrease of \$3.1 million in improvements for governmental activities is the result of the net effect of additions to several capital projects (primarily Road Resurfacing and Community Park Improvements) and the recognition of current fiscal year depreciation expense.
- The decrease in machinery and equipment of \$.8 million for governmental activities is primarily the result of the net effect of the purchase of communications equipment for the Fire Department funded with a grant from the U.S. Department of Justice and the recognition of current fiscal year depreciation expense.
- Capital projects in business-type activities increased by approximately \$5.7 million. Major projects for which construction continues include Membrane Electrical Replacement, various Lift Stations, Sewer Gravity Mains and Stormwater Sewer Rehabilitation, Water Treatment Plant, Airpark Runway, Airpark Taxiway Expansion and Airpark Sewer Extension. Projects were also completed and capitalized to improvements such as Pier Rehabilitation and Drainage Improvements.
- Buildings for business-type activities increased by approximately \$1.4 million. This is primarily the result of the recognition of current fiscal year depreciation expense.
- Infrastructure for business-type activities increased by approximately \$1.3 million due to the net effect of the recognition of current fiscal year depreciation expense and the completion and capitalization of the Pier Rehabilitation and Drainage Improvement projects.
- The decrease of \$4.9 million in improvements for business-type activities is primarily the result of the recognition of current fiscal year depreciation expense.

Additional information on the City's capital assets can be found in the notes to the financial statements, Note II (C).

Outstanding Debt

At the end of the current fiscal year the City had total debt (bonds, notes, etc.) of \$57,220,000 outstanding compared to \$54,324,506 last year, a 5% decrease.

TABLE 4

**OUTSTANDING DEBT
September 30, 2009**

	Governmental		Business-type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General obligation	\$ 1,095,000	\$ 1,115,000	\$ -	\$ -	\$ 1,095,000	\$ 1,115,000
Revenue bonds	-	-	33,229,506	36,105,000	33,229,506	36,105,000
Tax increment bonds	20,000,000	20,000,000	-	-	20,000,000	20,000,000
TOTAL	\$ 21,095,000	\$ 21,115,000	\$ 33,229,506	\$ 36,105,000	\$ 54,324,506	\$ 57,220,000

The City does not carry a credit rating directly from any of the nationally recognized rating agencies (i.e. Standard and Poor's, Moody's). All outstanding debt carries an insured rating.

Both the City's general obligation bonds and the water and sewer bonds are insured by National Public Finance Guarantee Corporation (National). At September 30, 2009, National was assigned an A rating by Standard and Poor's and a rating of Baa1 by Moody's.

The City's general obligation bonds were previously insured by Financial Guaranty Insurance Corporation (FGIC). At September 30, 2008, FGIC was assigned an insured rating of BB/Negative Watch by Standard & Poor's and B1 (Negative Outlook) by Moody's.

The City's water and sewer bonds were previously insured by MBIA Insurance Corporation (MBIA). At September 30, 2008, MBIA was assigned an insured rating of AA (Negative Outlook) by Standard & Poor's and A2 (Negative Outlook) by Moody's.

Required principal, interest and reserves on outstanding debt were provided for during the year. The City's General Obligation Bonds are pledged with ad valorem taxes assessed and collected annually solely for the purpose of repayment of principal and interest on the remaining outstanding bonds. The City's Water & Sewer Bonds are pledged with the revenues from the water and sewer system. The City fully anticipates that it will meet future debt service requirements for both outstanding bond issues based on these pledged revenue sources.

On December 9, 2008, the City Commission authorized the issuance of special facility airport revenue bonds in an aggregate principal amount not to exceed \$8,000,000, for the purpose of making a loan of funds to Sheltair Pompano Beach, LLC (Sheltair) in order to finance the costs of the acquisition, renovation, construction and equipping of certain general aviation facilities located at the Pompano Beach Airpark, to be leased by Sheltair. The bonds were subsequently issued on December 22, 2008. The bonds are limited obligations of the City payable from lease payments required to be made by Sheltair. The City is not obligated to pay the principal or interest of the bonds except from payments made by Sheltair, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2009, total principal and interest outstanding related to this debt issue was \$7,962,250 and \$6,655,434, respectively.

Additional information on the City's long-term debt can be found in the notes to the financial statements, Note II (F).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's fiscal year runs from October 1st to September 30th. The City begins its budget cycle in December, and throughout the six months a culmination of workshops and meetings are held with department heads and the City Commission to determine the upcoming fiscal needs of the City while

ensuring adherence to City policies. Upon establishing a fiscal blueprint for the upcoming fiscal year, the City Manager presents the recommended budget to the City Commission and public each July, as required by the City Charter. If necessary, resources and/or policies are modified by the Commission and subsequently adopted.

One of the most important economic factors that affect local government finances is property values. The City and region are continuing to experience a decrease in property values. Housing prices over the last year have dropped by almost 25% and has caused the City's tax base to contract by \$800 million; however, this trend is expected to improve as government home buying tax credit incentives coupled with builder incentives help to spur home buying. In fact, a noticeable improvement in the declining median sales price was realized in the latter part of 2009, a sign of stabilization.

The continued decline seen in home values is mostly due to the significant increase in home foreclosures. A number of homes in the City were bought with little money down and then secured with adjustable rate mortgages. When the rates adjusted upward, a number of individuals could no longer afford to remain in their homes. Foreclosure filings in the first quarter of 2008 compared to the first quarter of 2007 shows an increased of 18% in the Miami-Fort Lauderdale-Pompano Beach metropolitan area. At this juncture it is expected that the final number of properties with foreclosure filing may increase by 35% in 2009 compared to 2008 data, but foreclosure activity from January through June 2009 so far increased by only by 11%, as compared to a greater increase from July through December 2008.

In 2007, the City was required to rollback its tax rate and adjust for changes in per capita personal income. While no new legislation was passed this session that affects the City's FY 2010 Budget, Constitutional Amendments will be placed on the ballot in November, 2009 that, if passed, will have a negative impact on the City's finances and operations for subsequent fiscal years. Furthermore, the combined effect of increased costs and less revenue created a projected shortfall of \$3.5 million for FY 2010. In order to meet this shortfall staff reductions were instituted, certain capital acquisitions were deferred, capital project funding was reduced, and additional reserves were recognized.

The economic downturn is not limited to property taxes. The construction industry in South Florida has been severely weakened. Building permit revenues are projected to decrease by \$1.2 million. New home starts are down and the unemployment rate has increased by over 59% compared to last year.

Based on the preceding discussion, local economic conditions are expected to remain weak for calendar year 2010, but show signs of stabilization, as compared to previous years. The continued weakened economy further adds to the concern and uncertainty as to the overall revenue impact on local governments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the City's Finance Department, at the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060.

BASIC FINANCIAL STATEMENTS

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 38,189,640	\$ 7,411,171	\$ 45,600,811
Restricted cash and cash equivalents	1,252,585	4,476,707	5,729,292
Restricted investments	29,339,902	994,705	30,334,607
Unrestricted investments	107,808,594	44,260,626	152,069,220
Interest receivable	771,902	264,368	1,036,270
Accounts receivables (net)	5,450,753	5,043,116	10,493,869
Internal balances	(2,716,014)	2,716,014	-
Due from other governments	4,124,257	691,682	4,815,939
Inventories	1,240,120	384,590	1,624,710
Prepays	82,152	2,369	84,521
Other assets	255,282	-	255,282
Unamortized bond costs	31,001	179,412	210,413
Assets held for resale	30,017,404	-	30,017,404
Net pension asset	1,189,852	-	1,189,852
Capital assets:			
Land and construction in progress	61,463,998	20,601,669	82,065,667
Other capital assets net of accumulated depreciation	145,089,535	110,914,880	256,004,415
Total capital assets net of accumulated depreciation	<u>206,553,533</u>	<u>131,516,549</u>	<u>338,070,082</u>
Total assets	<u>423,590,963</u>	<u>197,941,309</u>	<u>621,532,272</u>
LIABILITIES			
Accounts payable	2,307,187	2,281,693	4,588,880
Accrued expenses	3,056,043	735,315	3,791,358
Customer deposits payable	5,546	-	5,546
Accrued interest payable	155,991	345,042	501,033
Unearned revenue	2,221,293	-	2,221,293
Liabilities payable from restricted assets:			
Customer deposits payable	-	994,705	994,705
Noncurrent liabilities:			
Due within one year:			
Long-term obligations	3,257,162	2,242,500	5,499,662
Long term obligations-payable from restricted assets	-	747,500	747,500
Unearned revenue	-	416,667	416,667
Claims and judgments	2,656,593	-	2,656,593
Compensated absences	252,071	3,020	255,091
Due in more than one year:			
Long-term obligations	17,837,838	29,562,434	47,400,272
Due to other government	902,121	-	902,121
Unearned revenue	-	1,666,666	1,666,666
Claims and judgments	12,508,407	-	12,508,407
Compensated absences	4,920,671	944,104	5,864,775
Net OPEB obligation	3,175,361	701,076	3,876,437
Total liabilities	<u>53,256,284</u>	<u>40,640,722</u>	<u>93,897,006</u>
NET ASSETS			
Invested in capital assets, net of related debt	205,458,533	99,197,519	304,656,052
Restricted for:			
Renewal and replacement/rate stabilization	-	3,150,707	3,150,707
Debt service	1,125,572	1,092,596	2,218,168
Capital projects	-	233,404	233,404
Transportation	737,166	-	737,166
Building fund	27,593,103	-	27,593,103
Unrestricted	135,420,305	53,626,361	189,046,666
Total net assets	<u>\$ 370,334,679</u>	<u>\$ 157,300,587</u>	<u>\$ 527,635,266</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 30,976,218	\$ 11,584,971	\$ 43,235	\$ 82,669
Public safety	72,982,320	20,623,910	2,917,300	373,891
Physical environment	13,122,352	38,491	315,273	2,697,369
Transportation	3,837,107	352,597	-	-
Culture and recreation	8,632,761	1,689,470	108,988	582,705
Interest on long-term debt	932,515	-	-	-
Total governmental activities	<u>130,483,273</u>	<u>34,289,439</u>	<u>3,384,796</u>	<u>3,736,634</u>
Business-type activities:				
Utility	36,050,530	35,633,508	-	460,923
Sanitation	3,605,435	5,026,680	-	-
Stormwater	1,891,753	2,529,879	-	6,825
Pier	139,979	-	-	-
Airpark	1,399,077	800,461	-	329,027
Golf course	3,469,586	2,893,132	-	-
Total business-type activities	<u>46,556,360</u>	<u>46,883,660</u>	<u>-</u>	<u>796,775</u>
Total government	<u>\$ 177,039,633</u>	<u>\$ 81,173,099</u>	<u>\$ 3,384,796</u>	<u>\$ 4,533,409</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales and use taxes
- Business tax receipts
- Utility taxes
- Communication service taxes
- Pari Mutuel taxes
- Tax increment fees - Community Redevelopment Agency
- Franchise fees
- State revenue sharing
- Gain on sale of capital assets
- Investment earnings
- Miscellaneous revenue

Transfers

- Total general revenues, special item and transfers
- Change in net assets
- Net assets-beginning
- Net assets-ending

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (19,265,343)	\$ -	\$ (19,265,343)
(49,067,219)	-	(49,067,219)
(10,071,219)	-	(10,071,219)
(3,484,510)	-	(3,484,510)
(6,251,598)	-	(6,251,598)
(932,515)	-	(932,515)
<u>(89,072,404)</u>	<u>-</u>	<u>(89,072,404)</u>
-	43,901	43,901
-	1,421,245	1,421,245
-	644,951	644,951
-	(139,979)	(139,979)
-	(269,589)	(269,589)
-	(576,454)	(576,454)
<u>-</u>	<u>1,124,075</u>	<u>1,124,075</u>
<u>(89,072,404)</u>	<u>1,124,075</u>	<u>(87,948,329)</u>
46,139,749	-	46,139,749
1,942,087	-	1,942,087
1,852,958	-	1,852,958
8,940,920	-	8,940,920
5,349,898	-	5,349,898
1,795,128	-	1,795,128
9,527,042	-	9,527,042
9,097,345	-	9,097,345
7,417,427	-	7,417,427
3,626	6,800	10,426
3,518,665	1,099,783	4,618,448
835,460	417,233	1,252,693
1,205,288	(1,205,288)	-
<u>97,625,593</u>	<u>318,528</u>	<u>97,944,121</u>
8,553,189	1,442,603	9,995,792
361,781,490	155,857,984	517,639,474
<u>\$ 370,334,679</u>	<u>\$ 157,300,587</u>	<u>\$ 527,635,266</u>

CITY OF POMPANO BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>Emergency Medical Svc. District</u>
ASSETS			
Cash and cash equivalents	\$ 8,587,279	\$ 20,495,345	\$ 193,693
Restricted cash and cash equivalents	-	-	-
Restricted investments	28,457,532	-	-
Unrestricted investments	62,141,369	5,438,367	1,366,305
Interest receivable	521,472	11,458	10,282
Accounts receivables, net	2,761,857	-	2,537,117
Assets held for resale	-	30,017,404	-
Due from other funds	725,000	-	-
Due from other governments	2,384,988	-	4,461
Inventories	235,210	-	107,936
Prepays	30,750	15,001	205
Other assets	28,128	218,248	-
Total assets	<u>\$ 105,873,585</u>	<u>\$ 56,195,823</u>	<u>\$ 4,219,999</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,542,674	\$ 41,767	\$ 70,200
Accrued expenditures	2,382,750	7,229	439,591
Advances from other funds	3,333,333	-	-
Deposits	-	5,500	-
Unearned/Deferred revenue	2,204,007	4,500	1,990,387
Total liabilities	<u>9,462,764</u>	<u>58,996</u>	<u>2,500,178</u>
Fund balances:			
Reserved for:			
Inventories and prepaids	265,960	15,001	108,141
Encumbrances	1,263,029	15,394	475,538
Other assets	-	218,248	-
Debt service	-	-	-
Assets held for resale	-	30,017,404	-
Local option gas tax - transportation	737,166	-	-
Nautical Flea Market/Tricentennial/EMS	38,083	-	-
Beach area parking	300,842	-	-
Tree canopy landscape	131,688	-	-
Disaster relief	402,210	-	-
Building fund-general	27,720,366	-	-
Unreserved:			
Designated for subsequent years' expenditures	3,347,667	-	-
Designated as an operating contingency	17,804,556	-	-
Designated for hurricane contingency	19,262,481	-	-
Designated for community improvement fund	12,627,343	-	-
Designated for line of credit due to Broward County	902,121	-	-
Undesignated, reported in:			
General Fund	11,607,309	-	-
Special Revenue Funds	-	25,870,780	1,136,142
Capital Projects	-	-	-
Total fund balances	<u>96,410,821</u>	<u>56,136,827</u>	<u>1,719,821</u>
Total liabilities and fund balances	<u>\$ 105,873,585</u>	<u>\$ 56,195,823</u>	<u>\$ 4,219,999</u>

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

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,700,109	\$ 4,931,133	\$ 35,907,559
-	1,252,585	1,252,585
-	1,009,633	29,467,165
16,542,862	1,142,848	86,631,751
95,122	13,881	652,215
151,779	-	5,450,753
-	-	30,017,404
-	-	725,000
1,727,208	-	4,116,657
-	-	343,146
-	-	45,956
8,906	-	255,282
<u>\$ 20,225,986</u>	<u>\$ 8,350,080</u>	<u>\$ 194,865,473</u>
\$ 444,286	\$ 5,954	\$ 2,104,881
18,598	8,155	2,856,323
-	-	3,333,333
46	-	5,546
1,566,329	1,137,271	6,902,494
<u>2,029,259</u>	<u>1,151,380</u>	<u>15,202,577</u>
-	-	389,102
1,908,733	65,227	3,727,921
-	-	218,248
-	1,125,572	1,125,572
-	-	30,017,404
-	-	737,166
-	-	38,083
-	-	300,842
-	-	131,688
-	-	402,210
-	-	27,720,366
-	-	3,347,667
-	-	17,804,556
-	-	19,262,481
-	-	12,627,343
-	-	902,121
-	-	11,607,309
-	6,007,901	33,014,823
16,287,994	-	16,287,994
<u>18,196,727</u>	<u>7,198,700</u>	<u>179,662,896</u>
<u>\$ 20,225,986</u>	<u>\$ 8,350,080</u>	<u>\$ 194,865,473</u>

CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

Fund Balances - total governmental funds \$ 179,662,896

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	280,506,477	
Less accumulated depreciation	<u>(74,479,310)</u>	206,027,167

Net pension asset is not a financial resource and therefore is not reported in the governmental funds. 1,189,852

Net other post employment benefits obligation (OPEB) is not expected to be liquidated with expendable available resources and therefore is not reported in the governmental funds. (3,000,207)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the governmental funds financial statements:

EMS transport fees		1,990,387
Franchise payment		107,847
Canal Pointe mortgages-land		158,000
FEMA-Hurricane Wilma		414,023
FEMA-Tropical Storm Fay Grant		8,149
FEMA Hazard Mitigation Impact Glass Grant		1,092,769
FRDAP Grant		135,611
CDBG/Home Grants		290,317
Communication service taxes		484,098

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:

1993 general obligation bonds	(1,095,000)	
Tax increment bonds	(20,000,000)	
Accrued interest payable	(155,991)	
Compensated absences	(4,885,451)	
Loan due Broward County (Atlantic Blvd. Improvements)	<u>(902,121)</u>	(27,038,563)

Debt issuance costs are capitalized and amortized over the life of the debt in the statement of net assets, but are recorded as expenditures, when paid, in the governmental funds. 31,001

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with governmental activities are as follows:

	24,918,484	
	<u>(16,529,471)</u>	8,389,013

Adjustment for Internal Service Funds look-back 392,319

Net assets of governmental activities \$ 370,334,679

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

CITY OF POMPANO BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>Emergency Medical Services District</u>
REVENUES			
Taxes	\$ 58,844,092	\$ 8,066,729	\$ 5,494,402
Judgments, fines and forfeitures	1,466,766	-	-
Permits, fees and special assessments	22,309,561	-	-
Intergovernmental	13,037,913	-	22,309
Charges for services	12,708,353	12,130	3,519,200
Donations	42,835	-	495
Interest earnings	2,281,323	205,419	74,506
Cemetery lot sales	-	-	-
Other revenue	376,651	35,404	1,332
Total revenues	<u>111,067,494</u>	<u>8,319,682</u>	<u>9,112,244</u>
EXPENDITURES			
Current:			
General government	17,413,431	1,288,211	-
Public safety	60,122,076	-	12,549,766
Physical environment	10,037,776	-	-
Transportation	3,242,550	-	-
Culture and recreation	7,438,944	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	832,878	-
Capital outlay	<u>2,524,206</u>	<u>-</u>	<u>160,367</u>
Total expenditures	<u>100,778,983</u>	<u>2,121,089</u>	<u>12,710,133</u>
Excess (deficiency) of revenues over expenditures	<u>10,288,511</u>	<u>6,198,593</u>	<u>(3,597,889)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	32,567	-	-
Transfers in	1,985,097	-	3,861,138
Transfers out	(5,040,407)	-	-
Total other financing sources (uses)	<u>(3,022,743)</u>	<u>-</u>	<u>3,861,138</u>
Net change in fund balances	7,265,768	6,198,593	263,249
Fund balances—beginning	<u>89,145,053</u>	<u>49,938,234</u>	<u>1,456,572</u>
Fund balances—ending	<u>\$ 96,410,821</u>	<u>\$ 56,136,827</u>	<u>\$ 1,719,821</u>

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

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,184,884	\$ 1,497,757	\$ 76,087,864
-	-	1,466,766
127,333	-	22,436,894
3,016,191	358,745	16,435,158
-	3,375	16,243,058
400	1,000	44,730
413,241	58,231	3,032,720
-	3,050	3,050
45,395	-	458,782
<u>5,787,444</u>	<u>1,922,158</u>	<u>136,209,022</u>
111,369	149,670	18,962,681
-	-	72,671,842
2,172,525	359,403	12,569,704
-	-	3,242,550
54,300	-	7,493,244
-	20,000	20,000
-	56,750	889,628
<u>7,177,824</u>	<u>106,065</u>	<u>9,968,462</u>
<u>9,516,018</u>	<u>691,888</u>	<u>125,818,111</u>
(3,728,574)	1,230,270	10,390,911
425,000	-	457,567
777,425	-	6,623,660
(70,000)	(201,900)	(5,312,307)
<u>1,132,425</u>	<u>(201,900)</u>	<u>1,768,920</u>
(2,596,149)	1,028,370	12,159,831
<u>20,792,876</u>	<u>6,170,330</u>	<u>167,503,065</u>
\$ 18,196,727	\$ 7,198,700	\$ 179,662,896

CITY OF POMPANO BEACH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds \$ 12,159,831

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

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

Expenditures for capital assets	9,862,397	
Less depreciation	<u>(12,052,721)</u>	(2,190,324)
Abandonment of CIP projects		(216,275)

Some revenues and expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

Change in deferred revenue-EMS transport fees	677,180	
Franchise payment	83,801	
Change in deferred revenue-communication service tax	(540,082)	
Change in net pension asset/obligation	1,575,157	
Change in net OPEB obligation	(1,581,806)	
The net effect of transactions involving capital assets	(425,000)	
Canal Pointe mortgages-land	158,000	
Permit fees	(115,826)	
Broward Beautiful Grant	(43,472)	
FRDAP Grant	135,611	
FEMA-Tropical Storm Fay Grant	(30,753)	
FEMA - Hazard Mitigation Impact Glass Grant	404,644	
Donation of infrastructure-developer	82,669	
Donation of infrastructure-Broward County (N. Broward Park)	447,094	
CDBG/Home Grants	(197,931)	
Change in compensated absences liability	(484,474)	
Change in accrued interest	(42,887)	
Note on sale of City land	(55,744)	
Gain from disposal of capital assets	<u>1,743</u>	47,924

The issuance of long-term debt 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 issuance costs and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the government-wide financial statements.

Principal payments	20,000	
Amortization of bond issuance costs	<u>(3,264)</u>	16,736

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The change in net assets in the internal service funds is reported with governmental funds in the governmentwide statement of activities. (1,505,016)

Adjustment for Internal Service Funds look-back 240,313

Change in net assets \$ 8,553,189

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,274,166	\$ 2,137,005	\$ 7,411,171	\$ 2,282,081
Restricted cash and cash equivalents	1,326,000	-	1,326,000	-
Interest receivable	178,240	86,128	264,368	119,687
Accounts Receivables, net	3,480,177	1,562,939	5,043,116	-
Due from other governments	213,008	478,674	691,682	7,600
Advances to other funds	-	416,667	416,667	-
Inventories	368,764	15,826	384,590	896,974
Prepaid Expenses	1,794	575	2,369	36,196
Unamortized bond costs	20,193	-	20,193	-
Total current assets	<u>10,862,342</u>	<u>4,697,814</u>	<u>15,560,156</u>	<u>3,342,538</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,150,707	-	3,150,707	-
Restricted investments	994,705	-	994,705	-
Unrestricted investments	29,424,033	14,836,593	44,260,626	21,049,580
Advances to other funds	-	2,916,666	2,916,666	-
Unamortized bond costs	159,219	-	159,219	-
Capital assets:				
Land	216,373	60,992	277,365	-
Construction in progress	16,125,448	4,198,856	20,324,304	-
Buildings	47,635,353	3,273,874	50,909,227	254,536
Infrastructure	102,602,540	16,479,651	119,082,191	-
Improvements	18,623,608	8,437,473	27,061,081	423,838
Machinery and equipment	10,021,947	3,101,359	13,123,306	5,193,561
Less accumulated depreciation	(85,666,826)	(13,594,099)	(99,260,925)	(5,345,569)
Total capital assets (net of accumulated depreciation)	<u>109,558,443</u>	<u>21,958,106</u>	<u>131,516,549</u>	<u>526,366</u>
Total noncurrent assets	<u>143,287,107</u>	<u>39,711,365</u>	<u>182,998,472</u>	<u>21,575,946</u>
Total assets	<u>154,149,449</u>	<u>44,409,179</u>	<u>198,558,628</u>	<u>24,918,484</u>
LIABILITIES				
Current liabilities, unrestricted:				
Accounts payable	1,260,801	1,020,892	2,281,693	202,306
Accrued expenses	624,166	111,149	735,315	199,720
Due to other funds	-	225,000	225,000	500,000
Unearned revenue	-	416,667	416,667	-
Compensated absences	-	3,020	3,020	5,415
Claims and judgments	-	-	-	2,495,204
Current portion of long term debt	2,242,500	-	2,242,500	-
Total current liabilities, unrestricted	<u>4,127,467</u>	<u>1,776,728</u>	<u>5,904,195</u>	<u>3,402,645</u>
Current liabilities payable from restricted assets:				
Customer deposits payable	994,705	-	994,705	-
Accrued interest payable	345,042	-	345,042	-
Current portion of long term debt	747,500	-	747,500	-
Total current liabilities payable from restricted assets	<u>2,087,247</u>	<u>-</u>	<u>2,087,247</u>	<u>-</u>
Total current liabilities	<u>6,214,714</u>	<u>1,776,728</u>	<u>7,991,442</u>	<u>3,402,645</u>
Noncurrent liabilities:				
Unearned revenue	-	1,666,666	1,666,666	-
Compensated absences	791,059	153,045	944,104	281,876
Net OPEB Obligation	542,294	158,782	701,076	175,154
Claims and judgments	-	-	-	12,669,796
Revenue bonds payable	29,562,434	-	29,562,434	-
Total noncurrent liabilities	<u>30,895,787</u>	<u>1,978,493</u>	<u>32,874,280</u>	<u>13,126,826</u>
Total liabilities	<u>37,110,501</u>	<u>3,755,221</u>	<u>40,865,722</u>	<u>16,529,471</u>
NET ASSETS				
Invested in capital assets, net of related debt	77,239,413	21,958,106	99,197,519	526,366
Restricted:				
Debt service	1,092,596	-	1,092,596	-
Renewal & replacement/rate stabilization	3,150,707	-	3,150,707	-
Capital Projects	233,404	-	233,404	-
Unrestricted	35,322,828	18,695,852	54,018,680	7,862,647
Total net assets	<u>\$ 117,038,948</u>	<u>\$ 40,653,958</u>	<u>\$ 157,692,906</u>	<u>\$ 8,389,013</u>

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

CITY OF POMPANO BEACH, FLORIDA

RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF NET ASSETS

TO THE GOVERNMENTWIDE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

Net assets - Enterprise Funds	\$	157,692,906
Adjustment to Enterprise Funds for Internal Service Funds look-back		<u>(392,319)</u>
Net Assets - Business-type Activities	\$	<u><u>157,300,587</u></u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental
	Utility	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 35,633,508	\$ 11,250,152	\$ 46,883,660	\$ 18,845,084
Contract fee extension	-	416,667	416,667	-
Miscellaneous	566	-	566	34,448
Total operating revenues	<u>35,634,074</u>	<u>11,666,819</u>	<u>47,300,893</u>	<u>18,879,532</u>
OPERATING EXPENSES				
Personal services	7,980,718	1,475,251	9,455,969	2,564,948
Other current expenses	19,660,918	7,489,835	27,150,753	17,960,546
Depreciation and amortization	6,600,787	1,525,049	8,125,836	347,264
Total operating expenses	<u>34,242,423</u>	<u>10,490,135</u>	<u>44,732,558</u>	<u>20,872,758</u>
Operating income (loss)	<u>1,391,651</u>	<u>1,176,684</u>	<u>2,568,335</u>	<u>(1,993,226)</u>
NONOPERATING REVENUES				
(EXPENSES)				
Interest and investment revenue	743,575	356,208	1,099,783	485,945
Miscellaneous revenue	-	2,957	2,957	2,562
Gain on sale of capital assets	3,843	-	3,843	-
Miscellaneous expense	(31,745)	-	(31,745)	(297)
Interest expense and fiscal agent fees	(1,551,744)	-	(1,551,744)	-
Total nonoperating revenue (expenses)	<u>(836,071)</u>	<u>359,165</u>	<u>(476,906)</u>	<u>488,210</u>
Income (loss) before contributions and transfers	555,580	1,535,849	2,091,429	(1,505,016)
Capital grants and contributions	566,988	335,852	902,840	-
Transfers in	-	693,212	693,212	-
Transfers out	(19,468)	(1,985,097)	(2,004,565)	-
Change in net assets	<u>1,103,100</u>	<u>579,816</u>	<u>1,682,916</u>	<u>(1,505,016)</u>
Total net assets—beginning	<u>115,935,848</u>	<u>40,074,142</u>	<u>156,009,990</u>	<u>9,894,029</u>
Total net assets—ending	<u>\$ 117,038,948</u>	<u>\$ 40,653,958</u>	<u>\$ 157,692,906</u>	<u>\$ 8,389,013</u>

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

CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS OF ENTERPRISE FUNDS TO THE
STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Net change in Net Assets - Enterprise Funds	\$	1,682,916
Adjustment to Enterprise Funds for Internal Service Funds look-back		<u>(240,313)</u>
Change in Net Assets - Business-type Activities	\$	<u><u>1,442,603</u></u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental
	Utility	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from other funds	\$ -	\$ -	\$ -	\$ 18,838,578
Receipts from customers	35,162,925	10,664,223	45,827,148	39,903
Receipts from subrogation	-	-	-	2,310
Payments to suppliers	(19,283,962)	(7,404,931)	(26,688,893)	(15,468,410)
Payments to employees	(7,584,962)	(1,420,451)	(9,005,413)	(2,447,499)
Claims paid	-	-	-	(695,205)
Net cash provided (used) by operating activities	<u>8,294,001</u>	<u>1,838,841</u>	<u>10,132,842</u>	<u>269,677</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	-	641,667	641,667	50,000
Transfers to other funds	(19,468)	(1,985,097)	(2,004,565)	-
Transfers from other funds	-	693,212	693,212	-
Interest paid on utility deposits	(18,669)	-	(18,669)	-
Net cash provided (used) by non capital financing activities	<u>(38,137)</u>	<u>(650,218)</u>	<u>(688,355)</u>	<u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(6,127,126)	(1,962,234)	(8,089,360)	(155,406)
Capital grants and contributions	524,988	108,422	633,410	-
Proceeds from the sale of capital assets	3,843	2,957	6,800	2,563
Principal paid on bonds	(2,875,494)	-	(2,875,494)	-
Payments to fiscal agents	(750)	-	(750)	-
Interest paid on bonds	(1,493,306)	-	(1,493,306)	-
Net cash provided (used) by capital and related financing activities	<u>(9,967,845)</u>	<u>(1,850,855)</u>	<u>(11,818,700)</u>	<u>(152,843)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Calls/maturities of investments	19,339,928	9,658,741	28,998,669	13,383,111
Purchase of investments	(38,445,592)	(18,952,519)	(57,398,111)	(26,964,656)
Interest earnings	633,858	302,428	936,286	410,366
Net cash provided (used) by investing activities	<u>(18,471,806)</u>	<u>(8,991,350)</u>	<u>(27,463,156)</u>	<u>(13,171,179)</u>
Net increase (decrease) in cash and cash equivalents	(20,183,787)	(9,653,582)	(29,837,369)	(13,004,345)
Cash and cash equivalents, beginning of the year	29,934,660	11,790,587	41,725,247	15,286,426
Cash and cash equivalents, end of the year	<u>9,750,873</u>	<u>2,137,005</u>	<u>11,887,878</u>	<u>2,282,081</u>
Cash and cash equivalents, unrestricted	5,274,166	2,137,005	7,411,171	2,282,081
Cash and cash equivalents, restricted	4,476,707	-	4,476,707	-
Cash and cash equivalents, end of the year	<u>\$ 9,750,873</u>	<u>\$ 2,137,005</u>	<u>\$ 11,887,878</u>	<u>\$ 2,282,081</u>
Non-cash transactions (Capital and Related Financing Activities):				
Contribution of capital related assets				
from other funds/developers	418,988	25,135	444,123	-
Non-cash transactions (Investing Activities):				
Changes in fair value of investments	66,511	32,440	98,951	46,026
	<u>\$ 485,499</u>	<u>\$ 57,575</u>	<u>\$ 543,074</u>	<u>\$ 46,026</u>

(Continued)

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Utility	Nonmajor Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,391,651	\$ 1,176,684	\$ 2,568,335	\$ (1,993,226)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	6,600,787	1,525,049	8,125,836	347,264
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivables	(164,166)	(883,520)	(1,047,686)	-
Due from other government	(209,005)	-	(209,005)	1,259
Inventories	57,096	(4,281)	52,815	3,774
Other assets and prepaids	(1,794)	(575)	(2,369)	(36,196)
Increase (decrease) in liabilities:				
Accounts and other payables	60,406	333,367	393,773	(38,589)
Accrued expenses	259,726	39,788	299,514	82,785
Customer deposits payable	(97,978)	-	(97,978)	-
Unearned revenue	-	(416,667)	(416,667)	-
Compensated absences	136,030	15,012	151,042	34,665
Other Post Employment Benefits (OPEB)	261,248	53,984	315,232	67,941
Estimated claims payable	-	-	-	1,800,000
Net cash provided (used) by operating activities	<u>\$ 8,294,001</u>	<u>\$ 1,838,841</u>	<u>\$ 10,132,842</u>	<u>\$ 269,677</u>

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Employee Retirement Plans	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 2,377,257	\$ 482,666
Receivables:		
Accrued interest and dividends	568,618	-
Due from brokers	4,366,513	-
Total receivables	<u>4,935,131</u>	<u>-</u>
Other assets	42,481	-
Investments:		
U.S. Government obligations	15,808,965	-
Mortgage backed securities	14,903,473	-
Corporate obligations	26,484,544	-
Equity securities	143,423,721	-
Mutual funds and collective trusts	9,577,544	-
Domestic equity funds	10,599,408	-
International equity funds	13,608,217	-
Private equity funds	12,387,892	-
Real estate funds	11,792,901	-
Money market funds	10,346,215	-
Total investments	<u>268,932,880</u>	<u>-</u>
Property & equipment, net of accumulated depreciation	91,985	-
Total assets	<u>276,379,734</u>	<u>482,666</u>
LIABILITIES		
Accounts payable and accrued expenses	409,226	-
Deferred retirement option plan payable	2,135,182	-
Due to brokers	8,634,378	-
Deposits, sales tax and payroll taxes payable	-	482,710
Total liabilities	<u>11,178,786</u>	<u>\$ 482,710</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 265,200,948</u>	

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Employee Retirement Plans
ADDITIONS	
Contributions:	
Employer	\$ 6,910,510
Broward County Sheriff's Office	3,093,150
Broward County - Library	24,767
Members	4,787,410
State	2,408,197
Total contributions	<u>17,224,034</u>
Investment income (loss):	
Net depreciation in fair value of investments	(7,549,873)
Interest and dividends	5,023,094
Commission recapture	2,042
Other	170,439
Total investment income (loss)	<u>(2,354,298)</u>
Less: investment expenses	1,514,337
deferred retirement option plan earnings	145,292
Net investment income (loss)	<u>(4,013,927)</u>
Total	<u>13,210,107</u>
DEDUCTIONS	
Participant benefit payments	17,692,124
Refunds of participant contributions	299,188
Administrative expenses	993,636
Total	<u>18,984,948</u>
Net increase (decrease)	<u>(5,774,841)</u>
Net assets held in trust for pension benefits	
Beginning of the year	270,975,789
End of the year	<u>\$ 265,200,948</u>

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

Notes to the Financial Statements

CITY OF POMPANO BEACH, FLORIDA

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FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF POMPANO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Pompano Beach, Florida's (the "City") Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units, although legally separate entities, are in substance part of the City's operations.

The basic financial statements include both government-wide and fund financial statements. The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level.

Internal service funds of a government (which provide services primarily to other funds of the government) are presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are included in the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

The City's fiduciary funds are presented in the basic financial statements by type (i.e. Pension). Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The following is a summary of significant accounting policies of the City.

(A) The Financial Reporting Entity

The City, located in Broward County, Florida, was incorporated in 1947. The legal authority by which the City was created and is governed is its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large and provides services to residents in many areas, including law enforcement and community enrichment. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the reporting entity, which consists of the primary government and its component units. The component units discussed in Note 1 (B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. The City also has the following retirement plans:

- City of Pompano Beach General Employees' Retirement System, established in 1972 by Ordinance 73-3;
- Pompano Beach Police and Firefighter's Retirement System, established in 1973 by Ordinance 73-11; and
- Defined Contribution Retirement System, established in 1996 by Ordinance 96-84.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(B) Blended Component Unit Disclosure

The City Commission serves as the governing Board for each component unit and is able to impose its will on each component unit. The City is therefore financially accountable for each of its component units. The reporting entity of the City includes the following component units:

- Pompano Beach Community Redevelopment Agency (the "Agency") (Northwest and East Districts), established in 1988 by Ordinance 89-27 and in 2001 by Resolution 2002-12, respectively, pursuant to the authority set forth in Florida Statutes, Chapter 163, Part III. The Agency issues a stand alone financial report that may be obtained by writing to the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060, ATTN: Finance Department;
- Pompano Beach Emergency Medical Services District, established in 1974 by Ordinance 75-18. The Pompano Beach Emergency Medical Services District does not issue separate financial statements; and
- Herb Skolnick Cultural Arts Foundation, established in 1999 by Resolution 99-131. The Herb Skolnick Cultural Arts Foundation does not issue separate financial statements.

The criterion used for including component units consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of 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. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself.

The Pompano Beach Emergency Medical Services District (EMS) is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS is reported as a blended component unit because it is governed by the City Commission and the elected officials of the City are financially accountable for its operations. EMS is reported as a special revenue fund.

The Herb Skolnick Cultural Arts Foundation (CAF) is reported as a blended component unit because it is governed by the City Commission. The CAF is reported as a special revenue fund.

The Pompano Beach Community Redevelopment Agency is composed of the Northwest and East Districts (the Districts). The Pompano Beach Community Redevelopment Agency is one component unit (one legal entity) with two districts. These Districts are dependent special districts governed by a five member board comprised of the City Commission and a mayor at large. Although legally separate from the City, each District is reported as part of the primary government as a special revenue fund, because each District is governed by the members of the City Commission.

CITY OF POMPANO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

(C) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units.

For the most part, the effect of interfund activity has been removed from these financial statements to avoid distorted financial results, with the exception of interfund services provided and used. Governmental activities, which primarily 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 City has no discretely presented component units.

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

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

(D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary and fiduciary fund (with the exception of the agency fund which has no measurement focus) financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Unbilled service revenue is accrued in the enterprise funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures, as

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Expenditures related to pensions and other post employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

Property taxes when levied for, and other taxes (such as franchise taxes, utility taxes and sales tax), fees and fines, charges for services, interest and intergovernmental revenue for which eligibility requirements have been met are all considered to be measurable, and accordingly, have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Northwest Community Redevelopment District Fund* accounts for a City agency which uses tax-increment financing to encourage development.

The *Emergency Medical Services District Fund* accounts for ad valorem taxes and emergency transport fees collected for emergency medical services provided by the City.

The *Capital Projects Fund* accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets other than for amounts accounted for in proprietary funds.

The City reports the following major proprietary fund:

The *Utility Fund* accounts for the provision of water and sewer services to residents of the City and surrounding areas.

The City also has certain funds (SHIP, Cultural Arts Foundation, CRA-East District, Cemetery, 1993 G.O. Bonds, Pier, Airpark, Golf, Sanitation, Stormwater) that do not meet the GASB Statement No. 34 criteria for major fund classification.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for central stores, information technology, central services, risk management (health), risk management (general) and vehicle services provided to other departments or agencies of the government, on a cost reimbursement basis.

Fiduciary Funds:

The General Employees' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

The Police and Firefighters' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

The Defined Contribution Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to City employees under the provisions of Internal Revenue code Section 401(a). The International City Management Association (ICMA) Retirement Corporation acts as an agent for the City in administering the Plan.

The *General Agency Fund* accounts for the receipt of monies from various funds for sales tax, payroll taxes, refundable deposits, and unclaimed checks.

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

The effect of interfund activity has been eliminated from the government-wide financial statements, except for charges between the enterprise funds activity and various other functions of the government.

Amounts reported as *program revenues* include 1) charges for service, 2) operating grants and contributions, and 3) capital grants and contributions.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the proprietary 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 nonoperating revenues and expenses.

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

(E) Cash and Cash Equivalents

The City considers cash on hand, demand and time deposits and all highly liquid investments with a maturity of three months or less, when purchased, to be a cash equivalent.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(F) Investments

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized costs. All other investments, including pension trust fund investments, are reported at fair value (quoted market price or the best available estimate thereof).

(G) Inventories/Prepays

Inventories consist of supplies and equipment replacement parts, valued using the lower of the weighted average cost method or market, which are purchased in one period and consumed in a future period. Prepaid items represent goods and services which are paid for in one period, but benefit a future period. Inventories and prepaid items are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. The reserve for inventory/prepays in governmental fund types equals the physical inventory/prepaid balance to indicate that a portion of fund balance is unavailable for future expenditures.

(H) Due to/from other funds and Advances to/from other funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" and are expected to be repaid within one year of the balance sheet date. Activities between funds that are representative of long-term lending/borrowing arrangements (not expected to be repaid within one year from the balance sheet date) outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

(I) Capital assets

Capital assets recorded in the government-wide and proprietary fund statements are stated at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair value when received.

Depreciation on all assets meeting the City's capitalization threshold of \$1,000 including those acquired through contributions, is charged to operations. A \$25,000 threshold is maintained for additions to infrastructure capital assets.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Buildings	15-50 Years
Improvements	5-50 Years
Equipment	3-15 Years
Bridges	50 Years
Roads	15-20 Years
Other Infrastructure	15-100 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of any interest earned on specific bonds during the construction phase of capital assets of enterprise funds and business-type activities is capitalized as part of the capitalized value of the assets constructed. The total bond

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

interest expense incurred by the Utility Fund during the current fiscal year was \$1,493,306. No component of interest expense has been capitalized (reduced by interest earnings) as part of the cost of capital assets under construction in connection with utility facilities construction projects during the current fiscal year, as the City did not incur significant expenses related to qualified projects.

(J) Risk Management

The City is self-insured for automobile liability, general liability, including public official's liability and property damage claims pursuant to Florida Statute Section 768.28 (*Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs*). Per Florida Statute Section 768.28, the City is self-insured up to \$100,000 per person/\$200,000 per occurrence. The City is also self-insured for workers' compensation claims, in accordance with Florida Statute Section 440. Workers' compensation claims are self-insured up to \$350,000 per occurrence and property damage (buildings and contents) up to \$100,000, with property damage claims, related to named hurricane/windstorm, having a 5% of total location value deductible. Excess insurance policies apply above these self-insured levels.

The risk management funds charge the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred but not yet reported. The City has insurance coverage for health claims with a commercial carrier. The City accounts for its Risk Management activities in the internal service funds.

(K) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. When terminated, an employee is paid for accumulated vacation leave and a percent of unused sick leave hours, subject to certain limitations. All vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

(L) 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 premiums and discounts, gain/loss on bond refunding and issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/discount and gain/loss on refunding. 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.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(M) Employee Benefit Plans and Net Pension Asset

The City provides separate defined benefit pension plans for general employees and for uniformed police and fire department personnel, as well as a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) for certain employees. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan is not included in the City's financial statements.

The Police and Firefighters' Retirement Plan (PFRP) is a single employer plan with the City being named as the Plan sponsor. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The City contracted with BSO to make annual contributions to the PFRP as actuarially determined. However, the City is ultimately obligated to ensure that the Plan is funded each year, despite its contract with BSO.

At September 30, 2009 the City recorded a net pension asset related to the General Employees Retirement Plan and a net pension asset related to the Police and Firefighters' Retirement Plan in its government-wide statement of net assets. The net pension asset is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the plan. Please refer to Note (III) for further information.

(N) Post Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirements for its General Employees Retirement System (GERS) and Police and Firefighters Retirement System (PFRS).

The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy. Please refer to Note II (J) for further information.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(O) Pollution Remediation Obligations

Once any one of five specified obligating events below occurs, the City is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Components of a liability (for example, legal services, site investigation, or required post-remediation monitoring) should be recognized as they become reasonably estimable. Obligating events include the following:

- The City is compelled to take pollution remediation action because of an imminent endangerment.
- The City violates a pollution prevention-related permit or license.
- The City is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs.
- The City is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The City commences or legally obligates itself to commence pollution remediation.

The City measures pollution remediation obligations using the expected cash flow technique. Estimates of a pollution remediation liability are adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to, for example, changes in the remediation plan or operating conditions. These changes may include the type of equipment, facilities, and services that will be used, price increases or reductions for specific outlay elements such as ongoing monitoring requirements, changes in technology, and changes in legal or regulatory requirements. The City has adopted a minimum reporting threshold of \$100,000, per obligating event. Therefore only remediation sites with outlays estimated to meet or exceed that amount are reported in the financial statements. The City did not have any remediation obligations meeting these criteria at September 30, 2009.

(P) Unearned/Deferred Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the proprietary fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as deferred revenue in the governmental fund financial statements.

(Q) Fund Equity/ Net Assets

In the fund financial statements, governmental funds reserve 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.

CITY OF POMPANO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

Unreserved, undesignated fund balance indicates funds that are available for current expenditures. The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as follows:

Invested in Capital Assets – is intended to reflect the portion of net assets which are associated with capital assets (net of accumulated depreciation), less outstanding capital asset related debt, net of unspent bond proceeds.

Restricted Net Assets – constitute legally enforceable enabling legislation which a party external to the City (such as citizens, public interest groups, or the judiciary) can compel the City to honor.

Unrestricted Net Assets – have no third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Commission has the unrestricted authority to revisit or alter these managerial decisions.

(R) Restricted Net Assets

The Utility Fund has restricted net assets which are set aside to comply with bond covenants related to the Water and Sewer bonds. The City maintains a separate sinking fund account for the water and sewer revenue bond issuance to segregate resources accumulated for debt service payments over the next twelve months. 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, as required per bond covenant. A utility rate stabilization account is also maintained to stabilize utility rates, as required per bond covenant. The City further maintains funds related to unspent bond proceeds restricted for capital projects authorized per the bond indenture agreement. At September 30, 2009 restricted net assets for business-type activities related to these accounts was \$4,476,707.

At September 30, 2009, governmental activities in the government-wide statement of net assets reported total restricted net assets of \$29,455,841. Of this amount, \$737,166 relates to amounts collected for the local option gas tax to be used to fund transportation expenses, \$1,125,572 relates to amounts restricted for debt service related to the 1993 General Obligation Bonds and \$27,593,103 relates to amounts collected in excess of operating expenditures related to the building inspections division, which is restricted to be utilized to fund the future operations of that function.

(S) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(II) DETAILED NOTES ON ALL FUNDS

(A) Cash and Cash Equivalents and Investments

The City maintains a cash, cash equivalents and investments pool that is available for use by all funds except for those in which the cash and investments must be segregated due to bond indenture or other legal restrictions such as the Pension Trust Funds.

Interest earned on pooled cash, cash equivalents and investments is allocated to funds based on average daily balances.

The following are components of the City's cash, cash equivalents and investments at September 30, 2009:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
General	\$ 8,587,279	\$ 62,268,632	\$ -	\$ 28,330,269	\$ 99,186,180
Northwest CRA	20,495,345	5,438,367	-	-	25,933,712
EMS	193,693	1,366,305	-	-	1,559,998
Capital Projects	1,700,109	16,542,862	-	-	18,242,971
Nonmajor Governmental	4,931,133	1,142,848	1,252,585	1,009,633	8,336,199
Internal Service Funds	2,282,081	21,049,580	-	-	23,331,661
Total governmental	<u>38,189,640</u>	<u>107,808,594</u>	<u>1,252,585</u>	<u>29,339,902</u>	<u>176,590,721</u>
Business-type activities:					
Utility	5,274,166	29,424,033	4,476,707	994,705	40,169,611
Nonmajor Enterprise	2,137,005	14,836,593	-	-	16,973,598
Total business-type	<u>7,411,171</u>	<u>44,260,626</u>	<u>4,476,707</u>	<u>994,705</u>	<u>57,143,209</u>
Fiduciary Funds	482,666	-	2,377,257	268,932,880	271,792,803
Total	<u>\$ 46,083,477</u>	<u>\$ 152,069,220</u>	<u>\$ 8,106,549</u>	<u>\$ 299,267,487</u>	<u>\$ 505,526,733</u>

Public Deposits:

At September 30, 2009, the book balance of the City's public deposits was \$9,085,625 and the bank balance was \$10,788,766. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to *Florida Statutes*, Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration ("SBA"), securities which have a market value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

and as a result, all City depositories at fiscal year end were designated as qualified public depositories in accordance with Florida Statute.

Investment Authorization:

The City's investment program is established in accordance with the City's investment policy, which was adopted via resolution by the City Commission, and Florida State Statute Chapter 218.415, *Local Government Investment Policies*, which establishes investment plan guidelines for local governments in Florida. The City's investment guidelines permit the investment of City funds in the Florida Local Government Surplus Funds Trust Fund, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Paper, Time Deposits (Certificates of Deposit), Repurchase Agreements, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, *Security for Public Deposits*.

The City has a General Employees' Retirement Pension Plan and a Police and Firefighters' Retirement Pension Plan (the plans) whose investments are held separately from those of other City funds. The Plan's adopted investment policies (as adopted by the Board of Trustees for each Plan) comply with guidelines stipulated in Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act* and 218, *Local Government Investment Policies* and City Code of Ordinances.

The Police and Firefighters' Retirement Plan's investment policy is also governed by Chapter 175, (*Firefighter Pensions*) and 185 (*Municipal Police Pensions*), Florida Statutes. Both Plans also apply the "Prudent Person Rule" when executing investment strategies.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

The City's investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % Portfolio Composition	Maximum % Individual Issuers	Maximum % Individual Sectors
FSBA	25%	NA	NA
U.S. Government Securities	100% ⁽¹⁾	NA	NA
U.S. Government Agencies	50%	10%	NA
U.S. Sponsored Agencies	80%	25%	NA
Interest Bearing Time Deposit/Savings Accounts	10%	10%	NA
Repurchase Agreements	20% ⁽²⁾	5%	NA
Commercial Paper	25%	2%	10%
Corporate Notes	25%	2%	10%
Bankers' Acceptances	15%	5%	NA
State/Local Government Taxable/Tax Exempt general obligations bonds	25%	NA	NA
State/Local Government Taxable/Tax Exempt revenue/excise tax bonds	10%	NA	NA
Money Market Mutual Funds	35%	15%	NA
Intergovernmental Investment Pools	25%	NA	NA

⁽¹⁾ 10% for treasury strips

⁽²⁾ excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

At September 30, 2009 the City held investments in the Florida Municipal Investment Trust (Florida League of Cities), which is a local government investment pool authorized under Section 218.415, Florida Statutes, *Local Government Investment Policies*, for units of local government in Florida. The operation and administration of the Trust is the responsibility of a Board of Trustees who are selected from the ranks of elected officials of governmental entities participating in the Trust. The fair value of the City's position in the FMIT is the same as the value of the pool shares.

Florida Statutes and the investment policy authorize the Board of Trustees for the General Employees Retirement Plan to acquire every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. The investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % of Portfolio
Domestic Equities	30%
Equities (small/mid cap)	10%
Fixed Income	20%
International Equities	15%
Direct real estate	10%
Absolute return	15%

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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Florida Statutes and the investment policy authorizes the Board of Trustees for the Police and Firefighters' Plan to invest in marketable debt securities issued or guaranteed by either the United States Government or its agencies, domestic corporations (including industrial and utilities), Israel bonds, asset backed and commercial mortgage backed securities, domestic banks and other financial institutions, exchange traded funds, equity securities listed on the New York, American and principal regional and foreign (for foreign securities) exchanges, over the counter securities for which there is an active market maker regulated by National Association of Securities Dealers, and American Depository Receipts, and real estate investment trusts (REIT) listed on the New York American principal regional and foreign exchanges, Funds of Hedge Funds, and private real estate through institution vehicles or direct ownership.

The investment policy establishes asset classes and stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % of Portfolio
Fixed Income Securities	25.0%
Equity Securities	57.5%
Real Estate	7.5%
Hedge Funds	10.0%

Security:

The City and the Pension Plans have a third party custodial arrangement with certain financial institutions to accept securities on a delivery vs. payment basis for direct purchase agreements. Securities purchased in the City's or Pension Plan's name are registered in the name of the City or Pension Plans by an agent of the City and are confirmed with safekeeping statements.

Risk Disclosures:

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The City employs multiple investment duration and investment management strategies which seek to minimize the City's portfolio interest rate risk. The City maintains sixty days or more of liquidity in overnight investments and remaining assets are invested in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates change.

The City's overnight investments have an effective duration of 1 day. The City's short term and core portfolios have durations of 0.33 years and 1.74 years, respectively. This multiple portfolio strategy seeks to limit the risk associated with losses associated with interest rate movements, while providing required liquidity.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at September 30, 2009:

Investment Type	Remaining Maturity (in Years)						
	Fair Value	Less than 1	1 to 2	2 to 3	3 to 4	4 to 5	5 Years+
U.S. Government Securities	\$ 62,808,001	\$ 11,877,826	\$ 22,182,938	\$ 11,191,874	\$ 9,929,224	\$ 7,626,139	\$ -
U.S. Government Agencies	2,991,176	1,280,383	1,329,404	-	-	-	381,389
U.S. Sponsored Agencies	64,870,464	10,264,565	33,664,553	17,402,042	716,578	2,822,726	-
Commercial Paper	979,633	979,633	-	-	-	-	-
Corporate Notes	27,552,559	7,462,490	11,209,264	8,880,805	-	-	-
Corporate Notes-FDIC*	18,021,507	526,278	3,974,486	12,131,063	1,389,680	-	-
Money Market Mutual Funds	43,721,103	43,721,103	-	-	-	-	-
Intergovernmental Investment Pool	3,680,661	-	3,680,661	-	-	-	-
	<u>\$ 224,625,104</u>	<u>\$ 76,112,278</u>	<u>\$ 76,041,306</u>	<u>\$ 49,605,784</u>	<u>\$ 12,035,482</u>	<u>\$ 10,448,865</u>	<u>\$ 381,389</u>
Breakdown: Government-wide							
Investments --							
(subject to interest rate risk)	\$ 224,625,104						
Investments --							
(not subject to market rate risk)							
Certificates of Deposit	1,499,825						
Money Market Savings	4,163,941						
Cash & Cash Equivs. (other deposits)	<u>3,445,060</u>						
Total Government-wide	<u>\$ 233,733,930</u>						

*Securities insured by the Federal Deposit Insurance Corporation (FDIC) carry a U.S. Government guarantee and are in essence U.S. Agency securities.

As a means of limiting its exposure to interest rate risk over time, the General Employees Retirement Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities. Information about the sensitivity of the fair values of the investments for the plan to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's debt type investments by remaining maturity at September 30, 2009:

Investment Type	Remaining Maturity (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Agency Securities	\$ 6,292,975	\$ -	\$ 173,063	\$ 876,040	\$ 5,243,872
U.S. Treasury Securities	478,284	-	-	322,075	156,209
Corporate Obligations	<u>12,469,652</u>	<u>542,092</u>	<u>4,438,052</u>	<u>2,901,900</u>	<u>4,587,608</u>
	<u>19,240,911</u>	<u>\$ 542,092</u>	<u>\$ 4,611,115</u>	<u>\$ 4,100,015</u>	<u>\$ 9,987,689</u>
Common Stocks	32,743,812				
Domestic Equity Funds	10,599,408				
International Equity Funds	13,608,217				
Private Equity Funds	12,387,892				
Real Estate Funds	<u>8,216,647</u>				
Total Investments	<u>\$ 96,796,887</u>				

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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The investment plan for the Police and Firefighters' Retirement Plan limits the Plan's exposure to interest rate risk in both rising and declining interest rate environments considering such factors as credit quality and duration for losses in rising rate environments, and credit quality in declining rate environments. The benchmarks are monitored and changed when warranted by the investment market environment. Debt portfolios are structured and managed to produce returns based on risks inherent in the selected benchmarks. Information about the sensitivity of the fair values of the investments for the plan to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's investments by remaining maturity at September 30, 2009:

Investment Type	Remaining Maturity (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Government Obligations	\$ 9,037,706	\$ 600,000	\$ 4,564,680	\$ 2,437,846	\$ 1,435,180
Mortgage Backed Securities	14,903,473	235,349	834,156	316,893	13,517,075
Corporate Obligations	14,014,892	293,767	7,082,953	3,811,365	2,826,807
Money Market Funds	10,346,215	10,346,215	-	-	-
	48,302,286	\$ 11,475,331	\$ 12,481,789	\$ 6,566,104	\$ 17,779,062
Equity Securities	110,679,909				
Mutual Funds & Collective Trusts	8,374,328				
Pompano Beach Investors LLC	3,576,254				
Total Investments	\$ 170,932,777				

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Neither the City's nor the Police and Firefighters' Retirement Plan's portfolio have exposure to foreign currency risk. The General Employees Retirement Plan's exposure to foreign currency risk is as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>
Europacific Growth Fund	Various	\$13,608,217
JPM Infrastructure Fund	British Pound	12,649,637
		<u>\$26,257,854</u>

Credit Risk – This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. One measure of the perceived credit risk of an issuer is the credit rating. The City's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA for money market funds, AA for corporate notes, A-1 for commercial paper and AAA for U.S. Agencies and U.S. Treasuries. To further minimize credit risk the City's investment policy also provides asset allocation limits for each security type. Issuer limits are also provided for certain investment types.

Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (5%) and issuer (2%). The following table discloses composite credit ratings by investment type as rated by Standard and Poor's at September 30, 2009:

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Investment Type	Fair Value	Rating at September 30, 2009					
		AAAm	AAA	AAA/V2	A-1/A-1+	AA+/AA-/AA	A+
U.S. Government Securities	\$62,808,001	-	\$62,808,001	-	-	-	-
U.S. Government Agencies	2,991,176	-	2,991,176	-	-	-	-
U.S. Sponsored Agencies	64,870,464	-	64,870,464	-	-	-	-
Commercial Paper	979,633	-	-	-	979,633	-	-
Corporate Notes	27,552,559	-	17,277,192	-	-	9,909,233	366,134
Corporate Notes-FDIC Ins.	18,021,507	-	18,021,507	-	-	-	-
Money Market Mutual Funds	43,721,103	43,721,103	-	-	-	-	-
Local Gov't Investment Pool	3,680,661	-	-	3,680,661	-	-	-
Total Investments							
with Credit Risk	\$224,625,104	\$43,721,103	\$165,968,340	\$3,680,661	\$979,633	\$9,909,233	\$366,134
Certificates of Deposit	1,499,825						
Demand Deposits	7,609,001						
Total City Portfolio	<u>\$233,733,930</u>						

The City's General Employees Retirement Plan utilizes portfolio diversification in order to control credit risk. The GERS further limits investment in equity securities to those listed on a major stock exchange and limited to no more than 70% (at market) of GERS total asset value, with no more than 5% of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies is limited to 25% (at cost) (15% prior to September 18, 2007) of the value of the portfolio. No more than 25% of the equity securities are to be invested in small and mid-cap stocks and shares of stock in those corporations whose stock has been publicly traded for less than one year are limited to 15% of the equity portfolio. The average credit quality of the bond portfolio shall be "A" or higher and the duration of the fixed income portfolio should be less than 135% (150% prior to September 18, 2007) of the duration of the market index defined as the Lehman Aggregate Bond Index. The fixed income portfolio shall be comprised of securities rated "BBB" or higher by Standard and Poor's rating services.

The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2009, as applicable:

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. government guaranteed*	<u>\$ 6,771,259</u>	<u>35.19%</u>
Quality rating of credit risk debt securities		
AAA	2,235,989	11.62%
AA+	513,290	2.67%
AA	133,750	0.70%
AA-	294,788	1.53%
A	3,978,503	20.68%
A-	2,212,483	11.50%
A+	1,020,372	5.30%
BAA	93,466	0.49%
BBB	515,841	2.68%
BBB-	186,289	0.97%
BBB+	868,037	4.51%
Not rated	<u>416,844</u>	<u>2.17%</u>
Total credit risk debt securities	12,469,652	64.81%
Total fixed income securities	<u><u>\$ 19,240,911</u></u>	<u><u>100.00%</u></u>

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

The City's Police and Firefighters Retirement Plan also utilize portfolio diversification in order to control credit risk. The Plan's investment policy requires all fixed income investments to hold a credit rating in one of the four highest classifications by a major rating service. Commercial paper, if used, must be of only the highest quality (A-1 or P-1), and the maximum weighting of fixed income securities in BBB ratings is limited to 10% of the fixed income portfolio. The fixed income investments credit ratings for the Plan for the fiscal year ending September 30, 2009 ranged between a rating of AAA and B in accordance with investment policy guidelines.

Concentration of Credit Risk – The investment policy of the City includes limitations on the amount that can be invested in any one issuer as stated in the maximum portfolio percentages stated above. There were no individual investments that represent 5% or more of the City's total investments (excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2009.

The investment policy of the General Employees Retirement Plan includes 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 plan net assets (excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2009. The investment policy of the Police and

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Firefighters Retirement Plan limits equity investments in the fixed income portion of the portfolio to 10% of a given issuer and limits equity investments in any one company to 10% of the equity portion of each portfolio manager (at market). There were no individual investments that represent 5% or more of plan net assets (excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2009.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by the counterparty. It is the City's policy that all investments purchased by the City be designated as an asset of the City in the City's name, despite being held in safekeeping by the City's custodial bank or a third party custodial institution, chartered by the United States Government or the State of Florida. Consistent with the Plans' investment policies, investments are held by the Plans' custodial bank and registered in the Plans' name. Investments in mutual funds and external investment pools are not subject to custodial credit risk.

(B) Receivables and Other Assets

Receivables at fiscal year-end for the City's governmental individual major funds, non-major governmental funds in the aggregate and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Governmental	General	Emergency Medical Svc. District	Capital Projects	Internal Service	Total
Receivables:					
Electric franchise tax	\$ 1,723,070	\$ -	\$ -	\$ -	1,723,070
Electric utility tax	609,919	-	151,779	-	761,698
EMS transport fees	-	2,537,117	-	-	2,537,117
Utility tax	156,187	-	-	-	156,187
Slot machine revenue	149,290	-	-	-	149,290
Franchise fees	107,846	-	-	-	107,846
Other	15,545	-	-	-	15,545
Total governmental receivables	\$ 2,761,857	\$ 2,537,117	\$ 151,779	\$ -	\$ 5,450,753
Due from other governments:					
State half cent sales tax	\$ 399,637	\$ -	\$ -	\$ -	399,637
State local option gas tax	84,685	-	-	-	84,685
State Revenue Sharing	171,214	-	-	-	171,214
Motor fuel tax	10,975	-	50,684	7,600	69,259
Communication service tax	1,022,602	-	-	-	1,022,602
CD Youth Grant	73,730	-	-	-	73,730
Neighborhood Stabilization Program Grant	33,980	-	-	-	33,980
Broward County court fines	44,259	-	-	-	44,259
Broward County-ad valorem taxes	61,669	4,461	-	-	66,130
BSO-Electric bill reimbursement	14,814	-	-	-	14,814
FL. Recreational Development Assistance Program Grant	-	-	135,611	-	135,611
U.S. Dept. of Justice Grant-COPS	25,978	-	-	-	25,978
FEMA-Hurricane Wilma Grant	414,023	-	-	-	414,023
FEMA-Tropical Storm Fay Grant	8,149	-	-	-	8,149
FEMA-Hazard Impact Glass Grant	-	-	1,092,769	-	1,092,769
CDBG - HUD Grant	-	-	362,651	-	362,651
Home - HUD Grant	-	-	85,493	-	85,493
Other	19,273	-	-	-	19,273
Total Due from other governments	\$ 2,384,988	\$ 4,461	\$ 1,727,208	\$ 7,600	\$ 4,124,257

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Receivables for the City's business-type activities, by major fund, and allowances for uncollectible accounts are as follows:

	Utility	Nonmajor Enterprise	Total
Receivables:			
Water/sewer customer charges	\$ 3,536,942	\$ -	\$ 3,536,942
Land lease	-	64,959	64,959
Solid waste customer charges	-	1,293,539	1,293,539
Stormwater customer charges	-	466,607	466,607
Less: Allowance for uncollectibles	<u>(56,765)</u>	<u>(262,166)</u>	<u>(318,931)</u>
Total business-type receivables (net)	<u>\$ 3,480,177</u>	<u>\$ 1,562,939</u>	<u>\$ 5,043,116</u>
Due from other governments:			
FDOT Airport Runway Expansion Grant	\$ -	\$ 329,027	\$ 329,027
Broward County Refund-Disposal Charges	208,716	-	208,716
Broward County Reimbursement-Drainage Improvements	-	45,688	45,688
Broward County Office of Environmental Services	<u>4,292</u>	<u>103,959</u>	<u>108,251</u>
Total due from other governments	<u>\$ 213,008</u>	<u>\$ 478,674</u>	<u>\$ 691,682</u>

Mortgages

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the ten year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period, as they are required to be repaid in full at the end of the 30 year period. During fiscal year 2009 the Northwest District did not receive any repayments related to these grants. At September 30, 2009 the unamortized amount outstanding related to these grants was \$3,050,551. Due to the uncertainty of collections regarding this amount a receivable has not been recorded.

Assets held for Resale

The Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private-sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at fair value at the date of donation. The cost basis of assets held for resale include costs incurred to acquire the asset and prepare the asset for resale, such as purchase price, closing fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. Assets held for resale include land, land improvements and buildings. Gains are recorded as charges for services in the government-wide statements and miscellaneous revenue in the fund financial statements and losses are recorded as general government expenses. Assets held for resale activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Assets held for resale	\$ <u>25,878,024</u>	\$ <u>4,942,777</u>	\$ <u>803,397</u>	\$ <u>30,017,404</u>

(C) Capital Assets and Construction Commitments

Capital asset activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 46,476,357	\$ 837,437	\$ 423,915	\$ 46,889,879
Construction in progress	<u>9,275,758</u>	<u>7,177,824</u>	<u>1,879,463</u>	<u>14,574,119</u>
Total capital assets, not being depreciated	<u>55,752,115</u>	<u>8,015,261</u>	<u>2,303,378</u>	<u>61,463,998</u>
Capital assets, being depreciated:				
Buildings	34,601,308	174,089	-	34,775,397
Infrastructure	97,142,075	1,559,322	-	98,701,397
Improvements other than buildings	64,491,205	461,581	-	64,952,786
Machinery and equipment	<u>25,648,344</u>	<u>2,002,244</u>	<u>1,165,748</u>	<u>26,484,840</u>
Total capital assets being depreciated	<u>221,882,932</u>	<u>4,197,236</u>	<u>1,165,748</u>	<u>224,914,420</u>
Less accumulated depreciation for:				
Buildings	18,783,252	1,090,950	-	19,874,202
Infrastructure	15,214,245	4,999,967	-	20,214,212
Improvements other than buildings	16,958,217	3,536,353	-	20,494,570
Machinery and equipment	<u>17,633,551</u>	<u>2,772,715</u>	<u>1,164,365</u>	<u>19,241,901</u>
Total accumulated depreciation	<u>68,589,265</u>	<u>12,399,985</u>	<u>1,164,365</u>	<u>79,824,885</u>
Total capital assets being depreciated, net	<u>153,293,667</u>	<u>(8,202,749)</u>	<u>1,383</u>	<u>145,089,535</u>
Governmental activities capital assets, net	\$ <u>209,045,782</u>	\$ <u>(187,488)</u>	\$ <u>2,304,761</u>	\$ <u>206,553,533</u>

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Utility Fund:				
Capital assets, not being depreciated:				
Land	\$ 216,373	\$ -	\$ -	\$ 216,373
Construction in progress	10,882,215	5,723,498	480,265	16,125,448
Total capital assets, not being depreciated	<u>11,098,588</u>	<u>5,723,498</u>	<u>480,265</u>	<u>16,341,821</u>
Capital assets, being depreciated:				
Buildings	47,530,501	104,852	-	47,635,353
Infrastructure	102,293,619	308,921	-	102,602,540
Improvements other than buildings	18,269,323	354,286	-	18,623,609
Machinery and equipment	9,731,705	534,825	244,584	10,021,946
Total capital asset being depreciated	<u>177,825,148</u>	<u>1,302,884</u>	<u>244,584</u>	<u>178,883,448</u>
Less accumulated depreciation for:				
Buildings	12,970,731	1,439,169	-	14,409,900
Infrastructure	58,763,384	781	-	58,764,165
Improvements other than buildings	272,351	4,382,569	-	4,654,920
Machinery and equipment	7,306,912	758,075	227,146	7,837,841
Total accumulated depreciation	<u>79,313,378</u>	<u>6,580,594</u>	<u>227,146</u>	<u>85,666,826</u>
Utility Fund capital assets, being depreciated, net	<u>98,511,770</u>	<u>(5,277,710)</u>	<u>17,438</u>	<u>93,216,622</u>
Utility Fund capital assets, net	<u>\$ 109,610,358</u>	<u>\$ 445,788</u>	<u>\$ 497,703</u>	<u>\$ 109,558,443</u>
Nonmajor Enterprise Funds:				
Capital assets, not being depreciated:				
Land	\$ 934	\$ 60,058	\$ -	\$ 60,992
Construction in progress	3,788,514	1,562,683	1,152,341	4,198,856
Total capital assets, not being depreciated	<u>3,789,448</u>	<u>1,622,741</u>	<u>1,152,341</u>	<u>4,259,848</u>
Capital assets, being depreciated:				
Buildings	3,273,874	-	-	3,273,874
Infrastructure	15,302,176	1,177,475	-	16,479,651
Improvements other than buildings	8,437,473	-	-	8,437,473
Machinery and equipment	2,830,602	339,491	68,734	3,101,359
Total capital assets being depreciated	<u>29,844,125</u>	<u>1,516,966</u>	<u>68,734</u>	<u>31,292,357</u>
Less accumulated depreciation for:				
Buildings	1,847,489	108,059	-	1,955,548
Infrastructure	7,691,165	222,034	-	7,913,199
Improvements other than buildings	686,393	908,243	-	1,594,636
Machinery and equipment	1,912,737	286,713	68,734	2,130,716
Total accumulated depreciation	<u>12,137,784</u>	<u>1,525,049</u>	<u>68,734</u>	<u>13,594,099</u>
Nonmajor Enterprise Fund capital assets, being depreciated, net	<u>17,706,341</u>	<u>(8,083)</u>	<u>-</u>	<u>17,698,258</u>
Nonmajor Enterprise Funds capital assets, net	<u>21,495,789</u>	<u>1,614,658</u>	<u>1,152,341</u>	<u>21,958,106</u>
Business-type activities capital assets, net	<u>\$ 131,106,147</u>	<u>\$ 2,060,446</u>	<u>\$ 1,650,044</u>	<u>\$ 131,516,549</u>

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

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

Governmental activities:		
General government	\$	9,092,332
Public safety		1,274,978
Transportation		594,557
Physical environment		438,426
Culture and recreation		999,692
Total depreciation expense - governmental activities	\$	<u><u>12,399,985</u></u>
Business-type activities:		
Utilities	\$	6,580,594
Pier		57,849
Airpark		402,981
Golf		295,314
Sanitation		37,908
Stormwater		730,997
Total depreciation expense - business-type activities	\$	<u><u>8,105,643</u></u>

The City has active construction projects as of September 30, 2009. Significant projects that were ongoing as of September 30, 2009 for governmental activities were as follows:

<u>Project</u>	<u>Expended through September 30, 2009</u>	<u>Committed</u>
Fire Station 11-Rebuild	\$ <u><u>126,670</u></u>	\$ <u><u>272,854</u></u>

Significant projects that were ongoing as of September 30, 2009 for business-type activities were as follows:

	<u>Expended through September 30, 2009</u>	<u>Committed</u>
Water Treatment Plant Security	\$ 309,150	\$ 308,931
Stormwater Sewer Pipe Rehab.	2,358,370	329,500
Lift Station 2-4;11-12 Rehab.	1,335,562	537,596
	\$ <u><u>4,003,082</u></u>	\$ <u><u>1,176,027</u></u>

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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(D) Unearned/Deferred Revenue

Unearned/Deferred revenue at fiscal year end for the City's governmental individual major funds and non-major governmental funds in the aggregate are as follows:

<u>Governmental Activities</u>	General	Northwest	EMS	Capital	Non Major	Total
	Fund	CRA	Fund	Projects	Governmental Funds	
Occupational Licenses	\$ 1,095,096	\$ -	\$ -	\$ -	\$ -	\$ 1,095,096
Communication Service Tax	578,892	-	-	-	-	578,892
Franchise Fee	107,847	-	-	-	-	107,847
EMS Transport Fees	-	-	1,990,387	-	-	1,990,387
Prepaid Rent	-	4,500	-	-	-	4,500
SHIP Grant Funds	-	-	-	-	1,137,271	1,137,271
School Board-Blanch Ely						
Stadium Project	-	-	-	47,632	-	47,632
FL. Recreation Development						
Assistance Program Grant	-	-	-	135,611	-	135,611
FEMA-City Hall Impact Glass						
Grant	-	-	-	1,092,769	-	1,092,769
FEMA-Hurricane Wilma Grant	414,023	-	-	-	-	414,023
FEMA-Tropical Storm Fay Grant	8,149	-	-	-	-	8,149
HUD-Home Grant	-	-	-	73,743	-	73,743
HUD-CDBG Grant	-	-	-	216,574	-	216,574
Total Governmental Activities	\$ 2,204,007	\$ 4,500	\$ 1,990,387	\$ 1,566,329	\$ 1,137,271	\$ 6,902,494

Unearned revenue at fiscal year end for the City's non-major enterprise funds is as follows:

<u>Business-Type Activities</u>	<u>Non-Major Enterprise Funds</u>
Hauling Contract Extension Fee	\$ 2,083,333

(E) Interfund Loans and Transfers

The composition of interfund balances as of September 30, 2009, is as follows:

Advances to/from other funds:

<u>Advances to Fund</u>	<u>Advances From Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Fund	\$ 3,333,333

The Sanitation Fund advanced the General Fund \$5,000,000 in relation to an amount received from a contracted vendor. The amount received was advanced to the general fund as the City could use the funds at the City's sole discretion. The \$5,000,000 is a non-interest bearing loan and will be repaid to the Sanitation Fund over the term of the hauling contract in annual installments of \$416,667 through 2014, the last year of the hauling contract.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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The annual requirements to pay principal on the advance from the sanitation fund (nonmajor enterprise fund) to the general fund are as follows:

	<u>Principal</u>
2010	416,667
2011	416,667
2012	416,667
2013	416,667
2014	1,666,665
	<u>\$ 3,333,333</u>

Due to/from other funds:

<u>Receivable</u>	<u>Payable</u>	Amount
General Fund	Internal Service Fund	\$ 225,000 (1)
General Fund	Nonmajor Enterprise Fund	500,000 (1)
		<u>\$ 725,000</u>

(1) This is a short term non-interest bearing receivable and payable to cover a negative cash balance at fiscal year end.

In the government-wide statement of net assets, interfund balances between governmental activities and business-type activities have been consolidated and reported on a single line called "internal balances" (net amount of **\$2,716,014**), which includes the advance between the General and Sanitation Fund, a short term loan from the General Fund to the Sanitation Fund and the internal service fund look-back adjustment to enterprise funds.

Transfers in/out are as follows:

	<u>Transfers in:</u>						Total
	General Fund	EMS	Capital Projects Fund	Subtotal Gov'mtl. Activities	Nonmajor Enterprise Funds	Subtotal Business Type Activities	
Transfers out:							
General Fund	\$ -	\$ 3,861,138	\$ 505,525	\$ 4,366,663	\$ 673,744	\$ 673,744	\$ 5,040,407
Capital Projects	-	-	70,000	70,000	-	-	70,000
Nonmajor							
Gov't'l Funds	-	-	201,900	201,900	-	-	201,900
Utility Fund	-	-	-	-	19,468	19,468	19,468
Nonmajor							
Enterprise Funds	1,985,097	-	-	1,985,097	-	-	1,985,097
Total transfers out	<u>\$ 1,985,097</u>	<u>\$ 3,861,138</u>	<u>\$ 777,425</u>	<u>\$ 6,623,660</u>	<u>\$ 693,212</u>	<u>\$ 693,212</u>	<u>\$ 7,316,872</u>

The transfer from the General Fund to the EMS Fund was required to cover operating costs. Transfers from the General Fund to the Capital Projects Fund were to fund several general government CIP projects (primarily Community Park-Phase III improvements, Fairview Park Improvements, Cypress Road Lighting and hurricane impact glass for the Emma Lou Civic Center). Transfers from the General Fund to the Nonmajor Enterprise Funds were primarily to cover an operating shortfall in the Golf Fund. Transfers from the non-major enterprise funds to the General Fund was primarily for an administrative charge to garbage customers in the

CITY OF POMPANO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

Sanitation Fund, an annual rebate amount from Waste Management and the annual amortization of a payment associated with a settlement from Waste Management. Transfers from the Utility Fund to the Airpark Fund related to the buyout of land deed restrictions from the Federal Aviation Administration.

(F) Long-term Obligations

Summarized below are the City's debt issued to finance the acquisition of properties for community development and construction of capital facilities, which were outstanding at September 30, 2009.

Governmental Activities Debt:

- On October 1, 1993, the City issued \$13,535,000 in General Obligation Bonds to finance general capital improvements. The issue consisted of serial bonds due in annual installments of \$20,000 to \$1,555,000 through 2010, with interest ranging from 3.875% to 5.00%. Principal and interest related to the general obligation bonds are secured by the full faith and credit of the City by way of pledged ad valorem taxes, specifically assessed for this purpose. The total principal and interest remaining to be paid on the bonds is \$1,149,750. Principal and interest paid for the current fiscal year and total ad valorem taxes collected and interest earned on these funds were \$75,750 and \$61,872, respectively.
- On December 16, 2003, the Pompano Beach Community Redevelopment Agency (the Agency) authorized the issuance of Tax Increment Bond – Series 2003A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the bond. On December 22, 2003, the Agency also entered into a non-revolving line of credit agreement (line of credit) with the Bank, not to exceed \$10,000,000, which represents the Bank's obligation to fund advances of principal of the Series 2003A Bond. The Series 2003A Bond represent the Agency's obligation to reimburse the Bank for up to \$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District's Redevelopment Area boundaries on a parity with the lien of the Agency's Series 2004A Bond as discussed below. At September 30, 2009 the Agency had \$10,000,000 outstanding related to this line of credit. Proceeds of these draws were used to finance the current refunding of the Agency's Special Obligation Bonds – Series 1999, the cost of redevelopment projects in the Northwest District Redevelopment Area and costs of issuance. Interest on the 2003A Bond is at a fixed rate of 4.39%, with a final maturity date of November 1, 2018. Interest on the Series 2003A Bond is due and payable quarterly. Commencing November 1, 2009, principal is due and payable quarterly through 2019.
- On January 21, 2004, the Agency authorized the issuance of Tax Increment Bonds – Series 2004A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the Series 2004A Bond. On January 21, 2004, the Agency also entered into a non-revolving line of credit agreement (line of credit) with Wachovia Bank, National Association (the Bank), in an amount not to exceed \$10,000,000, representing the Bank's obligation to fund advances of principal of the Series 2004A Bond. The Series 2004A Bond represents the Agency's obligation to reimburse the Bank for up to

CITY OF POMPANO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

\$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District Redevelopment Area boundaries, on a parity with the Agency's Series 2003A Bond, as discussed above. At September 30, 2009 the Agency had \$10,000,000 outstanding related to this line of credit. Proceeds of these draws were used to finance the cost of redevelopment projects in the Northwest District Redevelopment Area. Interest on the Series 2004A Bond is at a fixed rate of 4.39%, with a final maturity date of November 1, 2018. Interest on the Series 2004A Bond is due and payable quarterly. Commencing November 1, 2009, principal is due and payable quarterly.

For the current fiscal year, interest paid and total tax increment revenues were \$832,878 and \$8,066,729, respectively. At September 30, 2009, total principal and interest remaining on the bonds is \$24,165,622 payable through November 2019.

Conduit Debt

On December 9, 2008, the City Commission authorized the issuance of special facility airport revenue bonds in an aggregate principal amount not to exceed \$8,000,000, for the purpose of making a loan of funds to Sheltair Pompano Beach, LLC (Sheltair) in order to finance the costs of the acquisition, renovation, construction and equipping of certain general aviation facilities located at the Pompano Beach Airpark, to be leased by Sheltair. The bonds were subsequently issued on December 22, 2008. The bonds are limited obligations of the City payable from lease payments required to be made by Sheltair. The City is not obligated to pay the principal or interest of the bonds except from payments made by Sheltair, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2009, total principal and interest outstanding related to this debt issue was \$7,962,250 and \$6,655,434, respectively.

Business-type Activities Debt:

On June 14, 2005, the City Commission authorized the issuance of Water and Sewer Revenue Bonds – Series 2006A and B (collectively known as the Series 2006 bonds), per City Ordinance No. 2005-57. The Series 2006 bonds were subsequently issued on May 3, 2006. The Series 2006A bonds were issued for the purpose of providing funds sufficient to accomplish the current refunding of all of the City's outstanding Water and Sewer Bonds, Series 1993, which had an outstanding balance in the amount of \$5,845,000. The Series 2006B bonds were issued for the purpose of providing funds sufficient to accomplish the advance refunding of the City's outstanding Water and Sewer Revenue Bonds, Series 2000, which had an outstanding balance in the amount of \$36,030,000. Refunded bonds were initially issued by the City to finance the following projects:

- 10.0 MGD Membrane Softening Water Treatment Plant
- Western/I-95 Wellfield Expansion
- Water Treatment Plant Exterior Door Replacement
- Indian Mound Ground Storage and Booster Pump Station
- North Course Drive Water Main Extension

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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- Reclaimed Water Treatment Facility

- Reclaimed Water Distribution System Expansion
- Lyons Park Sanitary Sewer Improvements
- Cypress Road Force Main Replacement
- North East Force Main Installation/Lift Station #2 Rehabilitation
- Pump Station Replacements-Eleven Pump Stations
- Lift Stations 1, 49 and 50 Rehabilitation
- Lift Station 5 Rehabilitation

The City has pledged future water and sewer customer gross revenues, net of specified operating expenses (net revenues), to repay the Series 2006 bonds. The bonds are payable solely from water and sewer customer net revenues and are payable through 2020. Interest on the Series 2006A bonds range from 3.60% to 3.94% through July 1, 2013, the scheduled maturity of the bonds. Interest on the Series 2006B bonds range from 3.74% to 4.58% through July 1, 2020, the scheduled maturity of the bonds.

Principal and interest payments on the Series 2006 bonds are due semi-annually through maturity. Annual principal and interest payments on the Series 2006 bonds are expected to require less than 34 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$41,759,231. Principal and interest paid for the current fiscal year and total water and sewer customer net revenues were \$4,368,800 and \$12,799,074 respectively.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Changes in long-term liabilities

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Governmental activities:									
Bonds payable									
General obligation bonds	\$ 1,115,000	\$	-	\$	20,000	\$	1,095,000	\$	1,095,000
Tax increment bonds	<u>20,000,000</u>		-		-		<u>20,000,000</u>		<u>2,162,162</u>
Total bonds payable	21,115,000		-		20,000		21,095,000		3,257,162
Claims and judgments	13,365,000		4,295,205		2,495,205		15,165,000		2,656,593
Net OPEB Obligation	1,525,614		2,151,931		502,184		3,175,361		-
Compensated absences	<u>4,653,603</u>		<u>4,669,345</u>		<u>4,150,208</u>		<u>5,172,740</u>		<u>252,071</u>
Governmental activity									
Long-term liabilities	<u>\$ 39,133,603</u>	\$	<u>8,964,550</u>	\$	<u>6,665,413</u>	\$	<u>41,432,740</u>	\$	<u>6,165,826</u>
Business-type activities:									
Bonds payable:									
Water & Sewer revenue bonds	\$ 36,105,000	\$	-	\$	2,875,494	\$	33,229,506	\$	2,990,000
Less: Deferred amounts	(635,670)		-		54,116		(581,554)		(54,127)
Less: bond discount	<u>(108,705)</u>		-		13,177		<u>(95,528)</u>		<u>(13,177)</u>
Total bonds payable	35,360,625		-		2,942,787		32,552,424		2,922,696
Net OPEB Obligation	385,844		386,752		71,520		701,076		-
Compensated absences	<u>796,082</u>		<u>795,793</u>		<u>644,754</u>		<u>947,121</u>		<u>3,019</u>
Business-type activity									
Long-term liabilities	<u>36,542,551</u>		<u>1,182,545</u>		<u>3,659,061</u>		<u>34,200,621</u>		<u>2,925,715</u>
Total long-term liabilities	<u>\$ 75,676,154</u>	\$	<u>10,147,095</u>	\$	<u>10,324,474</u>	\$	<u>75,633,361</u>	\$	<u>9,091,541</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Bond indentures for the water and sewer bonds contain provisions relating to annual debt service payments, restricted account transactions, minimum sinking fund requirements, and minimum revenue levels. The City believes that it is in compliance with all bond provisions and maintained reserves totaling **\$4,476,707** at September 30, 2009.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2009, the statutory limit for the City was approximately **\$1.8** billion, providing a legal debt margin of approximately **\$1.8** billion.

The Tax Reform Act of 1986 arbitrage rebate regulations require earnings from investment of tax-exempt debt proceeds which exceed the yield on the debt to be remitted to the federal government every five years. As of September 30, 2009 the City had negative arbitrage related to all outstanding bond issues. Amounts to be rebated, if any, depend on net results of arbitrage calculations in future years.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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The annual requirements to pay principal and interest on bonds at September 30, 2009 are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 3,257,162	892,277	\$ 4,149,439	\$ 2,989,506	1,380,169	\$ 4,369,675
2011	2,162,162	747,486	2,909,648	3,110,000	1,262,506	4,372,506
2012	2,162,162	652,568	2,814,730	3,225,000	1,140,119	4,365,119
2013	2,162,162	557,649	2,719,811	3,370,000	1,013,206	4,383,206
2014	2,162,162	462,730	2,624,892	2,590,000	876,219	3,466,219
2015-2019	9,189,190	907,662	10,096,852	14,625,000	2,708,106	17,333,106
2020-2024	-	-	-	3,320,000	149,400	3,469,400
	<u>\$ 21,095,000</u>	<u>4,220,372</u>	<u>\$ 25,315,372</u>	<u>\$ 33,229,506</u>	<u>8,529,725</u>	<u>\$ 41,759,231</u>

UNAMORTIZED ISSUANCE COSTS – Original issuance costs on long-term debt are amortized over the life of the respective liability in the Utility Fund and the government-wide financial statements. Such amounts are amortized by the straight-line method, which is not materially different than the interest method. At September 30, 2009 the City had \$179,412 in unamortized issuance costs outstanding related to the 2006 Water and Sewer Revenue Bonds and \$31,001 related to the Tax Increment Bonds.

OTHER UNAMORTIZED AMOUNTS ON BOND REFUNDING - Original deferrals (difference between carrying value of old debt and reacquisition price of new debt), as well as unamortized premium/discounts on the bond refunding of the 1993 and 2000 Water and Sewer Revenue Bonds are being amortized over the life of the respective liability in the Utility Fund and the government-wide financial statements using the effective interest method. The unamortized bond deferral was \$581,544 and the unamortized discount was \$95,528 at September 30, 2009. These amounts are reported as an addition/deduction from the bond liability of \$33,229,506 at September 30, 2009.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(G) Lease

Operating Lease

The City is a lessee in a long-term land lease in order to receive access to a tract of land at the Hillsboro Inlet. The lease expires in 64 years and is adjusted for changes in the Consumer Price Index every three years.

The lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>
2010	\$ 128,211
2011	128,211
2012	128,211
2013	128,211
2014	128,211
2015-2019	641,055
2020-2024	641,055
2025-2029	641,055
2030-2034	641,055
2035-2039	641,055
2040-2044	641,055
2045-2049	641,055
2050-2054	641,055
2055-2059	641,055
2060-2064	641,055
2065-2069	641,055
2070-2074	512,844
Total lease payments	<u>\$ 8,205,504</u>

(H) Property Taxes

The City levies property taxes each October 1, which becomes a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Broward County Property Appraiser as of the prior January 1. The current year's levy is based on assessed property values totaling approximately \$12 billion. Taxes are collected directly by Broward County and remitted to the City as collected.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the General Fund. The City levied taxes at 3.4861 mills for the General Fund, 0.0023 mills for the Debt Service Fund and .4718 mills for the EMS District for the fiscal year ended September 30, 2009.

All taxes are due from property owners on March 31. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. Gross tax collections for the year ended September 30, 2009 were approximately 99.6% of the total tax levy.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

(I) Other Commitments

On October 1, 2004, the City of Pompano Beach entered into a five year contract with the Broward County Sheriff's Office ("BSO"), for policing services in Pompano Beach. At September 30, 2009 the City had yet to execute a new contract with BSO. However, pending the execution of a formal contract, the City has committed to paying BSO at a rate of \$3,064,581, on a month to month basis.

(J) Post Employment Benefits Other Than Pensions

Plan Description - Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees (as defined in the City's pension plans as discussed in more detail at Note III) and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Funding Policy - The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2009, 68 retirees received health care benefits. Annual required implied contributions amounted to \$2,618,496 for the current fiscal year, towards which the City made an implied contribution of \$573,704. Retiree contributions totaled \$951,282 for the fiscal year ended September 30, 2009. At September 30, 2009 the City recorded a net OPEB obligation of \$3,175,361 for governmental activities and \$701,076 for business-type activities in its government-wide statement of net assets. The Utility Fund reported a net OPEB obligation of \$542,294, while the Airpark Fund reported \$35,644 and non-major enterprise funds reported \$123,138. Internal Service Funds reported a net OPEB obligation of \$175,154. The OPEB obligation is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers' contributions made to the plan.

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

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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Annual Required Contribution	\$ 2,618,496
Interest on Net OPEB Obligation	95,572
Adjustment to Annual Required Contribution	<u>(175,385)</u>
Annual OPEB Cost (Expense)	2,538,683
Implied Employer Contribution	(573,704)
Increase in Net OPEB Obligation	1,964,979
Net OPEB Obligation-beginning of year	<u>1,911,458</u>
Net OPEB Obligation-end of year	<u><u>\$ 3,876,437</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2009 (first year of implementation), was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2009	\$ 2,538,683	23%	\$ 3,876,437
September 30, 2008	2,252,504	15%	1,911,458

Funded Status and Funding Progress - As of September 30, 2009, the actuarial accrued liability for benefits was \$16,153,476 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$16,153,476. The covered payroll (annual payroll of active employees covered by the plan) was \$39,035,302, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19 percent. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the actuarial valuation as of July 1, 2009 the Projected Unit Credit method (PUC) was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement. The unfunded actuarial accrued liability is being amortized over a fifteen year open period, utilizing the level dollar payment method. The remaining amortization period at September 30, 2009 is 14 years.

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The following simplifying assumptions were made:

Eligibility

For firefighters and police officers – Age 47 with at least 20 years of service, or age 55 with at least 10 years of service.

For general employees – Age 55 with at least 20 years of service, or age 62 with at least three years of service.

Disability

Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study were used. Class 4 rates were used for police officers and firefighters, while class 2 rates were used for general employees.

Permanent Withdrawal from Active Status

Sex-distinct withdrawal rates set forth in the Scale 155 table were used.

Investment Rate of Return

A discount rate of 5% per annum was utilized (includes inflation at 3% per annum).

Healthcare Cost Trend Rates

The cost of covered medical services, based on market place knowledge, was assumed to increase or decrease in accordance with the following rates, compounded annually:

2009/10-10.00%
2010/11-9.50%
2011/12-9.00%
2012/13-8.50%
2013/14-8.00%
2014/15-7.50%
2015/16-7.00%
2016/17-6.50%
2017/18-6.00%
2018/19 & later-5.00%

Implied Subsidy

The implied subsidy for a 65-year old retiree for the period July 1, 2009 through June 30, 2010 is assumed to be \$3,600 per year under the HMO plan and \$4,550 per year PPO plan. Upon the attainment of medicare eligibility, the subsidy is assumed to disappear.

Age Related Morbidity

The cost of covered medical services has been assumed to increase with age at the rate of 2.50% per annum.

Retiree Contributions

Retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to the active employees.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
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Cost of Living Increases

Retiree contributions have been assumed to increase in accordance with the healthcare cost trend assumption.

Medical Plan Choice

Both current and future retirees have been assumed to continue coverage in accordance with their current plan election.

Future Participation Rates

One hundred percent (100%) of eligible employees were assumed to elect coverage upon retirement or disability. Coverage for retirees and their dependents was assumed to continue for the life of the retiree only, with coverage for all dependents ending upon the retiree's death.

Marriage and Dependent Assumption

Both current and future retirees were assumed to continue single or family coverage in accordance with their current election.

COBRA Assumption

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation. As the COBRA premium is determined periodically based on plan experience, it was assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

Retiree Age Assumption

All current retirees were assumed to be an average age 60 years, based on actual retirees data.

(III) OTHER INFORMATION

**(A) Employee Retirement System
Police and Firefighters' Retirement System**

1. Summary of Significant Accounting Policies

Basis of accounting – The PFRS's financial statements are prepared using the accrual basis of accounting. Contributions from the PFRS's members are recognized as revenue in the period in which the contributions are due. Contributions from the City and the Broward County Sheriff's Office, as calculated by the PFRS's actuary, are recognized as revenue when due and when the entities have made a formal commitment to provide the contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method used to value investments – Investments are reported at fair value. Short-term investments which consist of money market funds are reported at cost, which is fair value. Securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. Real estate

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NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

investments are reported at its fair value based on an appraisal of underlying property. The PFRS has investments in Funds of Hedge Funds which hold in a variety of different investment vehicles that do not have readily available market quotations. The Plan's fair value is based on its proportionate share of the value of the Funds of Hedge Funds as determined by the fund managers. That value is based on what the hedge fund can reasonably expect to receive for their interest in the various investment vehicles based on input from fund managers, independent valuation consultants and independent auditors. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Interest and dividends are recorded as earned. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Plan Description and Contribution Information

The following brief description of the Plan is provided for general information purposes only. Participants should refer to City ordinances for more complete information.

Plan description – The Pompano Beach Police and Firefighters' Retirement System ("PFRS") was established by ordinance of the City of Pompano Beach, Florida ("City") on August 15, 1972 (effective October 1972), to account for the financial activity of the Pompano Beach Police and Firefighters' Retirement Plan ("Plan"). The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the Firefighter members, and three members elected by/from the Police members. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS.

All full time employees of the police and fire departments, who are classified as sworn police officers and firefighters are covered by this single employer defined benefit pension plan. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements. However, the PFRS also issues a stand alone financial report that may be obtained by writing to the Pension Board, P.O. Box 610489, Pompano Beach, Florida 33061-0489.

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The PFRS provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City, in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. A member may retire with normal benefits after reaching age 47 and accumulating 20 or more years of credited service, or age 55 and accumulating 10 or more years of credited service, or age 47 regardless of credited service for those members of the Plan on August 15, 1972. Normal retirement benefits are stipulated in Section Pursuant to Ordinance 2008-54, a police officer with 25 years of accredited service may elect to purchase unreduced normal retirement benefits regardless of age. Normal retirement benefits are stipulated in Section 34.055 of the City's Code of Ordinances and are contingent upon a member's employment classification, separation date, length of service and average monthly earnings. In general, normal retirement benefits are the member's average earnings times the number of years of service multiplied by a factor ranging from 2.0% to 4.0%. Members with 20 or more years of service may receive an early retirement benefit at age 47 or an immediate benefit at a reduced amount. Members who have attained age 50 and have completed 10 years of service are also eligible for an early retirement benefit.

Each October 1, an automatic cost of living adjustment (COLA) of 2% is provided to those who have been retired at least 5 years. An additional increase of up to 1% may be paid to those same retirees under certain circumstances.

A member attaining age 47 with 20 or more years of credited service is eligible for delayed retirement. These benefits begin upon application and are computed in the same manner as the normal retirement benefit.

Any member who is eligible to receive a normal retirement pension and prior to attaining 25 years of service may elect to participate in a deferred retirement option plan ("DROP") while continuing his or her active employment as a police officer or firefighter. A member with 25 years of credited service who is not yet eligible for normal retirement, may elect to participate in the DROP upon reaching normal retirement. Upon participation in the DROP, the member becomes a retiree for all PFRS purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member after 5 years of participation. As of September 30, 2009, the balance in the Drop account was \$11,092,892. These amounts are included in the total investment balance presented on the statement of plan assets.

Disability benefits for service related disabilities are paid to the member for at least 10 years or until recovery. Benefits are calculated as 75% of the member's final earnings in effect at the date the benefit is approved. For firefighters, benefits are calculated at greater of 75% of final earnings or the vested accrued benefit at the time of disability. Disability benefits for non-service related disabilities for members with 10 or more years of credited service are paid to a member for at least 10 years or until recovery. Benefits are calculated as 3% of

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the member's average monthly earnings times the number of credited service years, up to a maximum of 60% of the member's salary, plus 2% of average monthly earnings times the number of credited service years in excess of 25 years.

Pre-retirement death benefits for service related deaths are payable to the member's surviving spouse until death or remarriage (for life if the member was killed in the line of duty). Benefits are calculated as \$5,000 lump sum payment plus 75% of the member's final earnings. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings. Pre-retirement death benefits for non-service related deaths of members with more than 10 years of credited service are payable to a designated beneficiary. The designated beneficiary may elect to receive a return of the member's contribution plus interest or an accrued benefit payable at normal retirement or early retirement. In addition, the designated beneficiary may elect the pre-retirement death benefit for non-service related deaths of members with 5 to 10 years of credited service. Pre-retirement death benefits for non-service related deaths of members with 5 to 10 years of credited service are paid to the member's surviving spouse for life or until remarriage. Benefits are computed as a \$5,000 lump sum plus 65% of the member's accrued benefits at the date of death, subject to a minimum of 20% of the member's average monthly salary. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings. The pre-retirement death benefit for members with 1 to 5 years of credited service is a \$5,000 lump sum payment to the member's designated beneficiary. Post retirement death benefits are payable to the member's beneficiary in accordance with the terms of the payment method selected.

A member with less than 10 years of credited service who terminates employment is refunded his or her contributions, plus interest of 3%. A member with 10 or more years who terminates employment may receive his or her accrued benefit or a refund of contributions plus 3% interest.

Membership consisted of the following at **October 1, 2008**, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	267
Terminated employees entitled to benefits but not yet receiving them, and participants who have elected to defer normal retirement benefits, and participants who have elected to participate in the DROP	41
Active plan members	<u>241</u>
Total	<u>549</u>

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NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

Contributions – Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary.

The City also has a contract with BSO to provide annual contributions to the Plan on behalf of police officers, as actuarially determined. Pursuant to chapters 175 and 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Pompano Beach properties is collected by the State and is remitted to the PFRS. Administrative costs are financed through investment earnings.

In accordance with Florida Statutes, additional premium tax revenues received by the PFRS are reserved to provide future minimum or extra benefits and may not be used to reduce or offset the contribution requirements of the City. As of the October 1, 2008 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements total \$2,371,207 of which \$137,180 pertains to the police members (Chapter 185 funds) and \$2,234,027 pertains to the firefighter members (Chapter 175 funds).

3. Due to Brokers

Pending trades payable amounting to \$7,547,924 at September 30, 2009 account for amounts due to the PFRS's broker for investment purchases made with trade dates prior to the fiscal year end and settlement dates after the fiscal year end. The trades were settled by receiving or liquidating cash equivalents.

(B) Employee Retirement System General Employees' Retirement System

1. Summary of Significant Accounting Policies

Basis of Accounting - The GERS's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which employee contributions are due. City and County contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and dividend income are recorded as earned.

Cash Equivalents – The GERS considers all highly liquid investment with a maturity of three months or less when purchased, to be cash equivalents.

Investments – The fair value of quoted equity investments is based on the aggregate fair market value as of September 30, 2009. The fair value of quoted

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investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Private equity partnerships are valued using their respective net asset value ("NAV") and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors. The management assumptions are based upon the nature of the investment and the underlying business. Because of the inherent uncertainty of the valuation for these private equity investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan net assets along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Property and Equipment - Property and equipment is stated at cost. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The costs of leasehold improvements are depreciated (amortized) over the lesser of the length of the related leases or estimated useful lives of the assets. Depreciation is computed using the straight-line method.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Plan Description

Organization – The City of Pompano Beach General Employees' Retirement System (the GERS) is a single employee defined benefit pension plan established by the City of Pompano Beach, Florida (the City), on September 25, 1972. The GERS reflects the provisions and requirements of Ordinance Section No. 34.010 through 34.040, as amended. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the Plan actuary. In August 1999, the City also contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the Plan or switch to the BSO's retirement plan.

The GERS is administered by a board of seven trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees.

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Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City's comprehensive annual financial report, as part of the City's financial reporting entity. The GERS issues a stand alone financial report that may be obtained by writing to the Pension Board, 555 S. Andrews Avenue, Suite 106, Pompano Beach, Florida 33069.

The following brief description of the GERS is provided for general information purposes only. Participants should refer to the Plan document for more detailed and comprehensive information.

Participants

Participants are all general employees with full-time status, elected officials and appointees and senior managers of the City of Pompano Beach who have met the requirements of the City's merit system. Effective December 11, 2007, senior management employees became eligible to participate in the GERS.

Membership

As of October 1, 2009, the date of the latest actuarial valuation, membership in the Plan consisted of:

Retirees and Beneficiaries currently receiving benefits and Drop and Terminated Employees entitled to benefits, but not yet receiving them	<u><u>326</u></u>
Current Employees:	
Vested	237
Nonvested	<u>272</u>
	<u><u>509</u></u>

Pension Benefits

The GERS provides retirement benefits as well as death and disability benefits for all regular full time employees employed at least twenty hours per week and five months per year. Several benefit options are available to employees, which should be elected at time of retirement. Early retirement, disability, death and other benefits are also provided. Employees must have ten years of service and be unable to be gainfully employed before becoming eligible for non-service connected disability benefits. Information from the October 1, 1988 and 1989, actuarial reports is revised to include employees over age fifty-four on the date of employment. These employees were not eligible in prior years. General employees have vested benefits after 10 years of creditable service in accordance with qualifications under the Plan. Elected officials, appointees and senior management have vested benefits after 5 years of creditable service in accordance with qualifications under the Plan. Employees who retire at age fifty-five with twenty years of continuous service or age sixty-two with at least three years of continuous service are entitled to an annual retirement benefit payable monthly for life in an amount equal to two and three-quarter percent (two and one-

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half percent for members retiring prior to October 1, 2005) of their average monthly earnings times years of service. Average monthly salary is the average of the highest completed 78 biweekly pay periods (times 1.0048). Employees with twenty years of continuous service who have not yet reached age fifty-five may retire and receive immediate reduced benefits.

Deferred Retirement Option Plan (DROP)

Any member who is eligible to receive a normal retirement pension may freeze their accrued benefits and elect to participate in a DROP while continuing their active employment. For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest. Interest shall be at the same rate as the investment earnings assumption for the Plan. Participation in the DROP is limited to sixty months.

Funding Requirements and Funding Status of Plan

Member Contributions:

All members are required to contribute 10% of their earnings to the Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year.

City Contributions:

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the participants.

County Contributions:

The County is to contribute such amounts as determined by the actuary to cover Broward Sheriff's Office employees.

Investments

The Plan contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held in the name of the GERS.

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(C) Other Pension Information

1. Contribution Rates and Actual Contributions

The following schedule summarizes the required contribution rates and actual contributions for the City and its plan members for the fiscal year ended September 30, 2009:

	<u>Police and Firefighters'</u>	<u>General Employees</u>
Contributions:		
Contribution rates:		
City:		
General Employees	-	13.34%
Police	39.36%	-
Fire	28.14%	-
Plan members:		
General Employees	-	10.00%
Police	8.60%	-
Fire	11.60%	-
Annual pension costs	\$	\$
Contributions made:		
Employer	\$ 6,321,557	\$ 3,706,870
Plan members	1,902,106	2,877,761
State	2,408,197 ⁽¹⁾	-

⁽¹⁾The Police and Firefighters Plan is also funded by contributions from the State of Florida under Chapters 175 (*Firefighter Pensions*) and 185 (*Municipal Police Pensions*) of Florida Statutes. This contribution consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City.

Prior to fiscal year 1998, in calculating the net pension asset (net pension obligation), the City was allowed to take a credit for actual premium taxes received in relation to the Police and Firefighters Pension Plan, thereby reducing the City's annual required contribution. However, beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to the base amount received by the Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997. In addition, the City is allowed to take an additional credit for any improved benefits (approved by City Ordinance) provided to the firefighters resulting in additional costs to the Plan. The annual credit taken, which is equal to the sum of the 1997 base amount plus additional fire supplemental payments received and additional costs incurred from improved benefits cannot exceed the actual premium taxes received for that fiscal year. For the fiscal year ended September 30, 2009 the Plan received \$2,408,197 for the Police and Firefighters Plan. This

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**NOTES TO FINANCIAL STATEMENTS
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amount is recorded as intergovernmental revenue and public safety expenditures (on behalf payments) in the City's General Fund and as operating grants and contributions and public safety expenses for governmental activities in the government-wide financial statements.

The maximum allowable credit for fiscal year 2009 was \$1,531,217. Any excess premium taxes received from the State for which a credit is not taken goes into Plan assets for the Plan. For the fiscal year ended September 30, 2009 excess premium taxes amounted to \$876,980 (actual amount received less maximum allowable premium tax credit).

2. Annual Pension Cost and Net Pension Asset (Obligation)

Annual pension cost is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The annual pension cost for the Police and Firefighters and the General Employees Plans for the three most recent fiscal periods available is shown below:

	<u>Police and Firefighters</u>			<u>General Employees</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual Pension Cost	\$ 6,794,395	\$ 6,592,613	\$ 6,371,882	\$ 3,729,853	\$ 3,405,301	\$ 3,694,196
Percentage of annual pension cost contributed	99.2%	99.2%	99.2%	109.0%	100.3%	100.3%
Net Pension Asset (Obligation) at the end of the year	\$ 806,404	\$ 754,990	\$ 704,665	\$ 461,327	\$ 472,514	\$ 485,187

The City's annual pension cost and net pension asset (NPA) or net pension obligation (NPO) related to the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2009 is as follows:

	<u>Police and Firefighters</u>	<u>General Employees</u>
Annual required contribution ("ARC")	\$ 6,321,557	\$ 3,704,693
Interest on NPO/(NPA)	(64,174)	(37,800)
Adjustment to ARC	(114,499)	(27,304)
Annual pension cost	6,371,882	3,694,197
Actual contributions	6,321,557	3,706,870
NPA (NPO) at beginning of year	754,990	472,514
Increase (decrease) in NPA (NPO)	(50,325)	12,673
NPA (NPO) at end of year	704,665	485,187

CITY OF POMPANO BEACH, FLORIDA

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3. Actuarial Methods and Assumptions

Additional information as of the latest actuarial valuation follows:

	Police and Firefighters' Retirement System	General Employees' Retirement System
Valuation date	October 1, 2008	October 1, 2009
Actuarial cost method	Entry Age	Entry Age
Amortization method and remaining amortization period	Level percent closed 30 years	Level percent closed 30 years
Asset valuation method	5 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:		
Investment rate of return*	8.50% net of investment expenses	8.00% net of investment expenses
Projected salary increases	Service weighted rates from 4.00%-17.00%	4.25%-7.5% varying by service*
Cost of living adjustments	2.00% (starts 5 years after retirement)	2.00%
* Includes inflation at	3.50%	3.50%

4. Funded Status and Funding Progress - Pension Plans

As of September 30, 2009, the actuarial accrued liability for benefits was \$161,585,000 and the actuarial value of assets was \$118,955,000, resulting in an unfunded actuarial accrued liability of \$42,630,000 and a funded ratio of 73.6%, for the General Employees' Retirement Plan. The covered payroll (annual payroll of active employees covered by the plan) was \$27,477,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 155%. As of September 30, 2009, the actuarial accrued liability for benefits was \$216,871,000 and the actuarial value of assets was \$164,826,000 resulting in an unfunded actuarial accrued liability of \$52,045,000 and a funded ratio of 76.0%, for the Police and Firefighters' Retirement Plan. The covered payroll (annual payroll of active employees covered by the plan) was \$18,938,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 274.8%.

The Schedule of Funding Progress immediately following the notes to the financial statements as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**(D) Employee Retirement System
Defined Contribution Retirement System (Contribution Plan)**

Plan Description and Contribution Information

Plan Description – The defined contribution retirement system (“DCRS”) is a defined contribution pension plan established by the City to provide benefits at retirement to certain professional and managerial employees of the City. At September 30, 2009, there was 1 plan member. Contribution Plan provisions and contribution requirements are

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established and may be amended by City Commission Ordinance. The International City Management Association Retirement Corporation acts as agent for the City in administering the Contribution Plan. The DCRS does not issue a stand alone financial report.

Contributions - The following is a detail of individual DCRS contribution requirements:

<u>Plan Name</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
Executive	10%	10%
Dept. Head	5%	5%
Appointed Officials	0%	10%
City Attorney	5%	10%

The City does not incur an actuarial liability related to the sponsorship of the DCRS. For the fiscal year ended September 30, 2009, employer contributions totaled \$0 and employee contributions totaled \$7,543. Financial information for the DCRS at and as of September 30, 2009 is shown below:

ASSETS

Investments, at fair value:

Mutual funds	\$ 1,203,216
Total assets	<u>1,203,216</u>

NET ASSETS

Held in trust for pension benefits	<u><u>\$ 1,203,216</u></u>
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ADDITIONS

Members contributions	\$ 7,543
Investment ncome	8,290
Total additions	<u>\$ 15,833</u>

DEDUCTIONS

Participant benefit payments	57,757
Total deductions	<u>57,757</u>
Net decrease	(41,924)

Net assets held in trust for pension benefits

Beginning of the year	1,245,140
End of the year	<u><u>\$ 1,203,216</u></u>

(E) Risk Management

The City is exposed to various risks and losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and group health. The City is self-insured except for commercial insurance purchased for airpark liability and group health insurance, and purchases of excess commercial insurance beyond the self-insured retention for general liability, auto liability, property damage and workers' compensation and has not incurred a reduction in insurance coverage. No workers' compensation settlements exceeded the City's self-insured retention in fiscal year 2009. There have been no settlements in excess of insurance coverage for the past three years.

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SEPTEMBER 30, 2009**

All funds, except for the capital projects fund, participate in the program and make premium payments to the risk management fund based on actuarial estimates of the

amounts needed to ultimately settle claims. The total estimated claims payable at September 30, 2009 reflect management's loss estimate of \$15,165,000, which includes reported claims and claims incurred but not reported (IBNR). Changes in the fund's estimated claims payable amount in fiscal years 2006, 2007 and 2009 were:

<u>Fiscal Year</u>	<u>Liability October 1</u>	<u>New Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability September 30</u>
2008	\$ 13,603,000	2,579,981	2,817,981	13,365,000
2009	\$ 13,365,000	4,295,205	2,495,205	15,165,000

(F) Contingencies/Risks/Uncertainties

There are several pending claims and lawsuits in which the City is involved. The estimated liabilities related to all known pending claims have been accrued in the City's risk management fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is Management's opinion that there are not any significant contingent liabilities relating to these grants.

The City's pension plans (PFRS and GERS-the Plans) invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statement of plan net assets for each Plan. The Plan's, through investment advisors, monitors plan investments and the risks associated therewith on a regular basis, which the Plans believe serve to minimize these risks.

The Plans contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimate and assumptions in the near term could be material to the Plans financial statements.

(G) New Accounting Pronouncements Not Yet Adopted

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, is effective for the City beginning with its fiscal year ending September 30, 2010. This Statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The City's management has not yet determined the effect this Statement will have on the City's financial statements, but will ensure implementation within the required timeframe.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, issued June 2008, will be effective for the City beginning with its fiscal year ending September 30, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. The City's management does not anticipate that this statement will have an impact on its financial statements as the City's investment policy prohibits investments in derivative instruments. However, should the statement apply to the City's separately managed pension plans, management of the City will ensure that the statement will be implemented by the pension plans within the required timeframe.

GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, issued February 2009, will be effective for the City beginning with its fiscal year ending September 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City's management is aware of this requirement and has already begun to assess its impact.

(H) Subsequent Event

On February 16, 2010 the City Commission and Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds, series 2010A in the original aggregate principal amount of \$10,000,000 and tax increment revenue bonds, Series 2010B in an original aggregate principal amount not to exceed \$5,000,000 and/or taxable tax increment revenue bonds, Series 2010C in an original aggregate principal amount not to exceed \$5,000,000 (provided, however, the aggregate principal amount of the Series 2010B bonds and 2010C bonds that may ever be issued and outstanding shall not exceed \$5,000,000). The bonds were issued on February 17, 2010. The principal purpose of the bond issuance is to finance a portion of the costs of the Community Redevelopment Plan for the East Pompano District Area. Proceeds associated with the 2010A Series bonds were drawn at closing. The 2010A bonds were issued at a fixed rate of 5.13%, with a twenty-year repayment term. The Series 2010B/C bonds can either be issued as taxable, tax-exempt or a combination of both and will carry a twenty-year repayment term. The rate on the 2010B bonds will be fixed at the 10 year Libor swap rate, plus a spread of 1.46% upon funds being advanced to the Agency. The rate on the 2010C bonds will be fixed at the 10 year Libor swap rate, plus a spread of 4.60%, upon funds being advanced to the Agency. The Agency has until December 31, 2010 to initiate a one time draw on either the Series 2010B or 2010C bonds, or a combination of both. It is estimated that the annual debt service associated with the 2010 Series bonds will be approximately \$1.4 million, with total interest cost associated with the issue estimated to not exceed \$11.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POMPANO BEACH, FLORIDA
Required Supplementary Information - Unaudited
September 30, 2009

Defined Benefit Pension Plans - An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the three most recent actuarial valuation dates available is presented as follows:

Police and Firefighters' Retirement System
Schedule of Funding Progress - Unaudited
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2) - (1)]:(3)
October 1, 2008	\$ 164,826	\$ 216,871	\$ 52,045	76.0%	\$ 18,938	274.8%
October 1, 2007	\$ 159,561	\$ 209,618	\$ 50,057	76.1%	\$ 19,203	260.7%
October 1, 2006	\$ 145,927	\$ 201,086	\$ 55,159	72.6%	\$ 18,682	295.3%

General Employees' Retirement System
Schedule of Funding Progress - Unaudited
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2) - (1)]:(3)
October 1, 2009	\$ 118,955	\$ 161,585	\$ 42,630	73.6%	\$ 27,477	155.15%
October 1, 2008	\$ 124,869	\$ 152,425	\$ 27,556	81.9%	\$ 27,478	100.28%
October 1, 2007	\$ 118,773	\$ 143,587	\$ 24,814	82.7%	\$ 26,692	92.96%

Other Post Employment Benefits
Schedule of Funding Progress - Unaudited
(Dollars in Thousands)

An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2) - (1)]:(3)
July 1, 2009	\$ -	\$ 16,354	\$ 16,354	0.0%	\$ 39,035	41.90%
July 1, 2007	\$ -	\$ 6,290	\$ 6,290	0.0%	\$ 37,173	16.92%

Note: The City was first required to report this information for the fiscal year ended September 30, 2007. This information is being reported prospectively.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 56,558,643	\$ 56,895,313	\$ 58,844,092	\$ 1,948,779
Judgments, fines and forfeitures	1,048,180	1,065,780	1,466,766	400,986
Permits, fees and special assessments	22,338,207	22,353,207	22,309,561	(43,646)
Intergovernmental	10,105,164	15,081,545	10,629,716	(4,451,829)
Charges for services	11,947,959	11,987,959	12,708,353	720,394
Donations	55,000	57,694	42,835	(14,859)
Investment earnings	1,975,000	1,975,000	2,281,323	306,323
Other	329,000	519,786	376,651	(143,135)
Total revenues	<u>104,357,153</u>	<u>109,936,284</u>	<u>108,659,297</u>	<u>(1,276,987)</u>
EXPENDITURES				
Current:				
General government	8,237,675	12,688,399	7,681,328	5,007,071
Finance	1,778,333	2,310,986	2,191,064	119,922
Development services	6,114,411	7,070,136	6,968,785	101,351
Police	37,006,275	37,433,778	36,681,089	752,689
Fire department	15,481,250	17,155,142	17,061,920	93,222
Public works	13,262,398	13,772,549	13,263,933	508,616
Non departmental	5,371,106	5,972,798	5,558,300	414,498
Culture and recreation	8,616,694	7,665,723	7,465,327	200,396
Capital outlay	1,112,025	2,896,581	2,762,069	134,512
Total expenditures	<u>96,980,167</u>	<u>106,966,092</u>	<u>99,633,815</u>	<u>7,332,277</u>
Excess of revenues over expenditures	<u>7,376,986</u>	<u>2,970,192</u>	<u>9,025,482</u>	<u>6,055,290</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	2,000	2,000	32,567	30,567
Transfers in	1,985,097	1,985,097	1,985,097	-
Transfers out	(4,071,625)	(5,040,407)	(5,040,407)	-
Total other financing sources (uses)	<u>(2,084,528)</u>	<u>(3,053,310)</u>	<u>(3,022,743)</u>	<u>30,567</u>
Net change in fund balances	<u>\$ 5,292,458</u>	<u>\$ (83,118)</u>	<u>6,002,739</u>	<u>\$ 6,085,857</u>
FUND BALANCE - BEGINNING			<u>89,145,053</u>	
FUND BALANCE - ENDING			<u>\$ 95,147,792</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 8,090,473	\$ 8,090,473	\$ 8,066,729	\$ (23,744)
Charges for Services	-	-	12,130	12,130
Investment earnings	500,000	500,000	205,419	(294,581)
Other	-	-	35,404	35,404
Total revenues	<u>8,590,473</u>	<u>8,590,473</u>	<u>8,319,682</u>	<u>(270,791)</u>
EXPENDITURES				
Current:				
General government	23,190,473	23,196,140	1,303,605	21,892,535
Capital outlay	-	1,820,076	-	1,820,076
Debt service:				
Interest and other charges	1,400,000	1,400,000	832,878	567,122
Total expenditures	<u>24,590,473</u>	<u>26,416,216</u>	<u>2,136,483</u>	<u>24,279,733</u>
Excess of revenues over(under) expenditures	<u>\$ (16,000,000)</u>	<u>\$ (17,825,743)</u>	6,183,199	<u>\$ 24,008,942</u>
FUND BALANCE - BEGINNING			49,938,234	
FUND BALANCE - ENDING			<u>\$ 56,121,433</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
 EMERGENCY MEDICAL SERVICES FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,454,623	\$ 5,454,623	\$ 5,494,402	\$ 39,779
Intergovernmental	-	21,000	22,309	1,309
Charges for services	3,376,870	3,376,870	3,519,200	142,330
Donations	-	1,000	495	(505)
Investment earnings	82,700	82,700	74,506	(8,194)
Other	-	-	1,332	1,332
Total revenues	<u>8,914,193</u>	<u>8,936,193</u>	<u>9,112,244</u>	<u>176,051</u>
EXPENDITURES				
Current:				
Public safety	12,386,370	12,578,791	12,567,974	10,817
Capital outlay	348,961	618,358	617,697	661
Total expenditures	<u>12,735,331</u>	<u>13,197,149</u>	<u>13,185,671</u>	<u>11,478</u>
Excess of revenues over (under) expenditures	<u>(3,821,138)</u>	<u>(4,260,956)</u>	<u>(4,073,427)</u>	<u>187,529</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,821,138</u>	<u>3,861,138</u>	<u>3,861,138</u>	<u>-</u>
Total other financing sources (uses)	<u>3,821,138</u>	<u>3,861,138</u>	<u>3,861,138</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (399,818)</u>	<u>(212,289)</u>	<u>\$ 187,529</u>
FUND BALANCE - BEGINNING			<u>1,456,572</u>	
FUND BALANCE - ENDING			<u>\$ 1,244,283</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2009

Budgetary Information

The City Commission adopted these procedures to establish the budgetary data reflected in the financial statements:

Prior to July 10, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The City Commission holds public workshops on the proposed budget. In September, formal public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally adopted.

Expenditures may not exceed the budget and are controlled at the departmental level. The City Manager can approve budget transfers within operating departments and divisions of the same fund. Individual transfers exceeding \$10,000 are reported to the City Commission on a quarterly basis. Unencumbered balances of appropriations lapse at year end. Purchase orders outstanding at year end are carried forward.

Supplemental appropriations of **\$10,414,813** including **\$9,664,903** for future Community Improvement projects, were approved during the year and included in the revised budget.

Budgets have been legally adopted for all governmental and proprietary fund types except for the Cultural Arts Foundation special revenue fund and the Capital Projects funds. Budgets are adopted for capital outlay expenditures on a project basis. Presentation of this information on an annual basis is not considered meaningful.

Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for the inclusion of encumbrances as the equivalent of expenditures. Budgets for the general fund, special revenue and debt service funds are disclosed in the financial statements except for the Cultural Arts Foundation special revenue fund. The reported budgetary data represents the final approved budget after amendments adopted by the City Commission.

The City does not budget for revenue and expenditures related to State contributions to the Police and Firefighters Retirement Plan (the Plan), recorded in the General Fund, as these payments are on behalf of the City and are received by the Plan directly.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2009

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2009 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	Revenues/ Other Financing Sources	Expenditures/ Other Financing Uses	Change in Fund Balances
<u>General Fund</u>			
GAAP Basis	\$ 113,085,158	\$ 105,819,390	\$ 7,265,768
State contribution for Fire and Police Pension Funds	(2,408,197)	(2,408,197)	-
Encumbrances	-	1,263,029	(1,263,029)
Budgetary Basis	<u>\$ 110,676,961</u>	<u>\$ 104,674,222</u>	<u>\$ 6,002,739</u>
<u>Northwest Community Redevelopment District</u>			
GAAP Basis	\$ 8,319,682	\$ 2,121,089	\$ 6,198,593
Encumbrances	-	15,394	(15,394)
Budgetary Basis	<u>\$ 8,319,682</u>	<u>\$ 2,136,483</u>	<u>\$ 6,183,199</u>
<u>EMS</u>			
GAAP Basis	\$ 12,973,382	\$ 12,710,133	\$ 263,249
Encumbrances	-	475,538	(475,538)
Budgetary Basis	<u>\$ 12,973,382</u>	<u>\$ 13,185,671</u>	<u>\$ (212,289)</u>

Excess of Expenditures Over Appropriations

For the year ended September 30, 2009, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

**COMBINING AND INDIVIDUAL FUND
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SHIP Fund - accounts for the activities of the State Housing Initiative Partnership Grant Program.

Cultural Arts Foundation Fund - accounts for gifts and contributions to provide for the promotion of diverse cultural arts in the City.

East Community Redevelopment District Fund - accounts for a City agency which uses tax-increment financing to encourage development.

Cemetery Perpetual Care Fund - accounts for the proceeds from the sale of certain cemetery plots and certain service charges.

1993 G.O. Bonds Fund - accounts for the repayment of principal and interest on the City's general obligation bonds.

CITY OF POMPANO BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

Special Revenue Funds

	SHIP	Cultural Arts Foundation	East Community Redevelopment District
ASSETS			
Cash and cash equivalents	\$ -	\$ 21,601	\$ 4,161,496
Restricted cash and cash equivalents	1,142,452	-	-
Restricted investments	-	-	-
Unrestricted investments	-	-	1,142,848
Interest receivable	-	-	8,075
Total assets	\$ 1,142,452	\$ 21,601	\$ 5,312,419
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	3,897	-	2,057
Accrued expenditures	1,284	-	6,871
Unearned revenue	1,137,271	-	-
Total liabilities	1,142,452	-	8,928
Fund balances:			
Reserved for:			
Encumbrances	-	-	65,227
Debt service	-	-	-
Unreserved	-	21,601	5,238,264
Total fund balances	-	21,601	5,303,491
Total liabilities and fund balances	\$ 1,142,452	\$ 21,601	\$ 5,312,419

Special Revenue Funds

Cemetery	1993 G.O. Bonds	Total Non-major Governmental Funds
\$ 748,036	\$ -	\$ 4,931,133
-	110,133	1,252,585
-	1,009,633	1,009,633
-	-	1,142,848
-	5,806	13,881
<u>\$ 748,036</u>	<u>\$ 1,125,572</u>	<u>\$ 8,350,080</u>
-	-	5,954
-	-	8,155
-	-	1,137,271
<u>-</u>	<u>-</u>	<u>1,151,380</u>
-	-	65,227
-	1,125,572	1,125,572
748,036	-	6,007,901
<u>748,036</u>	<u>1,125,572</u>	<u>7,198,700</u>
<u>\$ 748,036</u>	<u>\$ 1,125,572</u>	<u>\$ 8,350,080</u>

CITY OF POMPANO BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds		
	SHIP	Cultural Arts Foundation	East Community Redevelopment District
REVENUES			
Taxes	\$ -	\$ -	\$ 1,460,313
Intergovernmental	358,745	-	-
Charges for services	-	-	-
Donations	-	1,000	-
Interest earnings	658	7	33,138
Cemetery lot sales	-	-	-
Total revenues	<u>359,403</u>	<u>1,007</u>	<u>1,493,451</u>
EXPENDITURES			
Current:			
General government	-	-	149,670
Physical environment	359,403	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	106,065
Total expenditures	<u>359,403</u>	<u>-</u>	<u>255,735</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,007</u>	<u>1,237,716</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(201,900)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(201,900)</u>
Net change in fund balances (deficit)	-	1,007	1,035,816
Fund balances—beginning	<u>-</u>	<u>20,594</u>	<u>4,267,675</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ 21,601</u>	<u>\$ 5,303,491</u>

Special Revenue Funds		
Cemetery	1993 G.O. Bonds	Total Non-major Governmental Funds
\$ -	\$ 37,444	\$ 1,497,757
-	-	358,745
3,375	-	3,375
-	-	1,000
-	24,428	58,231
3,050	-	3,050
<u>6,425</u>	<u>61,872</u>	<u>1,922,158</u>
-	-	149,670
-	-	359,403
-	20,000	20,000
-	56,750	56,750
-	-	106,065
<u>-</u>	<u>76,750</u>	<u>691,888</u>
<u>6,425</u>	<u>(14,878)</u>	<u>1,230,270</u>
-	-	(201,900)
<u>-</u>	<u>-</u>	<u>(201,900)</u>
6,425	(14,878)	1,028,370
<u>741,611</u>	<u>1,140,450</u>	<u>6,170,330</u>
<u>\$ 748,036</u>	<u>\$ 1,125,572</u>	<u>\$ 7,198,700</u>

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SHIP FUND - NONMAJOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State grants	\$ -	\$ 1,584,150	\$ 358,745	\$ (1,225,405)
Investment earnings	-	-	658	658
Total revenues	<u>-</u>	<u>1,584,150</u>	<u>359,403</u>	<u>(1,224,747)</u>
EXPENDITURES				
Current:				
Physical environment	-	1,584,150	359,403	1,224,747
Total expenditures	<u>-</u>	<u>1,584,150</u>	<u>359,403</u>	<u>1,224,747</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING			<u>-</u>	
FUND BALANCE -ENDING			<u>\$ -</u>	

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

EAST COMMUNITY REDEVELOPMENT DISTRICT FUND - NONMAJOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,474,378	\$ 1,474,378	\$ 1,460,313	\$ (14,065)
Investment earnings	104,000	104,000	33,138	(70,862)
Total revenues	<u>1,578,378</u>	<u>1,578,378</u>	<u>1,493,451</u>	<u>(84,927)</u>
EXPENDITURES				
Current:				
General government	308,670	308,670	149,669	159,001
Capital outlay	5,369,708	5,474,659	171,293	5,303,366
Total expenditures	<u>5,678,378</u>	<u>5,783,329</u>	<u>320,962</u>	<u>5,462,367</u>
Excess of revenues over (under) expenditures	<u>(4,100,000)</u>	<u>(4,204,951)</u>	<u>1,172,489</u>	<u>5,377,440</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(201,900)	(201,900)	-
Total other financing sources (uses)	<u>-</u>	<u>(201,900)</u>	<u>(201,900)</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,100,000)</u>	<u>\$ (4,406,851)</u>	<u>\$ 970,589</u>	<u>\$ 5,377,440</u>
FUND BALANCE - BEGINNING			4,267,675	
FUND BALANCE - ENDING			<u>\$ 5,238,264</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget.

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CEMETERY FUND - NONMAJOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,000	\$ 1,000	\$ 3,375	\$ 2,375
Cemetery lots	4,000	4,000	3,050	(950)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,425</u>	<u>1,425</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Excess of revenues over (under) expenditures	\$ 5,000	\$ 5,000	6,425	\$ 1,425
FUND BALANCE -BEGINNING			<u>741,611</u>	
FUND BALANCE - ENDING			<u>\$ 748,036</u>	

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

1993 G.O. BONDS FUND - NONMAJOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 26,490	\$ 26,490	\$ 37,444	\$ 10,954
Investment earnings	50,760	50,760	24,428	(26,332)
Total revenues	<u>77,250</u>	<u>77,250</u>	<u>61,872</u>	<u>(15,378)</u>
EXPENDITURES				
Debt service:				
Principal	55,750	20,000	20,000	-
Interest and other charges	21,500	57,250	56,750	500
Total expenditures	<u>77,250</u>	<u>77,250</u>	<u>76,750</u>	<u>500</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(14,878)	<u>\$ (14,878)</u>
FUND BALANCE - BEGINNING			1,140,450	
FUND BALANCE - ENDING			<u>\$ 1,125,572</u>	

NONMAJOR ENTERPRISE FUNDS

Pier Fund - accounts for the operation and maintenance of the City's pier.

Airpark Fund - accounts for the administration, operation and maintenance of the City Airpark, as well as activity related to Airpark projects.

Golf Fund - accounts for the operation of the City's golf course.

Sanitation Fund - accounts for the provision of solid waste disposal services to City residents.

Stormwater Fund - accounts for the provision of stormwater maintenance and capital improvements to City residents.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2009

	<u>Pier</u>	<u>Airpark</u>	<u>Golf</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 252,018	\$ 1,040,957	\$ 258,194
Interest receivable	13,295	41,534	1,950
Accounts receivables, net	-	64,959	-
Due from other governments	-	329,027	-
Advances to other funds	-	-	-
Inventories	-	-	5,167
Prepaid Expenses	-	575	-
Total current assets	<u>265,313</u>	<u>1,477,052</u>	<u>265,311</u>
Noncurrent assets:			
Investments	2,310,263	7,113,436	250,720
Advances to other funds	-	-	-
Capital assets:			
Land	60,058	934	-
Construction in progress	-	1,305,423	-
Buildings	-	550,271	2,723,603
Infrastructure	2,433,574	3,081,636	5,025,450
Improvements	-	4,028,935	3,285
Machinery and equipment	2,700	463,902	1,035,196
Less accumulated depreciation	(1,073,618)	(4,158,828)	(5,127,746)
Total capital assets (net of accumulated depreciation)	<u>1,422,714</u>	<u>5,272,273</u>	<u>3,659,788</u>
Total noncurrent assets	<u>3,732,977</u>	<u>12,385,709</u>	<u>3,910,508</u>
Total assets	<u>3,998,290</u>	<u>13,862,761</u>	<u>4,175,819</u>
LIABILITIES			
Current liabilities:			
Accounts payable	900	595,485	8,233
Accrued expenses	-	28,221	40,023
Due to other funds	-	-	-
Unearned revenue	-	-	-
Compensated absences	-	2,204	-
Total current liabilities	<u>900</u>	<u>625,910</u>	<u>48,256</u>
Noncurrent liabilities:			
Compensated absences	-	38,444	56,080
Net OPEB Obligation	-	35,644	72,423
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>74,088</u>	<u>128,503</u>
Total liabilities	<u>900</u>	<u>699,998</u>	<u>176,759</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,422,714	5,272,273	3,659,788
Restricted:			
Unrestricted	2,574,676	7,890,490	339,272
Total net assets	<u>\$ 3,997,390</u>	<u>\$ 13,162,763</u>	<u>\$ 3,999,060</u>

<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
\$ 26,389	\$ 559,447	\$ 2,137,005
-	29,349	86,128
1,284,155	213,825	1,562,939
103,959	45,688	478,674
416,667	-	416,667
-	10,659	15,826
-	-	575
<u>1,831,170</u>	<u>858,968</u>	<u>4,697,814</u>
-	5,162,174	14,836,593
2,916,666	-	2,916,666
-	-	60,992
-	2,893,433	4,198,856
-	-	3,273,874
-	5,938,991	16,479,651
-	4,405,253	8,437,473
286,475	1,313,086	3,101,359
(111,995)	(3,121,912)	(13,594,099)
<u>174,480</u>	<u>11,428,851</u>	<u>21,958,106</u>
<u>3,091,146</u>	<u>16,591,025</u>	<u>39,711,365</u>
<u>4,922,316</u>	<u>17,449,993</u>	<u>44,409,179</u>
363,220	53,054	1,020,892
9,212	33,693	111,149
225,000	-	225,000
416,667	-	416,667
-	816	3,020
<u>1,014,099</u>	<u>87,563</u>	<u>1,776,728</u>
7,054	51,467	153,045
8,528	42,187	158,782
1,666,666	-	1,666,666
<u>1,682,248</u>	<u>93,654</u>	<u>1,978,493</u>
<u>2,696,347</u>	<u>181,217</u>	<u>3,755,221</u>
174,480	11,428,851	21,958,106
2,051,489	5,839,925	18,695,852
<u>\$ 2,225,969</u>	<u>\$ 17,268,776</u>	<u>\$ 40,653,958</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,2009

	<u>Pier</u>	<u>Airpark</u>
OPERATING REVENUES		
Charges for services	\$ -	\$ 800,461
Contract extension fee	-	-
Total operating revenues	<u>-</u>	<u>800,461</u>
OPERATING EXPENSES		
Personal services	-	394,584
Other current expenses	82,234	593,880
Depreciation	57,848	402,981
Total operating expenses	<u>140,082</u>	<u>1,391,445</u>
Operating income (loss)	<u>(140,082)</u>	<u>(590,984)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest and investment revenue	55,520	177,009
Miscellaneous revenue	-	2,957
Total nonoperating revenue (expenses)	<u>55,520</u>	<u>179,966</u>
Income (loss) before contributions and transfers	(84,562)	(411,018)
Capital grants and contributions	-	329,027
Transfers in	-	280,081
Transfers out	-	-
Change in net assets	<u>(84,562)</u>	<u>198,090</u>
Total net assets—beginning	4,081,952	12,964,673
Total net assets—ending	<u>\$ 3,997,390</u>	<u>\$ 13,162,763</u>

Golf	Sanitation	Stormwater	Total
\$ 2,893,132	\$ 5,026,680	\$ 2,529,879	\$ 11,250,152
-	416,667	-	416,667
<u>2,893,132</u>	<u>5,443,347</u>	<u>2,529,879</u>	<u>11,666,819</u>
562,568	117,248	400,851	1,475,251
2,602,943	3,449,431	761,347	7,489,835
295,315	37,908	730,997	1,525,049
<u>3,460,826</u>	<u>3,604,587</u>	<u>1,893,195</u>	<u>10,490,135</u>
<u>(567,694)</u>	<u>1,838,760</u>	<u>636,684</u>	<u>1,176,684</u>
12,922	(7,147)	117,904	356,208
-	-	-	2,957
<u>12,922</u>	<u>(7,147)</u>	<u>117,904</u>	<u>359,165</u>
(554,772)	1,831,613	754,588	1,535,849
-	-	6,825	335,852
413,131	-	-	693,212
-	(1,865,080)	(120,017)	(1,985,097)
<u>(141,641)</u>	<u>(33,467)</u>	<u>641,396</u>	<u>579,816</u>
4,140,701	2,259,436	16,627,380	40,074,142
<u>\$ 3,999,060</u>	<u>\$ 2,225,969</u>	<u>\$ 17,268,776</u>	<u>\$ 40,653,958</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Pier</u>	<u>Airpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ -	\$ 1,063,268
Payments to suppliers	(138,033)	(345,435)
Payments to employees	-	(384,151)
Net cash provided (used) by operating activities	<u>(138,033)</u>	<u>333,682</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from other funds	-	-
Transfers to other funds	-	-
Transfers from other funds	-	280,081
Net cash provided (used) by non capital financing activities	<u>-</u>	<u>280,081</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(60,714)	(1,061,164)
Proceeds from the sale of capital assets	-	2,957
Capital grants and contributions	-	-
Net cash provided (used) by capital and related financing activities	<u>(60,714)</u>	<u>(1,058,207)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Calls/maturities of investments	1,468,842	4,522,651
Purchase of investments	(2,878,713)	(8,926,609)
Interest income	47,591	151,544
Net cash provided by investing activities	<u>(1,362,280)</u>	<u>(4,252,414)</u>
Net increase (decrease) in cash and cash equivalents	(1,561,027)	(4,696,858)
Cash and cash equivalents at beginning of the year	1,813,045	5,737,815
Cash and cash equivalents at end of the year	<u>\$ 252,018</u>	<u>\$ 1,040,957</u>
Non-cash transactions (Capital and Related Financing Activities):		
Contribution of capital related assets from other funds	\$ -	\$ -
Non-cash transactions (Investing Activities):		
Changes in fair value of investments	5,051	15,554
	<u>\$ 5,051</u>	<u>\$ 15,554</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (140,082)	\$ (590,984)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	57,848	402,981
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivables	-	(34,784)
Inventories	-	-
Other assets and prepaids	-	(575)
Increase (decrease) in liabilities:		
Accounts and other payables	(55,799)	534,868
Accrued expenses	-	8,762
Unearned revenue	-	-
Other post employment benefits (OPEB)	-	11,743
Compensated absences	-	1,671
Net cash provided (used) by operating activities	<u>\$ (138,033)</u>	<u>\$ 333,682</u>

Golf	Sanitation	Stormwater	Total
\$ 2,893,132	\$ 4,170,145	\$ 2,537,678	\$ 10,664,223
(2,586,436)	(3,415,828)	(919,199)	(7,404,931)
(539,590)	(111,161)	(385,549)	(1,420,451)
<u>(232,894)</u>	<u>643,156</u>	<u>1,232,930</u>	<u>1,838,841</u>
-	641,667	-	641,667
-	(1,865,080)	(120,017)	(1,985,097)
413,131	-	-	693,212
<u>413,131</u>	<u>(1,223,413)</u>	<u>(120,017)</u>	<u>(650,218)</u>
(209,754)	(79,820)	(550,782)	(1,962,234)
-	-	-	2,957
-	-	108,422	108,422
<u>(209,754)</u>	<u>(79,820)</u>	<u>(442,360)</u>	<u>(1,850,855)</u>
159,405	225,785	3,282,058	9,658,741
(344,225)		(6,802,972)	(18,952,519)
11,387	(6,329)	98,235	302,428
<u>(173,433)</u>	<u>219,456</u>	<u>(3,422,679)</u>	<u>(8,991,350)</u>
(202,950)	(440,621)	(2,752,126)	(9,653,582)
461,144	467,010	3,311,573	11,790,587
<u>\$ 258,194</u>	<u>\$ 26,389</u>	<u>\$ 559,447</u>	<u>\$ 2,137,005</u>
\$ -	\$ -	\$ 25,135	\$ 25,135
548	-	11,287	32,440
<u>\$ 548</u>	<u>\$ -</u>	<u>\$ 36,422</u>	<u>\$ 57,575</u>
\$ (567,694)	\$ 1,838,760	\$ 636,684	\$ 1,176,684
295,315	37,908	730,997	1,525,049
-	(856,535)	7,799	(883,520)
(5,167)	-	886	(4,281)
-	-	-	(575)
2,907	28,282	(176,891)	333,367
14,349	3,626	13,051	39,788
-	(416,667)	-	(416,667)
18,767	5,321	18,153	53,984
8,629	2,461	2,251	15,012
<u>\$ (232,894)</u>	<u>\$ 643,156</u>	<u>\$ 1,232,930</u>	<u>\$ 1,838,841</u>

INTERNAL SERVICE FUNDS

Central Stores Fund - accounts for the costs of providing a central inventory to other City departments. The other departments are charged for inventory plus a fee to cover overhead.

Information Technology Fund - accounts for the costs of providing information processing services to other City departments. The other departments are charged a direct fee for the initial purchase of equipment and a usage fee to cover operating costs of the fund.

Central Services Fund - accounts for the costs of providing goods and services, primarily printing and duplicating, to other City departments. The other departments are billed based on their historical frequency of use.

Risk Management Fund (Health) - accounts for the City's share of health insurance premiums. Other funds are billed to cover actual costs of premiums and claims.

Risk Management Fund (General) - accounts for the costs of insuring the City for property damage, general liability, auto liability, and worker's compensation. Other funds are billed to cover actual costs of premiums and claims.

Vehicle Services Fund - accounts for the costs of operating a maintenance facility for City vehicles. Other City departments are billed to cover operating costs, fuel consumption, and vehicle repairs.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2009

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 34,916	\$ 145,204	\$ 105,787
Interest Receivable	-	7,681	4,672
Due from other governments	-	-	-
Prepaid expenses	-	-	-
Inventories	756,523	-	38,917
Total current assets	<u>791,439</u>	<u>152,885</u>	<u>149,376</u>
Noncurrent assets:			
Investments	-	1,324,473	797,626
Capital assets:			
Buildings	247,163	-	7,373
Improvements	-	-	-
Machinery and equipment	45,466	4,514,204	33,316
Less accumulated depreciation	(214,275)	(4,321,851)	(16,337)
Total capital assets (net of accumulated depreciation)	<u>78,354</u>	<u>192,353</u>	<u>24,352</u>
Total noncurrent assets	<u>78,354</u>	<u>1,516,826</u>	<u>821,978</u>
Total assets	<u>869,793</u>	<u>1,669,711</u>	<u>971,354</u>
LIABILITIES			
Current liabilities:			
Accounts payable	41,393	21,012	19,437
Accrued expenses	12,993	74,674	27,602
Due to other funds	500,000	-	-
Compensated absences	-	-	-
Claims and judgments	-	-	-
Total current liabilities	<u>554,386</u>	<u>95,686</u>	<u>47,039</u>
Noncurrent liabilities:			
Compensated absences	25,575	79,862	36,546
Net OPEB Obligation	8,728	61,773	31,098
Claims and judgments	-	-	-
Total noncurrent liabilities	<u>34,303</u>	<u>141,635</u>	<u>67,644</u>
Total liabilities	<u>588,689</u>	<u>237,321</u>	<u>114,683</u>
NET ASSETS			
Invested in capital assets, net of related debt	78,354	192,353	24,352
Unrestricted	202,750	1,240,037	832,319
Total net assets	<u>\$ 281,104</u>	<u>\$ 1,432,390</u>	<u>\$ 856,671</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 96,110	\$ 1,868,633	\$ 31,431	\$ 2,282,081
3,807	99,628	3,899	119,687
-	-	7,600	7,600
36,196	-	-	36,196
-	-	101,534	896,974
<u>136,113</u>	<u>1,968,261</u>	<u>144,464</u>	<u>3,342,538</u>
890,312	17,343,981	693,188	21,049,580
-	-	-	254,536
-	-	423,838	423,838
-	4,441	596,134	5,193,561
-	(4,441)	(788,665)	(5,345,569)
-	-	231,307	526,366
<u>890,312</u>	<u>17,343,981</u>	<u>924,495</u>	<u>21,575,946</u>
<u>1,026,425</u>	<u>19,312,242</u>	<u>1,068,959</u>	<u>24,918,484</u>
205	79,082	41,177	202,306
-	30,530	53,921	199,720
-	-	-	500,000
-	-	5,415	5,415
-	2,656,593	-	2,656,593
<u>205</u>	<u>2,766,205</u>	<u>100,513</u>	<u>3,564,034</u>
-	38,318	101,575	281,876
-	31,543	42,012	175,154
-	12,508,407	-	12,508,407
-	12,578,268	143,587	12,965,437
<u>205</u>	<u>15,344,473</u>	<u>244,100</u>	<u>16,529,471</u>
-	-	231,307	526,366
1,026,220	3,967,769	593,552	7,862,647
<u>\$ 1,026,220</u>	<u>\$ 3,967,769</u>	<u>\$ 824,859</u>	<u>\$ 8,389,013</u>

CITY OF POMPANO BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
OPERATING REVENUES			
Charges for services—internal	\$ 248,825	\$ 1,713,633	\$ 985,104
Charges for services—other	-	-	6,506
Miscellaneous	-	-	-
Total operating revenues	<u>248,825</u>	<u>1,713,633</u>	<u>991,610</u>
OPERATING EXPENSES			
Personal services	156,529	946,576	373,566
Other current expenses	120,795	925,256	578,144
Depreciation	10,021	261,372	3,550
Total operating expenses	<u>287,345</u>	<u>2,133,204</u>	<u>955,260</u>
Operating income (loss)	<u>(38,520)</u>	<u>(419,571)</u>	<u>36,350</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income (loss)	(9,588)	33,094	19,279
Miscellaneous revenue	679	-	1,549
Miscellaneous expense	-	(297)	-
Total nonoperating revenues (expenses)	<u>(8,909)</u>	<u>32,797</u>	<u>20,828</u>
Income (loss)	(47,429)	(386,774)	57,178
Net assets—beginning	328,533	1,819,164	799,493
Net assets (deficit)—ending	<u>\$ 281,104</u>	<u>\$ 1,432,390</u>	<u>\$ 856,671</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 5,816,620	\$ 4,952,560	\$ 2,777,433	\$ 16,494,175
2,344,403	-	-	2,350,909
1,875	435	32,138	34,448
<u>8,162,898</u>	<u>4,952,995</u>	<u>2,809,571</u>	<u>18,879,532</u>
-	356,918	731,359	2,564,948
8,416,603	6,095,557	1,824,191	17,960,546
-	-	72,321	347,264
<u>8,416,603</u>	<u>6,452,475</u>	<u>2,627,871</u>	<u>20,872,758</u>
<u>(253,705)</u>	<u>(1,499,480)</u>	<u>181,700</u>	<u>(1,993,226)</u>
16,432	411,231	15,497	485,945
-	-	334	2,562
-	-	-	(297)
<u>16,432</u>	<u>411,231</u>	<u>15,831</u>	<u>488,210</u>
(237,273)	(1,088,249)	197,531	(1,505,016)
1,263,493	5,056,018	627,328	9,894,029
<u>\$ 1,026,220</u>	<u>\$ 3,967,769</u>	<u>\$ 824,859</u>	<u>\$ 8,389,013</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Central Stores	Information Technology Systems	Central Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other funds	\$ 248,825	\$ 1,713,633	\$ 985,104
Receipts from customers	-	-	6,506
Receipts from subrogation	-	-	-
Payments to suppliers	(156,268)	(893,331)	(541,609)
Payments to employees	(148,977)	(902,932)	(358,914)
Claims paid	-	-	-
Net cash provided (used) by operating activities	<u>(56,420)</u>	<u>(82,630)</u>	<u>91,087</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from (to) other funds	<u>50,000</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>50,000</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of surplus materials/capital assets	680	-	1,549
Acquisition of capital assets	<u>-</u>	<u>(55,254)</u>	<u>(15,860)</u>
Net cash provided (used) by capital and related financing activities	<u>680</u>	<u>(55,254)</u>	<u>(14,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Calls/maturities of investments	-	842,086	507,123
Purchase of investments	-	(1,642,587)	(1,041,937)
Interest income (loss)	<u>(9,588)</u>	<u>28,515</u>	<u>16,163</u>
Net cash provided (used) by investing activities	<u>(9,588)</u>	<u>(771,986)</u>	<u>(518,651)</u>
Net increase (decrease) in cash and cash equivalents	(15,328)	(909,870)	(441,875)
Cash and cash equivalents at beginning of the year	50,244	1,055,074	547,662
Cash and cash equivalents at end of the year	<u>\$ 34,916</u>	<u>\$ 145,204</u>	<u>\$ 105,787</u>
Non-cash transactions (Investing Activities):			
Changes in fair value of investments	<u>\$ -</u>	<u>\$ 2,896</u>	<u>\$ 1,744</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (38,520)	\$ (419,571)	\$ 36,350
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	10,021	261,372	3,550
Change in assets and liabilities:			
Due from other government	-	-	-
Inventories	(28,053)	-	10,533
Prepays	-	-	-
Estimated claims payable	-	-	-
Accounts and other payables	(7,023)	455	14,093
Accrued expenses	4,564	31,964	10,817
Other post employment benefits (OPEB)	(397)	31,469	11,909
Compensated absences	2,988	11,681	3,835
Net cash provided (used) by operating activities	<u>\$ (56,420)</u>	<u>\$ (82,630)</u>	<u>\$ 91,087</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 8,161,023	\$ 4,952,560	\$ 2,777,433	\$ 18,838,578
-	-	33,397	39,903
1,875	435	-	2,310
(8,452,594)	(3,620,570)	(1,804,038)	(15,468,410)
-	(336,998)	(699,678)	(2,447,499)
-	(695,205)	-	(695,205)
<u>(289,696)</u>	<u>300,222</u>	<u>307,114</u>	<u>269,677</u>
-	-	-	50,000
-	-	-	50,000
-	-	334	2,563
-	-	(84,292)	(155,406)
-	-	(83,958)	(152,843)
566,051	11,027,129	440,722	13,383,111
(1,037,705)	(22,219,443)	(1,022,984)	(26,964,656)
15,043	347,980	12,253	410,366
<u>(456,611)</u>	<u>(10,844,334)</u>	<u>(570,009)</u>	<u>(13,171,179)</u>
(746,307)	(10,544,112)	(346,853)	(13,004,345)
842,417	12,412,745	378,284	15,286,426
<u>\$ 96,110</u>	<u>\$ 1,868,633</u>	<u>\$ 31,431</u>	<u>\$ 2,282,081</u>
<u>\$ 1,947</u>	<u>\$ 37,923</u>	<u>\$ 1,516</u>	<u>\$ 46,026</u>
\$ (253,705)	\$ (1,499,480)	\$ 181,700	\$ (1,993,226)
-	-	72,321	347,264
-	-	1,259	1,259
-	-	21,294	3,774
(36,196)	-	-	(36,196)
-	1,800,000	-	1,800,000
205	(23,543)	(22,776)	(38,589)
-	14,812	20,628	82,785
-	3,325	21,635	67,941
-	5,108	11,053	34,665
<u>\$ (289,696)</u>	<u>\$ 300,222</u>	<u>\$ 307,114</u>	<u>\$ 269,677</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the City.

General Employees' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

Police and Firefighters' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

Defined Contribution Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to City employees under the provisions of Internal Revenue code Section 401(a). The International City Management Association Retirement Corporation acts as an agent for the City in administering the Plan.

General Agency Fund - accounts for the receipt of monies from various funds for sales tax, payroll taxes, deferred compensation liabilities, refundable deposits, and unclaimed checks.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2009

	General Employees' Retirement System	Police and Firefighters' Retirement System	Defined Contribution Retirement System	Total
ASSETS				
Cash and cash equivalents	\$ 2,375,904	\$ 1,353	\$ -	\$ 2,377,257
Receivables:				
Accrued interest and dividends	218,130	350,488	-	568,618
Due from brokers	936,480	3,430,033	-	4,366,513
Total receivables	<u>1,154,610</u>	<u>3,780,521</u>	<u>-</u>	<u>4,935,131</u>
Other assets	2,978	39,503	-	42,481
Investments:				
U.S. Government obligations	6,771,259	9,037,706	-	15,808,965
Mortgage backed securities	-	14,903,473	-	14,903,473
Corporate obligations	12,469,652	14,014,892	-	26,484,544
Equity securities	32,743,812	110,679,909	-	143,423,721
Mutual funds and collective trusts	-	8,374,328	1,203,216	9,577,544
Domestic equity funds	10,599,408	-	-	10,599,408
International equity funds	13,608,217	-	-	13,608,217
Private equity funds	12,387,892	-	-	12,387,892
Real estate funds	8,216,647	3,576,254	-	11,792,901
Money market funds	-	10,346,215	-	10,346,215
Total investments	<u>96,796,887</u>	<u>170,932,777</u>	<u>1,203,216</u>	<u>268,932,880</u>
Property & equipment, net of accumulated depreciation	16,480	75,505	-	91,985
Total assets	<u>100,346,859</u>	<u>174,829,659</u>	<u>1,203,216</u>	<u>276,379,734</u>
LIABILITIES				
Accounts payable and accrued expenses	131,583	277,643	-	409,226
Deferred retirement option plan payable	2,135,182	-	-	2,135,182
Due to brokers	1,086,454	7,547,924	-	8,634,378
Total liabilities	<u>3,353,219</u>	<u>7,825,567</u>	<u>-</u>	<u>11,178,786</u>
NET ASSETS				
Held in trust for pension benefits	<u>\$ 96,993,640</u>	<u>\$ 167,004,092</u>	<u>\$ 1,203,216</u>	<u>\$ 265,200,948</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	General Employees' Retirement System	Police and Firefighters' Retirement System	Defined Contribution Retirement System	Total
ADDITIONS				
Contributions:				
Employer	\$ 3,390,231	\$ 3,520,279	\$ -	\$ 6,910,510
Broward County Sheriff's Office	291,872	2,801,278	-	3,093,150
Broward County - Library	24,767	-	-	24,767
Members	2,877,761	1,902,106	7,543	4,787,410
State	-	2,408,197	-	2,408,197
Total contributions	<u>6,584,631</u>	<u>10,631,860</u>	<u>7,543</u>	<u>17,224,034</u>
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	(8,126,947)	577,074	-	(7,549,873)
Interest and dividends	1,995,199	3,019,605	8,290	5,023,094
Commission recapture	2,042	-	-	2,042
Other	41,280	129,159	-	170,439
Total investment income (loss)	<u>(6,088,426)</u>	<u>3,725,838</u>	<u>8,290</u>	<u>(2,354,298)</u>
Less: investment expenses	727,698	786,639	-	1,514,337
Deferred retirement option plan participants' earnings	145,292	-	-	145,292
Net investment income (loss)	<u>(6,961,416)</u>	<u>2,939,199</u>	<u>8,290</u>	<u>(4,013,927)</u>
Total	<u>(376,785)</u>	<u>13,571,059</u>	<u>15,833</u>	<u>13,210,107</u>
DEDUCTIONS				
Participant benefit payments	6,541,501	11,092,866	57,757	17,692,124
Refunds of participant contributions	299,188	-	-	299,188
Administrative expenses	517,272	476,364	-	993,636
Total	<u>7,357,961</u>	<u>11,569,230</u>	<u>57,757</u>	<u>18,984,948</u>
Net increase (decrease)	<u>(7,734,746)</u>	<u>2,001,829</u>	<u>(41,924)</u>	<u>(5,774,841)</u>
Net assets held in trust for pension benefits				
Beginning of the year	104,728,386	165,002,263	1,245,140	270,975,789
End of the year	<u>\$ 96,993,640</u>	<u>\$ 167,004,092</u>	<u>\$ 1,203,216</u>	<u>\$ 265,200,948</u>

CITY OF POMPANO BEACH, FLORIDA
GENERAL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	BALANCE OCTOBER 1, 2008	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 2009
Assets:				
Cash and cash equivalents	\$ 504,053	\$ 23,494,399	\$ 23,515,786	\$ 482,666
Accounts receivable	44	-	-	44
Total assets	<u>504,097</u>	<u>23,494,399</u>	<u>23,515,786</u>	<u>482,710</u>
Liabilities:				
Deposits, sales tax & payroll payable	504,097	34,541,058	34,562,445	482,710
Total liabilities	<u>\$ 504,097</u>	<u>\$ 34,541,058</u>	<u>\$ 34,562,445</u>	<u>\$ 482,710</u>

STATISTICAL SECTION

STATISTICAL SECTION SUMMARY

This part of the City of Pompano Beach, Florida's comprehensive annual financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the City's overall financial health.

<u>Schedules</u>	<u>Page</u>
<u>Financial Trends</u> <i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i>	117-122
<u>Revenue Capacity</u> <i>These schedules provide additional information about Property Tax, the City's most significant local revenue source.</i>	123-129
<u>Debt Capacity</u> <i>These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.</i>	130-134
<u>Demographic and Economic Information</u> <i>These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.</i>	135-136
<u>Operating Information</u> <i>These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.</i>	137-140

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF POMPANO BEACH, FLORIDA
NET ASSETS BY COMPONENT,
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 49,778,298	\$ 58,234,658	\$ 76,140,040	\$ 86,322,113	\$ 209,504,464
Restricted	10,025,160	3,194,183	8,186,929	14,156,093	21,539,779
Unrestricted	<u>36,555,048</u>	<u>72,991,053</u>	<u>59,408,211</u>	<u>68,099,615</u>	<u>82,751,215</u>
Total government-type activities net assets	\$ <u>96,358,506</u>	\$ <u>134,419,894</u>	\$ <u>143,735,180</u>	\$ <u>168,577,821</u>	\$ <u>313,795,458</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 67,122,295	\$ 79,050,408	\$ 84,055,172	\$ 88,417,544	\$ 89,791,002
Restricted	6,228,325	4,204,071	2,864,258	4,063,445	4,542,956
Unrestricted	<u>35,075,497</u>	<u>29,014,441</u>	<u>32,589,390</u>	<u>36,192,206</u>	<u>43,870,319</u>
Total business-type activities net assets	\$ <u>108,426,117</u>	\$ <u>112,268,920</u>	\$ <u>119,508,820</u>	\$ <u>128,673,195</u>	\$ <u>138,204,277</u>
Primary government					
Invested in capital assets, net of related debt	\$ 116,900,593	\$ 137,285,066	\$ 160,195,212	\$ 174,739,657	\$ 299,295,466
Restricted	16,253,485	7,398,254	11,051,187	18,219,538	26,082,735
Unrestricted	<u>71,630,545</u>	<u>102,005,494</u>	<u>91,997,601</u>	<u>104,291,821</u>	<u>126,621,534</u>
Total primary government net assets	\$ <u>204,784,623</u>	\$ <u>246,688,814</u>	\$ <u>263,244,000</u>	\$ <u>297,251,016</u>	\$ <u>451,999,735</u>

Note: Information for fiscal years preceding 2002, when implementation of GASB Statement No. 34 significantly changed the financial reporting model, is not presented since it is not available on a comparable basis.

	2007	2008	2009
Governmental activities			
Invested in capital assets, net of related debt	\$ 211,412,441	\$ 207,930,782	\$ 205,458,533
Restricted	28,367,532	31,369,262	29,455,841
Unrestricted	<u>112,734,235</u>	<u>122,481,446</u>	<u>135,420,305</u>
Total government-type activities net assets	<u>\$ 352,514,208</u>	<u>\$ 361,781,490</u>	<u>\$ 370,334,679</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 92,410,002	\$ 97,062,152	\$ 99,197,519
Restricted	5,272,280	13,573,396	4,476,707
Unrestricted	<u>47,578,565</u>	<u>45,222,436</u>	<u>53,626,361</u>
Total business-type activities net assets	<u>\$ 145,260,847</u>	<u>\$ 155,857,984</u>	<u>\$ 157,300,587</u>
Primary government			
Invested in capital assets, net of related debt	\$ 303,822,443	\$ 304,992,934	\$ 304,656,052
Restricted	33,639,812	44,942,658	33,932,548
Unrestricted	<u>160,312,800</u>	<u>167,703,882</u>	<u>189,046,666</u>
Total primary government net assets	<u>\$ 497,775,055</u>	<u>\$ 517,639,474</u>	<u>\$ 527,635,266</u>

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN NET ASSETS,
LAST EIGHT FISCAL YEARS (accrual basis of accounting)

	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	\$ 14,569,730	\$ 10,033,437	19,227,611	\$ 18,188,353	\$ 21,820,752
Public safety	45,426,814	48,602,881	55,534,006	62,213,355	75,536,195
Physical environment	8,951,205	8,741,619	11,346,851	12,598,056	12,039,673
Transportation	2,648,057	2,813,659	3,049,025	3,497,449	3,603,850
Culture and recreation	6,610,909	7,141,814	7,506,086	7,729,885	8,884,491
Interest on long-term debt	1,173,975	571,687	502,117	515,383	716,712
Total governmental activities expenses	<u>79,380,690</u>	<u>77,905,097</u>	<u>97,165,696</u>	<u>104,742,481</u>	<u>122,601,673</u>
Business-type activities:					
Utility	24,476,209	26,036,524	28,250,487	27,693,796	30,272,697
Sanitation	2,951,896	3,006,744	2,648,916	2,743,126	2,992,911
Stormwater	637,175	835,673	968,628	1,122,731	1,105,559
Pier	89,181	97,879	113,674	132,227	102,549
Airpark	620,501	684,474	791,356	778,833	816,978
Golf course	3,140,632	3,047,382	3,435,026	3,352,711	3,360,456
Total business-type activities expenses	<u>31,915,594</u>	<u>33,708,676</u>	<u>36,208,087</u>	<u>35,823,424</u>	<u>38,651,150</u>
Total primary government expenses	<u>\$ 111,296,284</u>	<u>\$ 111,613,773</u>	<u>\$ 133,373,783</u>	<u>\$ 140,565,905</u>	<u>\$ 161,252,823</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,363,391	\$ 2,520,557	9,477,577	\$ 10,036,240	\$ 10,472,216
Public safety	10,244,473	21,649,694	19,248,638	25,288,195	28,350,939
Physical environment	71,809	64,689	1,118,655	43,732	44,866
Transportation	354,730	388,132	553,626	530,426	351,144
Culture and recreation	1,228,862	1,229,084	1,202,009	1,678,643	1,593,176
Operating grants and contributions	2,223,885	-	7,122,439	7,368,835	14,700,056
Capital grants and contributions	3,469,109	-	13,885,144	2,707,025	2,076,119
Total governmental activities program revenues	<u>19,956,259</u>	<u>25,852,156</u>	<u>52,608,088</u>	<u>47,653,096</u>	<u>57,588,516</u>
Business-type activities:					
Charges for services:					
Utility	27,488,925	26,382,469	31,542,855	33,946,822	35,228,573
Sanitation	3,627,583	3,662,287	3,980,771	3,835,940	4,367,157
Stormwater	2,436,290	2,238,820	2,222,999	2,413,050	2,538,085
Pier	358,661	227,302	239,029	254,500	173,267
Airpark	1,803,627	1,762,827	1,814,416	1,842,943	1,935,268
Golf course	2,439,487	3,473,909	2,715,116	2,714,559	2,989,740
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	599,567	300,000	410,591
Total business-type activities program revenues	<u>38,154,573</u>	<u>37,747,614</u>	<u>43,114,753</u>	<u>45,307,814</u>	<u>47,642,681</u>
Total primary government program revenues	<u>\$ 58,110,832</u>	<u>\$ 63,599,770</u>	<u>\$ 95,722,841</u>	<u>\$ 92,960,910</u>	<u>\$ 105,231,197</u>
Net (Expense) Revenue					
Governmental activities	(59,424,431)	(48,044,524)	(42,903,292)	(55,302,516)	(63,231,928)
Business-type activities	6,238,979	4,217,480	7,323,333	9,484,390	8,991,531
Total primary government net expense	<u>\$ (53,185,452)</u>	<u>\$ (43,827,044)</u>	<u>\$ (35,579,959)</u>	<u>\$ (45,818,126)</u>	<u>\$ (54,240,397)</u>
General Revenues and other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes, levied of general purposes	\$ 27,298,083	\$ 27,673,163	32,227,515	\$ 38,204,731	\$ 43,482,560
Sales and use taxes	1,635,417	1,662,687	1,748,357	1,760,344	2,036,007
Business tax receipts	1,524,662	1,558,098	1,654,316	1,786,869	1,781,229
Utility taxes	7,511,595	7,844,245	7,781,933	9,032,695	8,966,542
Communication service taxes	6,329,407	5,602,373	5,405,724	5,298,126	5,258,898
Pari-mutuel taxes	-	-	-	-	-
Tax increment fees-Community Redevelmt.Agency	2,229,423	2,837,239	3,398,189	4,317,644	5,742,736
Franchise fees	6,291,692	6,071,058	6,589,987	7,525,435	8,847,598
State revenue sharing	6,809,524	6,826,837	9,538,735	9,024,747	9,389,982
Investment earnings	1,675,951	1,241,823	1,162,064	2,187,611	5,872,788
Gain on disposal of capital assets	-	-	151,082	-	5,222,114
Miscellaneous revenue	6,135,958	4,373,285	1,336,652	1,069,740	754,716
Other Revenue	-	-	-	-	-
Special Assessments-Fire/EMS	5,259,588	-	-	-	-
Special item	25,568,850	19,250,000	-	-	-
Transfers	1,338,150	1,165,104	1,337,091	1,724,084	1,882,938
Total governmental activities	<u>\$ 99,608,300</u>	<u>\$ 86,105,912</u>	<u>\$ 72,331,645</u>	<u>\$ 81,932,026</u>	<u>\$ 99,238,108</u>
Business-type activities:					
Proceeds from disposal of capital assets	-	-	-	-	-
Investment earnings	-	790,427	836,991	987,402	1,996,618
Miscellaneous revenue	-	-	-	416,667	425,871
Special item	-	-	-	-	-
Transfers	(1,338,150)	(1,165,104)	(1,337,091)	(1,724,084)	(1,882,938)
Total business-type activities	<u>(1,338,150)</u>	<u>(374,677)</u>	<u>(500,100)</u>	<u>(320,015)</u>	<u>539,551</u>
Total primary government	<u>\$ 98,270,150</u>	<u>\$ 85,731,235</u>	<u>\$ 71,831,545</u>	<u>\$ 81,612,011</u>	<u>\$ 99,777,659</u>
Change in Net Assets					
Governmental activities	\$ 40,183,869	\$ 38,061,388	27,774,037	\$ 24,842,641	\$ 34,224,951
Business-type activities	4,900,829	3,842,803	6,823,233	9,164,375	9,531,082
Total primary government	<u>\$ 45,084,698</u>	<u>\$ 41,904,191</u>	<u>\$ 34,597,270</u>	<u>\$ 34,007,016</u>	<u>\$ 43,756,033</u>

Note: Information for fiscal years preceding 2002, when implementation of GASB Statement No. 34 significantly changed the financial reporting model, is not presented since it is not available on a comparable basis.

Note (1): Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

	2007	2008	2009
Expenses			
Governmental activities:			
General government	\$ 25,148,265	\$ 30,134,110	\$ 30,976,218
Public safety	62,159,383	70,342,631	72,982,320
Physical environment	11,449,782	11,987,508	13,122,352
Transportation	3,638,120	3,811,263	3,837,107
Culture and recreation	9,475,841	9,183,233	8,632,761
Interest on long-term debt	1,237,318	884,964	932,515
Total governmental activities expenses	<u>113,108,709</u>	<u>126,343,709</u>	<u>130,483,273</u>
Business-type activities:			
Utility	31,992,234	33,570,638	36,050,530
Sanitation	3,225,228	3,302,781	3,605,435
Stormwater	1,726,205	1,646,758	1,891,753
Pier	168,163	127,568	139,979
Airpark	982,881	1,412,469	1,399,077
Golf course	3,481,714	3,386,558	3,469,586
Total business-type activities expenses	<u>41,576,425</u>	<u>43,446,772</u>	<u>46,556,360</u>
Total primary government expenses	<u>\$ 154,685,134</u>	<u>\$ 169,790,481</u>	<u>\$ 177,039,633</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 11,107,609	\$ 10,751,746	\$ 11,584,971
Public safety	24,255,117	20,559,395	20,623,910
Physical environment	40,784	33,938	38,491
Transportation	313,483	297,829	352,597
Culture and recreation	1,679,976	1,575,211	1,689,470
Operating grants and contributions	3,371,646	4,718,209	3,384,796
Capital grants and contributions	5,171,273	2,367,151	3,736,634
Total governmental activities program revenues	<u>45,939,888</u>	<u>40,303,479</u>	<u>41,410,869</u>
Business-type activities:			
Charges for services:			
Utility	34,401,872	33,868,521	35,633,508
Sanitation	4,530,033	4,618,938	5,026,680
Stormwater	2,476,036	2,456,094	2,529,879
Pier	-	-	-
Airpark	1,994,752	1,074,271	800,461
Golf course	2,999,136	3,034,441	2,893,132
Operating grants and contributions	-	35,268	-
Capital grants and contributions	671,911	805,267	796,775
Total business-type activities program revenues	<u>47,073,740</u>	<u>45,892,800</u>	<u>47,680,435</u>
Total primary government program revenues	<u>\$ 93,013,628</u>	<u>\$ 86,196,279</u>	<u>\$ 89,091,304</u>
Net (Expense) Revenue			
Governmental activities	(65,307,223)	(86,040,230)	(89,072,404)
Business-type activities	5,497,315	2,446,028	1,124,075
Total primary government net expense	<u>\$ (59,809,908)</u>	<u>\$ (83,594,202)</u>	<u>\$ (87,948,329)</u>
General Revenues and other Changes in Net Assets			
Governmental activities:			
Taxes			
Property taxes, levied of general purposes	\$ 48,799,437	\$ 46,615,842	\$ 46,139,749
Sales and use taxes	1,986,157	1,989,190	1,942,087
Business tax receipts	1,861,598	1,878,968	1,852,958
Utility taxes	9,318,447	9,087,211	8,940,920
Communication service taxes	5,188,605	6,345,750	5,349,898
Pari-mutuel taxes	884,443	2,053,356	1,795,128
Tax increment fees-Community Redevelmt.Agency	8,287,120	9,142,152	9,527,042
Franchise fees	8,916,247	9,161,456	9,097,345
State revenue sharing	8,940,830	8,299,249	7,417,427
Investment earnings	8,752,035	5,571,020	3,518,665
Gain on disposal of capital assets	193,257	39,875	3,626
Miscellaneous revenue	759,627	704,511	835,460
Other Revenue	-	-	-
Special Assessments-Fire/EMS	-	-	-
Special item	-	-	-
Transfers	1,999,768	(5,581,068)	1,205,288
Total governmental activities	<u>\$ 105,887,571</u>	<u>\$ 95,307,512</u>	<u>\$ 97,625,593</u>
Business-type activities:			
Proceeds from disposal of capital assets	-	100,184	6,800
Investment earnings	2,635,502	1,690,003	1,099,783
Miscellaneous revenue	923,521	439,655	417,233
Special item	-	340,199	-
Transfers	(1,999,768)	5,581,068	(1,205,288)
Total business-type activities	<u>1,559,255</u>	<u>8,151,109</u>	<u>318,528</u>
Total primary government	<u>\$ 107,446,826</u>	<u>\$ 103,458,621</u>	<u>\$ 97,944,121</u>
Change in Net Assets			
Governmental activities	\$ 38,718,750	\$ 9,267,282	\$ 8,553,189
Business-type activities	7,056,570	10,597,137	1,442,603
Total primary government	<u>\$ 45,775,320</u>	<u>\$ 19,864,419</u>	<u>\$ 9,995,792</u>

CITY OF POMPANO BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 5,645,666	\$ 6,762,314	\$ 8,987,024	\$ 7,160,458	\$ 11,779,092	\$ 16,535,345	\$ 23,630,235	\$ 29,189,048	\$ 32,368,977	\$ 30,732,081
Unreserved	14,423,702	19,294,148	20,444,486	29,017,441	23,860,152	26,139,018	38,934,060	57,038,234	56,776,076	65,678,740
Total general fund	<u>\$ 20,069,368</u>	<u>\$ 26,056,462</u>	<u>\$ 29,431,510</u>	<u>\$ 36,177,899</u>	<u>\$ 35,639,244</u>	<u>\$ 42,674,363</u>	<u>\$ 62,564,295</u>	<u>\$ 86,227,282</u>	<u>\$ 89,145,053</u>	<u>\$ 96,410,821</u>
All Other Governmental Funds										
Reserved	\$ 3,299,973	\$ 4,307,422	\$ 18,176,238	\$ 17,893,404	\$ 19,808,908	\$ 19,425,023	\$ 26,619,823	\$ 29,838,745	\$ 33,502,820	\$ 33,949,258
Unreserved, reported in:										
Northwest CRA District funds	4,878,574	5,740,774	1,066,294	2,438,970	2,370,454	5,870,023	14,934,185	18,922,736	23,976,295	25,870,780
Capital projects funds	9,676,745	12,269,880	6,534,613	5,574,885	10,914,581	11,519,371	10,040,185	15,916,597	14,992,002	16,287,994
Emergency Medical Services	95,043	61,892	112,865	(124,127)	441,589	987,904	1,466,400	1,620,835	1,042,259	1,136,142
Cultural Arts	11,437	11,393	11,430	13,897	19,535	20,804	21,275	17,390	20,594	21,601
East CRA	-	-	-	84,218	360,944	836,908	1,702,438	2,527,275	4,082,431	5,238,264
Cemetery	-	-	-	820,145	834,606	839,030	842,196	774,696	741,611	748,036
Total unreserved all other governmental funds	<u>14,661,799</u>	<u>18,083,939</u>	<u>7,725,202</u>	<u>8,807,988</u>	<u>14,941,709</u>	<u>20,074,040</u>	<u>29,006,679</u>	<u>39,779,529</u>	<u>44,855,192</u>	<u>49,302,817</u>
Total reserved and unreserved all other governmental funds	<u>\$ 17,961,772</u>	<u>\$ 22,391,361</u>	<u>\$ 25,901,440</u>	<u>\$ 26,701,392</u>	<u>\$ 34,750,617</u>	<u>\$ 39,499,063</u>	<u>\$ 55,626,502</u>	<u>\$ 69,618,274</u>	<u>\$ 78,358,012</u>	<u>\$ 83,252,075</u>

Note: Prior to 2002 the City reported the Community Redevelopment Agency and Cemetery Perpetual Care Funds as Expendable Trust funds. Prior years have been restated to include these funds as Special Revenue Governmental funds.

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$ 42,310,974	\$ 46,920,272	\$ 51,295,617	\$ 53,500,138	\$ 57,151,705	\$ 66,138,975	\$ 74,334,341	\$ 83,380,456	\$ 76,088,289	\$ 76,087,864
Judgments, fines and forfeitures	1,100,406	1,164,733	1,220,814	1,456,765	1,316,680	1,483,483	1,626,391	1,634,580	1,249,857	1,466,766
Permits, fees and special assessments	4,746,572	4,966,916	4,837,896	5,508,441	15,249,201	20,730,619	23,621,571	20,198,717	23,802,123	22,436,894
Intergovernmental	13,022,040	14,982,794	16,777,024	13,713,958	19,332,540	18,672,553	26,690,589	19,946,798	15,920,212	16,435,158
Charges for services	5,712,991	6,579,094	6,415,332	6,468,861	13,297,993	14,745,333	14,737,214	14,698,401	14,505,728	16,243,058
Lot sales	-	-	393,855	82,390	-	-	5,162,000	47,990	-	-
Donations	-	-	-	-	376,732	135,426	172,511	114,674	113,756	44,730
Interest/Investment earnings	2,610,323	2,830,672	1,377,369	1,039,075	958,222	1,867,541	4,973,723	7,652,444	4,899,108	3,032,720
Cemetery lot sales	-	-	-	-	-	-	-	-	125	3,050
Recaptured funds	-	-	-	-	-	-	-	-	96,025	-
Program income	-	-	-	-	-	-	-	-	15,083	-
Other revenue	5,047,167	8,209,478	11,740,581	21,409,022	1,409,424	929,370	439,552	652,161	499,470	458,782
Total revenues	74,550,473	85,653,959	94,233,322	104,159,566	109,996,350	124,703,300	151,757,892	148,326,221	137,189,776	136,209,022
EXPENDITURES										
Current:										
General government	9,801,898	10,450,931	14,114,446	16,124,325	16,362,455	18,005,326	17,161,074	18,190,035	18,482,902	18,962,681
Public safety	37,588,572	42,641,036	45,180,631	49,345,909	52,680,525	60,373,948	72,290,299	61,188,428	68,611,664	72,671,842
Physical environment	7,091,793	6,841,309	8,533,247	9,082,888	10,008,020	12,022,052	11,587,807	11,478,318	11,689,546	12,569,704
Transportation	1,883,879	2,424,012	2,391,010	2,676,706	2,746,606	2,977,494	3,304,311	3,314,930	3,351,193	3,242,550
Culture and recreation	5,164,700	5,485,455	5,581,794	5,926,296	6,255,238	7,677,184	8,017,727	8,979,252	8,421,423	7,493,244
Debt service:										
Principal	2,247,082	2,825,396	2,509,400	2,604,400	2,526,900	1,744,400	1,280,000	930,000	970,000	20,000
Interest and other charges	956,802	857,858	768,107	637,163	530,391	484,358	616,923	1,183,814	987,830	889,628
Capital outlay	7,460,182	5,092,141	9,648,717	11,380,642	10,084,618	14,726,995	12,306,298	11,357,692	8,130,010	9,968,462
Total expenditures	72,194,908	76,618,138	88,727,352	97,778,329	101,194,753	118,011,757	126,564,439	116,622,469	120,644,568	125,818,111
Excess (deficiency) of revenues over expenditures	2,355,565	9,035,821	5,505,970	6,381,237	8,801,597	6,691,543	25,193,453	31,703,752	16,545,208	10,390,911
OTHER FINANCING SOURCES (USES)										
Debt proceeds	1,380,096	-	-	-	3,481,153	3,367,938	8,940,980	3,751,960	457,968	-
Proceeds from sale of capital assets	-	-	-	-	(1,562,500)	-	-	199,279	127,347	457,567
Transfers in	5,645,120	6,578,007	7,474,205	10,470,487	11,777,020	12,238,344	11,110,057	11,990,652	11,096,477	6,623,660
Transfers out	(4,094,153)	(5,197,145)	(6,136,055)	(9,305,383)	(10,251,177)	(10,514,260)	(9,227,119)	(9,990,884)	(16,569,491)	(5,312,307)
Total other financing sources (uses)	2,931,063	1,380,862	1,338,150	1,165,104	3,444,496	5,092,022	10,823,918	5,951,007	(4,887,699)	1,768,920
Net change in fund balances	\$ 5,286,628	\$ 10,416,683	\$ 6,844,120	\$ 7,546,341	\$ 12,246,093	\$ 11,783,565	\$ 36,017,371	\$ 37,654,759	\$ 11,657,509	\$ 12,159,831
Debt service as a percentage of noncapital expenditures	4.9%	5.1%	4.1%	3.8%	3.4%	2.2%	1.7%	2.0%	1.7%	0.8%

Note: Prior to 2002 the City reported the Community Redevelopment Agency and Cemetery Perpetual Care Funds as Expendable Trust funds. These prior years have been restated to include these funds as Special Revenue Governmental funds.

Note (1): Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	TAX ROLL *	REAL PROPERTY **	PERSONAL PROPERTY **	TOTAL ASSESSED VALUE
2000	1999	5,130,940,792	591,884,904	5,722,825,696
2001	2000	5,874,922,877	635,037,752	6,509,960,629
2002	2001	6,439,990,805	648,294,558	7,088,285,363
2003	2002	7,457,284,340	703,947,884	8,161,232,224
2004	2003	8,623,784,059	696,845,691	9,320,629,750
2005	2004	10,533,147,193	666,070,321	11,199,217,514
2006	2005	12,619,600,909	716,513,099	13,336,114,008
2007	2006	15,809,231,912	708,903,376	16,518,135,288
2008	2007	17,169,012,896	705,574,797	17,874,587,693
2009	2008	16,075,321,648	733,624,321	16,808,945,969

Source: Broward County Property Appraiser
 * Assessed values as of January 1.
 ** Florida Statutes require assessments at just valuation.

Note: The basis of assessed value is approximately 100% of actual value.
 Tax rates are per \$1,000 of assessed value.

<u>ALLOWABLE EXEMPTIONS</u>	<u>TAXABLE VALUE FOR OPERATIONS AND DEBT</u>	<u>TOTAL DIRECT TAX RATE</u>
934,692,294	4,788,133,402	5.2811
1,078,972,476	5,430,988,153	5.1000
1,285,376,027	5,802,909,336	4.9500
1,708,287,792	6,452,944,432	4.8800
2,166,330,695	7,154,299,055	4.8000
2,740,940,369	8,458,277,145	4.7430
3,510,683,601	9,825,430,407	4.6531
4,706,913,449	11,811,221,839	4.3197
5,021,089,922	12,853,497,771	3.8073
4,671,593,954	12,016,115,184	3.9602

CITY OF POMPANO BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

FISCAL YEAR ENDED SEPT. 30	TAX ROLL	City of Pompano Beach				DIRECT TOTAL	BROWARD COUNTY	SCHOOL BOARD
		GENERAL FUND	SPECIAL TAX DISTRICT	DEBT SERVICE				
2000	1999	4.3901	0.5000	0.3910	5.2811	7.5710	9.1283	
2001	2000	4.2504	0.5000	0.3496	5.1000	7.5250	8.9553	
2002	2001	4.1261	0.5000	0.3239	4.9500	7.4005	8.7541	
2003	2002	4.0877	0.5000	0.2923	4.8800	7.3650	8.8825	
2004	2003	4.0271	0.5000	0.2729	4.8000	7.1880	8.4176	
2005	2004	4.1111	0.5000	0.1319	4.7430	7.0230	8.2695	
2006	2005	4.0380	0.5000	0.1151	4.6531	6.7830	8.0623	
2007	2006	3.7250	0.5000	0.0947	4.3197	6.0661	7.8687	
2008	2007	3.2788	0.4449	0.0836	3.8073	5.2868	7.6484	
2009	2008	3.4861	0.4718	0.0023	3.9602	5.3145	7.4170	

Source: Broward County Revenue Collection Division
 * Pompano Tax District Code 1521 only
 (all property located east of Federal Highway)

Note: Overlapping rates are those of local and County governments that apply to property owners within the City of Pompano Beach.

Overlapping Rates					
SOUTH FLORIDA WATER MANAGEMENT DISTRICT	NORTH BROWARD HOSPITAL DISTRICT	CHILDREN SVS COUNCIL	HILLSBORO INLET IMPROVEMENT DISTRICT *	FLORIDA INLAND NAVIGATION DISTRICT	DIRECT AND OVERLAPPING TOTAL
0.6970	2.4895	-	0.0955	0.0440	25.3064
0.6970	2.4803	-	0.1036	0.0410	24.9022
0.6970	2.4803	0.3055	0.0951	0.0385	24.7210
0.6970	2.4803	0.3316	0.1170	0.0385	24.7919
0.6970	2.5000	0.3920	0.2490	0.0385	24.2821
0.6970	2.4803	0.4231	0.1845	0.0385	23.8589
0.6970	2.1746	0.4231	0.1845	0.0385	23.0161
0.6970	1.8317	0.4073	0.1170	0.0385	21.3460
0.6240	1.6255	0.3572	0.0860	0.0345	19.4697
0.6240	1.7059	0.3754	0.0860	0.0345	19.5175

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

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2009				2000			
TAXPAYER (Local Exposure Recognition)	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION	TAXPAYER (Local Exposure Recognition)	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION
Preserve at Palm-Aire LLC	\$ 25,436,580	1	0.21%	Heritage Pompano Square (Pompano Fashion Square)	\$ 21,583,090	1	0.46%
416 LLC	23,311,310	2	0.19%	ERP Operating, Ltd	20,859,300	2	0.44%
Palm Vacation Group	19,743,099	3	0.16%	Sun Bank Trust Company	19,156,990	3	0.41%
Associated Grocers LLC (Winne Dixie)	18,608,170	4	0.15%	Pompano Property Corp (Winn/Dixie)	14,975,190	4	0.32%
Cobblestone Apt. Assoc. LLC	16,489,970	5	0.14%	TA/Western LLC	14,838,570	5	0.31%
Winward Lakes Homeowner Assoc	15,645,700	6	0.13%	GP Stones, Ltd.	14,755,470	6	0.31%
Faison-Pompano Citi Centre LLC	15,320,500	7	0.13%	Eastrich #188 Corp	14,530,470	7	0.30%
SNH/LTA Properties Trust	15,300,080	8	0.13%	McNab-KC3, Ltd	14,216,270	8	0.30%
Regency 288 LLC	15,056,510	9	0.13%	Regency Venture, Ltd	14,189,740	9	0.30%
St. Andrews Palm Aire Assoc.	13,981,500	10	0.12%	Palm Court Joint Venture	<u>12,672,120</u>	10	<u>0.27%</u>
Total taxable assessed value of principal taxpayers	\$ 178,893,419		1.49%	Total taxable assessed value of principal taxpayers	\$ 161,777,210		3.43%
Total taxable assessed value of other taxpayers	<u>11,837,221,765</u>		<u>98.51%</u>	Total taxable assessed value of other taxpayers	<u>4,552,483,537</u>		<u>96.57%</u>
Total taxable assessed valuation of all taxpayers	\$ <u>12,016,115,184</u>		<u>100.00%</u>	Total taxable assessed valuation of all taxpayers	\$ <u>4,714,260,747</u>		<u>100.00%</u>

Source: Broward County Property Appraiser
 2008 Tax Roll

CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR ENDED</u>	<u>TAX ROLL</u>	<u>TOTAL AMENDED TAX LEVY</u>	<u>CURRENT GROSS TAX COLLECTIONS *</u>	<u>PERCENT OF LEVY COLLECTED</u>
2000	1999	24,896,482	24,734,509	99.35
2001	2000	26,971,094	26,822,229	99.45
2002	2001	29,170,193	28,080,716	96.27
2003	2002	30,784,548	30,354,521	98.60
2004	2003	33,419,204	33,193,839	99.33
2005	2004	39,315,287	39,164,635	99.62
2006	2005	45,268,126	44,778,856	98.92
2007	2006	50,489,535	50,155,320	99.34
2008	2007	48,744,720	47,860,443	98.19
2009	2008	47,586,219	47,091,073	98.96

Source: City Finance Department

* Gross taxes exclusive of discounts, penalties and interest.

** Delinquent tax revenues are recognized when received.

<u>DELINQUENT TAX COLLECTIONS **</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>
180,773	24,915,282	100.08
111,709	26,933,938	99.86
124,184	28,204,900	96.69
91,519	30,446,040	98.90
123,563	33,317,402	99.70
307,127	39,471,762	100.40
8,412,009	53,190,865	117.50
92,352	50,247,672	99.52
79,932	47,940,375	98.35
303,713	47,394,786	99.60

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	<u>Governmental Activities</u>					<u>Business-type Activities</u>			
	<u>General Obligation Bonds</u>	<u>Tax Increment Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Installment Notes</u>	<u>Water and Sewer Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ^a</u>	<u>Per Capita ^a</u>
2000	10,575,000	2,375,000	3,910,000	1,023,040	1,457,996	53,625,000	72,966,000	-	933.18
2001	9,210,000	2,125,000	3,270,000	1,022,495	637,600	49,800,000	66,065,000	2.79	768.81
2002	7,785,000	1,875,000	2,595,000	2,562,412	478,200	47,975,000	63,271,000	2.84	733.15
2003	6,300,000	1,625,000	1,885,000	1,253,850	318,800	46,050,000	57,433,000	2.49	665.24
2004	4,745,000	3,481,153	1,135,000	955,500	159,400	44,020,000	45,596,000	1.98	522.99
2005	3,900,000	6,849,091	395,000	649,350	-	41,875,000	53,668,000	2.19	527.65
2006	3,015,000	15,790,071	-	331,500	-	41,325,000	60,462,000	2.34	598.02
2007	2,085,000	19,542,031	-	-	-	38,870,000	59,685,000	2.45	590.19
2008	1,115,000	20,000,000	-	-	-	36,105,000	57,220,000	2.22	571.87
2009	1,095,000	20,000,000	-	-	-	33,229,506	54,324,506	2.42	548.56

Note: (-) indicates information not available.

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

^a See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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CITY OF POMPANO BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 10

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>		<u>Total</u>	<u>Percentage of Actual Taxable Value^(a) of Property</u>	<u>Per^(b) Capita</u>
	<u>General Obligation Bonds</u>	<u>Amount Available in Fund Balance</u>			
2000	10,575,000	973,440	9,601,560	0.20%	122.80
2001	9,210,000	1,019,512	8,190,488	0.15%	95.31
2002	7,785,000	998,674	6,786,326	0.12%	78.64
2003	6,300,000	946,702	5,353,298	0.08%	62.01
2004	4,745,000	948,332	3,796,668	0.05%	43.55
2005	3,900,000	980,435	2,919,565	0.03%	28.70
2006	3,015,000	1,055,041	1,959,959	0.02%	19.39
2007	2,085,000	1,135,429	949,571	0.01%	9.39
2008	1,115,000	1,140,450	(25,450)	0.00%	-0.25
2009	1,095,000	1,125,572	(30,572)	0.00%	-0.31

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

^a See schedule 5 for property value data

^b See schedule 14 for population data

CITY OF POMPANO BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2009

Schedule 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Pompano Beach	\$ (30,572) ^a	100%	\$ (30,572)
Broward County	443,997,073	7%	31,079,795
Subtotal, overlapping debt			31,049,223
City direct debt			(30,572)
Total direct and overlapping debt			31,018,651

Sources: City Finance Department
 Broward County Accounting Division

^a Net of amount in Fund Balance

CITY OF POMPANO BEACH, FLORIDA
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 12,016,115,184
Debt limit (15% of assessed value)	<u>1,802,417,278</u>
Debt applicable to limit:	
General obligation bonds	1,095,000
Less: Amount set aside for repayment of general obligation debt	<u>1,125,572</u>
Total net debt applicable to limit	<u>(30,572)</u>
Legal debt margin	<u><u>1,802,447,850</u></u>

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 707,139,112	\$ 793,267,483	\$ 857,946,868	\$ 946,246,352	\$ 1,044,350,121	\$ 1,243,367,723	\$ 1,459,289,292	\$ 1,753,230,610	1,920,444,417	1,802,417,278
Total net debt applicable to limit	<u>9,601,560</u>	<u>8,190,488</u>	<u>6,786,326</u>	<u>5,353,298</u>	<u>3,796,668</u>	<u>2,919,565</u>	<u>1,959,959</u>	<u>949,571</u>	<u>(25,450)</u>	<u>(30,572)</u>
Legal debt margin	<u>\$ 697,537,552</u>	<u>\$ 785,076,995</u>	<u>\$ 851,160,542</u>	<u>\$ 940,893,054</u>	<u>\$ 1,040,553,453</u>	<u>\$ 1,240,448,158</u>	<u>\$ 1,457,329,333</u>	<u>\$ 1,752,281,039</u>	<u>1,920,469,867</u>	<u>1,802,447,850</u>
Total net debt applicable to the limit as a percentage of debt limit	1.36%	1.03%	0.79%	0.57%	0.36%	0.23%	0.13%	0.05%	0.00%	0.00%

Source: Broward County Property Appraiser
 City Finance Department

Note: Article XVIII, Section 158 of the City Charter provides authorization to issue bonds not exceeding fifteen percent (15%) of assessed valuation of the taxable property in the City at the time of issue. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF POMPANO BEACH, FLORIDA
UTILITY PLEDGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Schedule 13

FISCAL YEAR ENDED	(1) GROSS REVENUES	(2) OPERATING EXPENSES	(3) NET REVENUE AVAILABLE FOR DEBT SERVICE (1)-(2)	DEBT SERVICE CASH REQUIREMENTS			COVERAGE (3):(4)
				PRINCIPAL	INTEREST	(4) TOTAL	
2000	28,058,239	14,943,789	13,114,450	3,150,000	713,102	3,863,102	3.39
2001	27,704,481	15,552,243	12,152,238	3,825,000	3,195,909	7,020,909	1.73
2002	27,201,543	16,550,175	10,651,368	1,825,000	2,626,670	4,451,670	2.39
2003	26,881,087	17,823,999	9,057,088	1,925,000	2,542,032	4,467,032	2.03
2004	31,972,009	19,165,682	12,806,327	2,030,000	2,451,592	4,481,592	2.86
2005	34,176,302	19,029,394	15,146,908	2,145,000	2,354,462	4,499,462	3.37
2006	35,969,346	20,021,820	15,947,526	2,255,000	2,251,284	4,506,284	3.54
2007	35,867,547	21,289,048	14,578,499	2,455,000	1,901,565	4,356,565	3.35
2008	34,644,947	22,150,443	12,494,504	2,765,000	1,602,118	4,367,118	2.86
2009	35,891,722	23,092,648	12,799,074	2,875,494	1,493,306	4,368,800	2.93

Source: City Finance Department

(1) Gross revenues include operating revenues and interest income. Excludes impact fees per City Ordinance 92-74

(2) Operating expenses include personal services and current expenses. Excludes depreciation and administrative service charges per City Ordinance 92-74.

CITY OF POMPANO BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

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<u>Year</u>	<u>Population</u>	<u>Broward County</u>		<u>Median Age</u>	<u>Education Level in Years of Schooling (High School or Higher)</u>	<u>School Enrollment (K-12)</u>	<u>Unemployment Rate Broward County</u>
		<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>				
2000	78,191	23,678	30,706	43.4	79.0	8,282	3.6
2001	85,932	22,292	31,464	41.9	78.4	9,485	4.5
2002	86,300	23,104	32,137	41.8	77.6	9,998	5.8
2003	86,334	23,021	32,650	40.5	81.9	10,023	5.4
2004	87,184	24,493	34,560	45.3	81.7	9,958	4.6
2005	101,712	25,784	37,403	45.5	80.2	12,964	3.7
2006	101,103	24,346	39,743	39.4	81.1	12,777	3.1
2007	101,128	25,745	*	43.1	76.5	12,121	3.6
2008	100,058	22,437	*	43.9	74.8	11,520	5.4
2009	99,031	*	*	*	*	11,629	*

Sources: City of Pompano Development Services Division via:
 US Census, American Community Survey
 Broward County School Board, 20th Day Report
 Bureau of Economic & Business Research, University of Florida

Note: * Indicates information not available

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 15

<u>Employer</u>	2009		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Pompano Beach Racino	1,250	1	2.29%
Broward County School Board	1,130	2	2.07%
Broward County Correctional	927	3	1.70%
Gold Coast Distributing	743	4	1.36%
City of Pompano Beach	715	5	1.31%
John Knox Village	630	6	1.15%
Publix	612	7	1.12%
Pet Med Express	589	8	1.08%
Latite Roofing & Sheet Metal	535	9	0.99%
Comcast Cable Holdings	500	10	0.92%

Note: Data for 2001 is not available. This type data was not previously maintained by City's Development Services Division. It is now an added function going forward.

Source: City of Pompano Beach Development Services Division via:
 US Census, American Community Survey
 Broward County School Board, 20th Day Report
 Bureau of Exonomic & Business Research, University of Florida
 Harris Selectory Data Base

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

<u>Function / Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government:										
City Commission	5	5	5	5	5	6	6	6	6	6
City Manager	4	4	4	4	4	4	4	4	4	5
Advisory Board	2	2	2	2	2	2	2	3	3	2
Public Information Ofc.	3	4	4	4	4	4	4	4	4	4
City Attorney	3	6	6	6	6	6	6	6	6	6
City Clerk	4	4	4	4	4	4	4	4	4	4
Human Resources	6	6	5	5	5	5	5	5	5	5
Internal Audit	3	3	3	3	3	3	3	3	3	3
Internal Services	34	34	34	34	34	34	34	34	34	33
Economic Development	0	0	0	0	0	0	0	1	1	0
Finance	20	20	20	20	20	20	20	21	21	31
Fire & EMS	154	179	179	179	193	194	194	199	199	199
Development Services	43	47	48	51	51	54	58	68	68	62
Office of Housing & Urban Improvement	6	6	6	6	6	6	7	6	6	7
Public Works	110	121	121	121	126	138	138	141	141	136
Parks and Recreation	59	59	60	60	64	77	79	79	83	81
Utilities	117	117	116	116	117	118	118	118	118	105
Stormwater	0	6	8	8	8	8	8	8	8	8
Airpark	5	5	5	5	5	5	5	5	5	6
Golf	9	9	9	9	9	9	9	9	9	9
Solid Waste	0	0	0	1	1	1	2	2	2	2
Total	587	637	639	643	667	698	706	726	730	714

Source: City Budget Office

CITY OF POMPANO BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION / PROGRAM

Schedule 17

LAST TEN FISCAL YEARS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function / Program										
Public Safety:										
<i>Fire</i>										
Emergency responses	12,027	13,830	14,755	15,957	16,352	18,190	17,571	18,031	17,962	17,505
Fires extinguished	446	462	407	390	451	495	571	432	415	371
Inspections	2,958	1,676	2,970	3,465	2,198	2,402	1,683	1,458	3,168	5,151
Uniformed employees	154	167	167	169	175	182	179	184	179	186
Non-uniformed employees	8	7	7	10	10	10	11	10	11	8
<i>Building permits</i>										
Permits issued	10,716	11,254	11,299	11,439	11,936	13,731	18,636	15,293	13,606	12,473
Estimated value	159,962,319	136,739,223	121,005,128	183,698,237	203,172,562	223,113,120	343,233,533	265,172,789	164,751,110	107,274,620
<i>City Clerk</i>										
No. of registered voters	43,020	48,592	50,023	52,876	52,126	57,904	55,199	52,378	52,921	55,621
No. of ballots cast	5,916	1,700	5,333	3,208	10,701	3,556	2,507	1,702	4,364	768
Districts voting	1 & 3	4	1,3 & 5	2 & 4	1,3,5 & Mayor	2 & 4	1	2 & 3	1 & 3	4
<i>Recreation Centers-Attendance</i>										
Emma Lou Olson	87,630	83,476	83,311	79,826	79,178	68,729	61,436	67,307	70,804	68,042
McNair	90,631	103,490	96,492	94,297	71,015	81,261	80,382	107,127	110,278	104,243
Mitchell/Moore	89,509	105,312	100,468	84,625	98,772	78,811	66,909	63,312	62,105	54,149
Skolnick	*	*	*	*	18,355	48,655	63,523	62,257	74,409	71,018
Pompano Highlands	*	*	*	*	1,234	18,808	19,445	23,398	25,323	26,258
North Broward	*	*	*	*	3,021	76,436	46,531	51,742	109,570	93,286
E. Pat Larkins	*	*	*	*	*	*	34,538	40,815	32,994	31,661
Utility:										
<i>Municipal Water System</i>										
Active water accounts	17,389	17,554	17,731	17,777	17,882	18,149	18,143	18,334	18,182	18,094
New Active Accounts	34	43	177	46	105	267	47	170	107	123
Active reclaimed water accts.	*	*	*	11	17	19	19	193	84	117
Metered sales (billion gallons)	5.823	5.299	5.554	5.756	6.067	5.883	6	5.214	4.640	4.75
Avg.gals.(1,000) billed per day	16,364	15,335	15,958	14,816	15,117	17,151	14,257	12,984	12,718	13,010
Reclaimed water (million gals.)	*	*	*	360.965	505.131	483.836	425.628	491.4	487	558
Water main breaks	136	184	184	241	105	150	229	156	152	130
Plant capacity million gals./day	40	40	40	40	50	50	50	50	50	50
<i>Municipal Sewer System</i>										
Active accounts	14,788	15,162	15,319	15,319	15,358	15,549	15,543	15,825	15,787	15,805
General Government:										
<i>Tax Rates</i>										
Utility Services:										
Electric	10	10	10	10	10	10	10	10	10	10
Water	6	6	6	6	6	6	6	6	6	6
Communication Service	7	7	6	5	5	5	5	7	7	7
Gas	10	10	10	10	10	10	10	10	10	10
Franchises:										
Electric	6	6	6	6	6	6	6	5.9	5.9	6
Communication Service	1	1	-	-	-	-	-	-	-	-
Gas	6	6	6	6	6	6	6	6	6	6
Cable Television	5	5	-	-	-	-	-	-	-	-

Source: Various City departments

* Indicates data is not available

CITY OF POMPANO BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 18

<u>Function / Program</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Area</i>										
Land excluding airport (sq.miles)	21.200	21.200	21.200	21.200	23.570	23.570	23.570	23.570	23.570	23.570
Airport land (sq.miles)	0.586	0.586	0.586	0.586	0.586	0.586	0.586	0.586	0.586	0.586
Water (sq.miles)	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924
<i>Infrastructure</i>										
Paved streets	286	282	282	309	309	251	251.5	270.5	270.5	270.5
Unpaved streets	5	15	5	15	15	2.5	2.5	2.5	2.5	2.5
Sidewalks	80	75	84	75	78	138	139	155	155	155
Canals and waterways	32	32	32	32	32	32	32	32	32	32
Storm drainage	50	50	50	55	55	55	55	69	70	70
City-owned streetlights	500	550	550	550	1019	1364	1300	1400	1400	1199
FP&L owned streetlights	2500	3000	2500	3000	4792	4823	7000	7000	7000	5364
<i>Fire</i>										
Stations	5	5	5	5	5	6	6	6	6	6
<i>Police</i>										
Stations	1	1	1	1	1	1	1	1	1	1
<i>Recreation</i>										
Public beach (miles)	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Municipal parks	32	39	36	39	41	48	45	45	46	46
Municipal swimming pool	2	2	2	2	2	2	2	2	2	2
36-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
977 foot municipal pier	1	1	1	1	1	1	1	1	1	1
Recreational areas (acres)	223	220	220	220	231	257.23	257.23	257.23	258.17	258.17
Golf course (acres)	307	307	307	307	307	307	307	307	307	307
Recreation centers	3	3	3	3	4	6	7	7	7	7
<i>Municipal Water System</i>										
Water mains (miles)	261	262	261	279	273	275	276	281	283	284
Reuse water mains (miles)	*	*	*	4	5	6	8.1	18	20	22
Fire hydrants	1563	1600	1570	1658	1689	1707	1716	1817	1865	1879
Fire hydrants (reuse water)	*	*	*	*	*	2	3	3	4	4
<i>Municipal Sewer System</i>										
Gravity sewer (miles)	185	185	185	187	189	190	191	195	196	199
Wastewater force main (miles)	59	59	59	71	71	71	71	67	68	69
Wastewater lift stations	72	73	71	73	70	73	72	74	75	75

Sources: Various City departments

* Operation not established

**City of Pompano Beach
Schedule of Insurance
As of September 30, 2009**

Schedule 19

<u>Type of Coverage</u> <u>Name of Carrier</u> <u>Policy Number</u>	<u>Policy Period</u>		<u>Liability Limits</u> <u>&</u> <u>Retentions</u>	<u>Premium</u>
	<u>FROM</u>	<u>TO</u>		
Airpark Liability ACE Property & Cas. Ins. Co. Policy No. AAP N05616943001	02/05/09	02/05/10	\$10,000,000	\$4,165.00
Building & Contents (City SIR 1st 100K per occ.)* Lexington Ins. Co. Policy No.017727795 (excludes Utilities)	03/01/09	03/01/10	\$10,000,000 (Primary Layer, in xs of \$100,000 AOP, *5% Named Hurricane/Windstorm)	\$585,732.00
Landmark Amer. Ins. Policy No. LHD361173	03/01/09	03/01/10	\$30,000,000 - (1st Excess), 30M in xs of \$10M	\$ 60,676.00
Utilities Building & Contents (City SIR 1 st 100K per occ.) Ace American Ins. Co. Policy No. EUTN05066530	03/01/09	03/01/10	\$35,000,000 (Primary on all Utilities Dept. Bldg & Cont includes AOP, Wind 5% & B&M. 10M Named Hurricane/Windstorm)	\$254,599.00
Group Health Blue Cross/Blue Shield Policy Nos: 98854(PPO)&98854(HMO) (Includes Dental through Florida Combined Life)	10/01/09	09/30/10	Per policy schedules	HMO \$436.67/Single \$1,183.72/Family PPO \$635.87/Single \$1,482.22/Family
Boiler & Machinery Zurich American Ins.Co. Policy Binder No. 100360	03/01/09	03/01/10	\$50,000,000	\$5,942
Flood American Bankers Inc. Co. Policy Nos: 1011136736 1011136737 1011136738 1011136739 1011136740 1011136741 1011136742	01/04/09	01/04/10	Buildings \$120,900 - \$500,000 Contents \$0 - \$500,000	\$1,218 \$1,299 \$1,104 \$1,422 \$1,632 \$1,503 \$1,158
Excess Liability (City is self- insured for the first \$100/200K/occurrence for GL/AL – \$250K/occurrence for other than 768.28 claims; WC is \$350K/occurrence)* Star Ins. Co. Policy No. CP0267896	03/01/09	03/01/10	General Liability - \$2,000,000 Auto Liability - \$2,000,000 Workers' Comp – Statutory (no limit) Employee Benefits Liability Public Officials Liability (\$2,000,000 limit each)	\$167,355.

H/beeedd/schedule of insurance 2009

*The City of Pompano Beach is self-insured, except for the policies mentioned above.

CITY OF POMPANO BEACH, FLORIDA

GENERAL BACKGROUND INFORMATION SEPTEMBER 30, 2009

Schedule 20

The City of Pompano Beach is situated in the northeastern part of Broward County and borders on the Atlantic Ocean. It is approximately 33 miles equidistant from Miami to the south, and West Palm Beach to the north. Pompano Beach is located in the heart of the luxury resort area of Southeast Florida which is comprised of Palm Beach, Broward and Dade Counties. It is predominantly a residential community with its own shops, businesses and light industry. The City is centered in a growing industrial, commercial and tourist area. In addition, it is a focal point of agricultural interest, being an important marketing center for the intensive vegetable farming of the vast neighboring Florida region. With beautiful beaches, many public and commercial attractions and a favorable climate, the area attracts numbers of vacationers, sportsmen, business persons and others.

History

The Pompano Beach area was first settled in 1884 as a farming community. In 1896 the Florida East Coast Railroad sent its first train through the area, and in 1906 the Hillsboro Lighthouse was constructed. The lighthouse and the inlet connecting the Atlantic Ocean with the Intracoastal Waterway were named for the Earl of Hillsboro, who was granted large tracts of land when the area was occupied by the English.

By 1908, the population was large enough to incorporate and the Town of Pompano was formed, taking its name from the popular game fish that abounded in nearby waters. The raising of winter vegetables continued to be the basis of the economy and with the opening of the Pompano State Farmers Market in 1939, the City also became an important wholesale marketing center for farm produce. In 1947, the beach area, which had incorporated in 1945, consolidated with the Town of Pompano to become the City of Pompano Beach.

Climate and Topography

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

The City is warmed by the trade winds of the gulf stream, thus making the winters sunny and pleasant with temperature readings of approximately 66 degrees, and the same trade winds make summers cool and comfortable, with an average temperature reading of about 83 degrees. The average temperature for the year is approximately 74 degrees.

Existing Demographic Characteristics

Pompano Beach has experienced tremendous growth in the period since 1950 when the City's population was 5,682. Pompano's population nearly tripled during the decade of the 1950's. By 1960, the population was 15,992, and the City had grown to the 30th largest city in Florida. Since 1960 the population has grown by approximately 18,000 every decade. This explosive growth continued in the early 1970's when the City was the scene of extensive residential construction, especially of condominium units in the beach area and throughout the City.

CITY OF POMPANO BEACH, FLORIDA

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Although density and planning controls have slowed construction, the City's population has continued to increase at a healthy pace. The Bureau of Economic and Business Research, University of Florida, now estimates that Pompano Beach is the 20th largest city in Florida with a 2009 population of an estimated 99,031.

Existing Transportation Facilities

Pompano Beach is served by a variety of transportation modes, and the City's transportation network is well established.

Water

Port Everglades, the deepest port between Norfolk and New Orleans, is located approximately 12 miles south of Pompano Beach. A foreign trade zone at Port Everglades allows goods to move in and out of such zones without being subject to duty by U.S. Customs until the goods are ready for distribution to American markets. This provision further adds to the Port's ability to serve as an important bridge to the southern hemisphere. The port is the location of a new 150,000 square foot convention center which will offer a combination of cruise options to conventioners. The intercoastal waterway bisects the City.

Highways

A-1-A along the beach shoreline and Federal Highway (U.S. 1) on the mainland are the two main thoroughfares traversing the City from north to south. Atlantic Boulevard is the principal artery in an east/west direction. Long distance north/south travel is served by two expressways: Interstate 95 has three interchanges at Sample Road, Copans Road and Atlantic Boulevard, to serve the City and another interchange in nearby Fort Lauderdale at Cypress Creek Road; Florida's Turnpike (Sunshine State Parkway) serves Pompano Beach at Dr. Martin Luther King Jr. Boulevard and West Atlantic Boulevard with an exit at West Atlantic Boulevard. A secondary exit from the Florida Turnpike is located west of the City limits.

Rail

Amtrack passenger trains and a 66 mile long Tri-County Community Rail System also service the area. Commercial rail service is provided by the Seaboard Coast Line and the Florida East Coast Railway.

Air

Service by major national and international airlines is less than an hour's drive at Miami International, Fort Lauderdale-Hollywood International and Palm Beach International Airports. Limousine service is provided from Miami and Fort Lauderdale Airports to Pompano Beach. Private and charter aircraft use the Pompano Beach Municipal Airpark located within the City limits. The municipal airpark has a control tower with radio navigational equipment and three runways, the longest of which is 4,420 feet. It is lighted for night use.

The Pompano Beach Airpark was deeded to the City of Pompano Beach from the Federal Government after World War II and has operated as a general aviation facility since that time; it is now the winter home of the Goodyear blimp, "Spirit of Innovation". The municipal golf course and other recreational facilities occupy large portions of the airpark property as well as the City's water treatment plant and some of the water wells.