



City of
**DEERFIELD
BEACH**

Comprehensive Annual Financial Report

Deerfield Beach, Florida

Fiscal Year Ended September 30, 2005



BLUE WAVE CAMPAIGN
1997 - 2002

Deerfield Beach

2001

All-America City Finalist

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Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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Carla E. Feuz

President

Jeffrey R. Emer

Executive Director



City of

**DEERFIELD
BEACH**

**CITY OF DEERFIELD BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

**Prepared by:
Office of Management and Budget
Sally S. Siegel, Director**

CITY OF DEERFIELD BEACH, FLORIDA
 Comprehensive Annual Financial Report
 For the Year Ended September 30, 2005

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March 24, 2006

Citizens of Deerfield Beach
The Honorable Albert R. Capellini
Members of the City Commission
Larry R. Deetjen, City Manager

It is my pleasure to submit to you the Comprehensive Annual Financial Report of the City of Deerfield Beach, Florida for the fiscal year ended September 30, 2005.

Local ordinances and state statute require that the City of Deerfield Beach issue a report on the financial position and activity within twelve months of the close of each fiscal year. Additionally, the financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and this report must be audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. We believe that the data as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity are included.

The report contains four sections, namely the introductory section, the financial section, required supplementary information and the statistical section. Listed below is a summary of each section and the information presented:

- The introductory section includes the table of contents, a listing of City officials, the City's organization chart and this letter of transmittal.
- The financial section contains the auditor's report, the management discussion and analysis (MD&A), the entity-wide financial statements and separate fund statements for governmental activities, proprietary activities and trust and agency funds. It also includes the notes to the financial statements which provide additional information related to the financial statements.
- The required supplementary information includes budgetary data for the General Fund as well as selected pension data for the City's defined benefit pension plans.

- The statistical sections contain various charts and graphs detailing comparative and trend information on the City's revenues, expenditures, taxes, debt, population and other pertinent information.

McGladrey & Pullen, LLP, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Deerfield Beach for the fiscal year ended September 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the special needs of federal and state grantor agencies as provided for in the Federal Single Audit Act, Office of Management and Budget's (OMB) Circular A-133 and Florida Single Audit Act in accordance with Chapter 10.650, Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Deerfield Beach's separately issued Single Audit Report.

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report on the basic financial statements.

Profile of the City of Deerfield Beach

Incorporated in 1925, the City of Deerfield Beach operates under the commission/manager form of government. The City Commission develops legislation and policies to direct the City but employs a professional City Manager to oversee operations. The Mayor, elected at-large to a four-year term, acts as the formal representative of the City and presides over Commission meetings. The public elects four City Commissioners who serve four-year terms.

Since 1990, the population within the city limits has increased 54.0% while the population of Broward County has grown by approximately 36.3%. The size of the City has increased by approximately 4.6 square miles. This boost in population as well as geographic size is due in part to annexations that occurred in 1999 and 2004 as well as the influx of new residents relocating from other areas.

The City of Deerfield Beach provides a broad range of municipal services. These services include public safety, sanitation, water and sewer, recreational and cultural activities, public improvements, planning, zoning, highways and streets and general administrative services. It does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and North Broward Hospital District respectively. Both of these entities are independent special districts that are not part of the City of Deerfield Beach. As such, financial data for them or for any other government has not been included in the financial statements in this report.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Community Redevelopment Agency (CRA) is reported as a special revenue fund of the primary government.

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental

level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund this comparison is presented on page 54 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplementary information section.

Factors Affecting Economic Condition

Local Economy

Home to approximately 77,000 residents, Deerfield Beach is located on the east coast of Florida in Broward County. The City is primarily a residential community and offers commercial development such as shopping facilities, office buildings, restaurants, tourist lodgings and light industry. At the national level, U.S. businesses created jobs at a brisk pace during the month of February 2006 thus fueling speculation that the economy will gain momentum as additional wage income will support consumer spending. Factors that seriously impacted the country's economy in 2005, including the war in Iraq, hurricanes and high energy prices, appear to be subsiding as evidenced by this growth in economic activity. Historically, south Florida has been able to stave off any negative national trends and prosper from unprecedented residential and commercial growth. Deerfield Beach is expected to continue to receive the benefits of this economic expansion.

Long-term Financial Planning and Relevant Financial Policies

The City of Deerfield Beach incorporates its financial and budgetary policies into the annual budget which serves as the foundation for the City's financial planning and control. Historical trends coupled with current and anticipated economic performance guide the development of this document. Individual departments evaluate and forecast personnel, operating and equipment needs for both the short and long term. These requests are reviewed and adjusted by the city manager and ultimately modified and approved by the city commission. Relevant policies that work in conjunction with the City's financial planning process include the following:

Fund Reserves – The City's general guideline is to maintain undesignated fund balance in the general fund at a level sufficient to provide for temporary financing of unforeseen needs of an emergency nature and to permit the orderly adjustment to changes resulting from the decline in a source of revenue. The level of fund balance in the general fund will be a minimum of 5% of total expenditures, exclusive of debt service, operating transfers and non-recurring costs. Additionally, an emergency reserve fund, which is part of the general fund balance, shall be maintained at a level of at least \$1.0 million and shall be used only in case of an emergency.

Capital Improvements - The City makes all capital improvements in accordance with an adopted capital improvement program which is updated annually. The capital improvement budget is coordinated with the development of the operating budget and in compliance with the Comprehensive Plan's Capital Improvement Element. Assets will be maintained at a level that is adequate to protect the City's capital investment as well as minimize future maintenance and replacement costs. The most economical means of financing capital assets shall be employed.

Debt – Debt financing shall be secured for non-routine items that are considered to be major purchases. The City confines short and long term borrowing to capital projects or improvements which carry a benefit that exceeds five years and cannot be financed from current revenues. Bond issuances for capital projects shall not be for time frames that exceed the useful life of a project. When appropriate, special assessment revenue or self supporting bonds shall be issued as opposed to general obligation bonds, so that those benefiting from the improvements will absorb all or part of the cost of the debt.

Cash Management - The city has adopted a cash management policy that is conservative and emphasizes capital preservation. To ensure the safety of the city's funds, all investments are with depositories that are qualified under Florida law and thus are fully collateralized in accordance with Chapter 280 of the state statutes. All monies, except those held by the utility sinking fund and the four pension funds, are invested in either the state investment pool for local governments, or in an account which is maintained with the city's primary depository, is subject to a 10% reserve requirement, and pays interest at a rate that is equal to the weekly average federal funds rate minus twenty five basis points; or in an investment account managed by a bank trust department in strict accordance with the city's formal investment policy.

The yield on investments during fiscal 2005 was 2.74%, as compared to an average federal funds rate of 2.70% for the same period.

Cash and investments held by the utility sinking fund and the four pension funds is the responsibility of independent trustees.

Additional information on the City's cash management activities can be found in Note III (A) of the Notes to the Financial Statements.

Risk Management - To finance its risks of general liability, automobile liability, physical damage, dental and vision coverage, professional liability, unemployment compensation and worker's compensation, the city maintains a program of self insurance, supplemented with commercial insurance of limited coverage, that is sufficient to protect resources at the lowest reasonable cost.

The risk management function is accounted for within the general fund. The current portion of the liability related to the various claims which were reasonably determinable at the end of the fiscal year has been accrued in that fund and the long term portion has been provided for in the government-wide financial statements.

Details of the City's insurance programs can be found in Note IV (B) of the Notes to the Financial Statements.

Employee Retirement System - The City maintains three defined benefit pension plans and one defined contribution plan. Each year, independent actuaries engaged by the pension boards calculate the amount of the annual required contribution (ARC) that the City must make to the defined benefit pension plans to ensure that the plans will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City funds 100% of each year's ARC to the defined benefit pension plans as determined by their actuaries.

A more detailed discussion of the City's pension plans can be found in Note IV (D) (E) of the Notes to the Financial Statements.

Major Initiatives

During the past year there have been some noteworthy events in the City that have or will have a positive impact on the area:

- Construction of the athletic complex and aquatic center were completed and a dedication was held in September 2005.
- The groundbreaking for the new public works facility took place in March 2005. Completion is anticipated in late 2006 and the new facility will provide for the relocation of the current public works operations and consequently free up space to allow for future growth for the environmental services and engineering divisions.

- The groundbreaking for the new mitigation operations center located at the FAU Research Park was held in March 2005. This facility will house a fire station, fire administration offices and the City's emergency operations center.
- The construction of streetscape and drainage improvements along Ocean Way in the Community Redevelopment Area (CRA) within the City was formally dedicated in February 2005. This is one phase of a multi-year project designed to enhance the City's beachfront – a popular destination for both residents and visitors alike.
- The City's parks and recreation department took over the operations of the International Fishing Pier effective January 2005. The first year of operation has proven to be successful for the City as is evidenced in a cleaner facility coupled with a solid revenue stream from both admission fees as well as parking revenue.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2004. This was the 25th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2004-05 for the 9th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

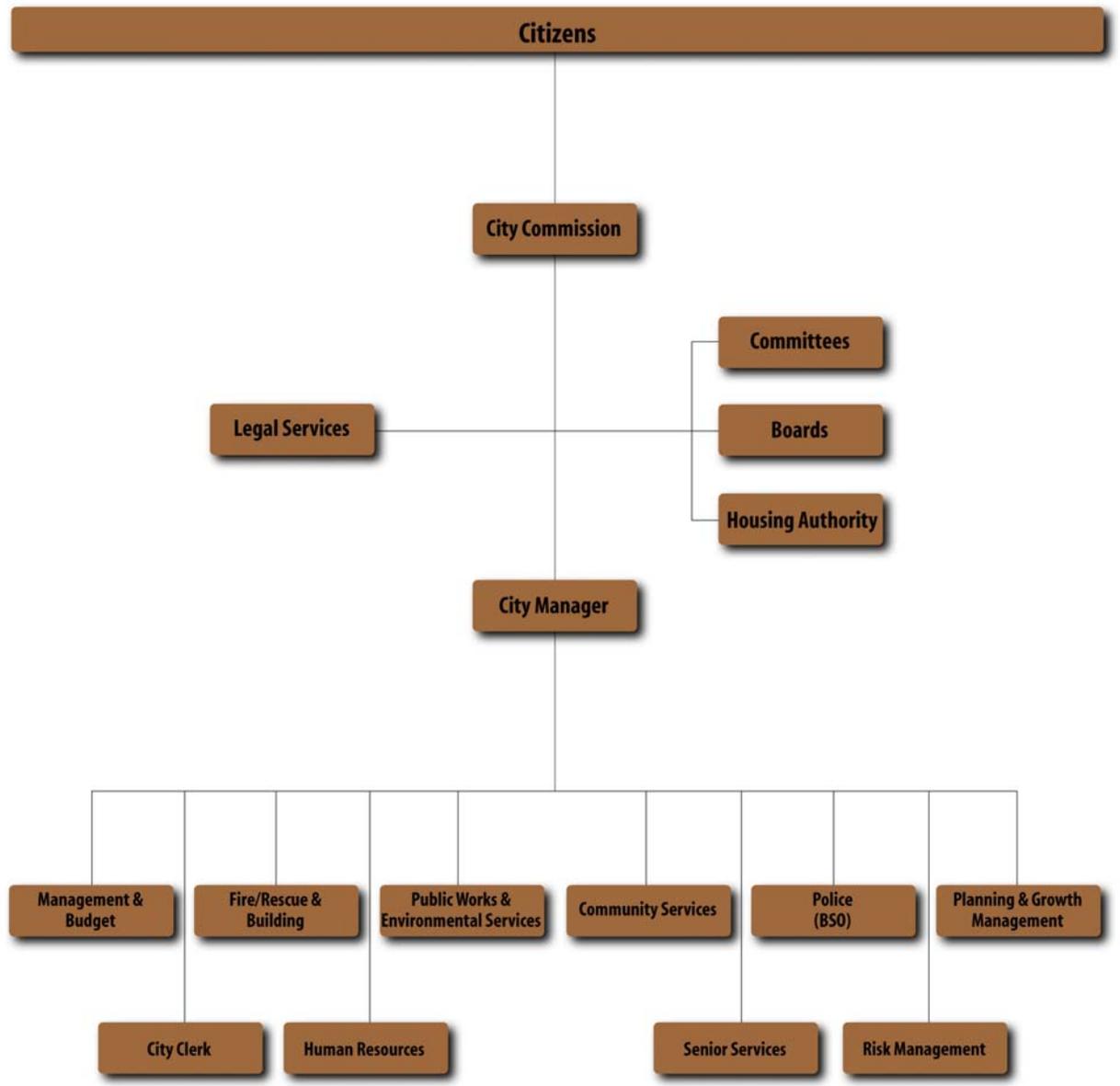
Thank you for your continuing interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to all members of the management and budget department staff who assisted and contributed to the preparation of this report. Special appreciation is extended to Hugh Dunkley, Assistant Finance Director whose dedicated service made this report and the year a success.

Respectfully submitted,

Sally S. Siegel

Sally S. Siegel
Finance Director

City of Deerfield Beach Organization Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2005

Elected Officials

Mayor	Albert R. Capellini
Vice Mayor	Steve Gonot
Commissioner	Pam Militello
Commissioner	Sylvia Poitier
Commissioner	Martin Popelsky

Appointed Officials

City Manager	Larry R. Deetjen
Assistant to City Manager	Burgess Hanson
City Attorney	Andrew S. Maurodis
City Clerk	Ada Graham-Johnson
Director of Parks & Recreation	Vincent Kendrick
Finance Director	Sally S. Siegel
Fire Chief	Gary Lothar
Director of Human Resources	Marva J. Gordon
Director of Planning & Growth Management	Gerald R. Ferguson
Police Chief	Ron Reffett
Director of Public Works & Environmental Services	Carl Peter
Risk Manager	Linda Hayden
Director of Senior Services	Nancy Reichenbach

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Honorable Mayor and Members of the
City Commission
City of Deerfield 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 Deerfield Beach, Florida (the "City"), as of and for the year ended September 30, 2005, 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 City of Deerfield Beach Municipal Firemen's Pension Trust Fund and the City of Deerfield Beach Municipal Police Officer's Retirement Plan, which statements represent 63% of the total assets and 51% of total revenue of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Deerfield Beach Municipal Firemen's Pension Trust Fund and the City of Deerfield Beach Municipal Police Officer's Retirement Plan is based solely 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, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 Deerfield Beach, Florida as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2006 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis, the budgetary comparison information and the pension fund schedule of funding progress and employer contributions on pages 3 through 13, page 54 and page 55, respectively, 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 combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied 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
March 17, 2006

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

The management of the City of Deerfield Beach (City) presents this narrative overview and analysis to facilitate both a short and long term analysis of the financial activities of the City of Deerfield Beach for the fiscal year ended September 30, 2005. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditor's report. The information presented is in accordance with Governmental Accounting Standards Board Statement Number 34 (GASB 34). 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 i - v of this report.

Financial Highlights

- The total assets of the City of Deerfield Beach at September 30, 2005 increased \$5.1 million from \$180.3 million to \$185.4 million, or 2.8% from the prior year. The most significant components of this increase included an increase in capital assets of \$9.4 million, a decrease in cash and investments of \$3.8 million to pay for these capital additions, an increase in receivables of \$1.1 million due primarily to increased EMS revenues and a decrease in the amounts due from other governments of \$1.5 million as a result of receipt of monies from FEMA and other agencies for past hurricane related expenditures.
- The City's total liabilities decreased \$1.3 million from \$85.3 million to \$84.0 million from the prior year. The majority of this decrease resulted from normal debt retirement.
- The assets of the City of Deerfield Beach exceeded its liabilities at the close of the most recent fiscal year by \$101.4 million (net assets). Of this amount, \$43.8 million was from governmental funds and \$57.6 million was from business-type activities. A sizable portion of this increase can be found in the addition of capital assets during the fiscal year.
- As of the close of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$37.5 million. Slightly more than 88 percent of this total amount, \$33.1 million, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$9.3 million, or 15.8 percent of total general fund expenditures. This increase of \$3.8 million is indicative of the City's strengthening financial position from the prior year.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Deerfield Beach's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Deerfield Beach's finances, in a manner similar to a private-sector business and include both long term and short term information about the City's financial status.

The statement of net assets presents information on all of the City of Deerfield Beach's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

in net assets may serve as a useful indicator of whether the financial position of the City of Deerfield Beach 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 a future fiscal period. Examples of such items include earned but uncollected ad valorem taxes and earned, but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City of Deerfield Beach 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, economic environment, public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City of Deerfield Beach include water and sewer activity and solid waste services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Community Redevelopment Agency (CRA) for which the City is financially accountable. Although legally separate, the CRA's governing body is identical to the City Commission, and because the services of the CRA are exclusively for the benefit of the City and its residents, it is included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14 - 16 of this report.

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

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Deerfield Beach maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report two major funds: general fund and general construction fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 59 - 66 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

The City of Deerfield Beach adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 19 of this report.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements with greater detail. The City of Deerfield Beach uses enterprise funds to account for its water and sewer operations as well as its solid waste activities. The enterprise funds, both of which are considered to be major funds of the City, are reported separately as proprietary fund financial statements in the basic financial statements.

The basic proprietary fund financial statements can be found on pages 21 - 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Deerfield Beach's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 - 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 53 of this report and should be read in conjunction with the City's financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Deerfield Beach's progress in funding its obligation to provide pension benefits to its employees, budgetary comparisons for the general fund and the budget to accounting principles generally accepted in the United States of America reconciliation schedule. RSI can be found on page 54 - 56 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI on pensions. Combining and individual fund statements and schedules can be found on pages 59 - 74 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets exceeded liabilities by \$101.4 million at the close of fiscal year 2005.

The largest portion of the City of Deerfield Beach's net assets (76.7%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Deerfield Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Deerfield Beach's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

City of Deerfield Beach's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$47,714,443	\$49,655,276	\$17,117,260	\$19,417,439	\$64,831,703	\$69,072,715
Capital assets	<u>57,021,745</u>	<u>48,489,532</u>	<u>63,572,920</u>	<u>62,723,660</u>	<u>120,594,665</u>	<u>111,213,192</u>
Total assets	<u>104,736,188</u>	<u>98,144,808</u>	<u>80,690,180</u>	<u>82,141,099</u>	<u>185,426,368</u>	<u>180,285,907</u>
Current liabilities	5,821,643	5,973,769	2,628,630	3,564,389	8,450,273	9,538,158
Long-term liabilities	<u>55,153,631</u>	<u>53,847,765</u>	<u>20,434,891</u>	<u>21,913,969</u>	<u>75,588,522</u>	<u>75,761,734</u>
Total liabilities	<u>60,975,274</u>	<u>59,821,534</u>	<u>23,063,521</u>	<u>25,478,358</u>	<u>84,038,795</u>	<u>85,299,892</u>
Net assets:						
Invested in capital assets, net of related debt	33,334,631	28,352,211	44,493,424	40,412,891	77,828,055	68,765,102
Restricted	5,166,154	7,240,711	4,404,024	8,843,666	9,570,178	16,084,377
Unrestricted	<u>5,260,129</u>	<u>2,730,352</u>	<u>8,729,211</u>	<u>7,406,184</u>	<u>13,989,340</u>	<u>10,136,536</u>
Total net assets	<u>\$43,760,914</u>	<u>\$38,323,274</u>	<u>\$57,626,659</u>	<u>\$56,662,741</u>	<u>\$101,387,573</u>	<u>\$94,986,015</u>

An additional portion of the City of Deerfield Beach's net assets (9.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$14.0 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The net assets of business-type activities increased \$0.9 million to \$57.6 million in 2005. The City generally can only use these net assets to finance the continuing operations of the specific enterprise activity that it relates to.

The City's current and other assets decreased by \$4.3 million from \$69.1 million to \$64.8 million. This decrease is primarily due to the use of cash and investments for the addition of capital assets throughout the fiscal year.

Capital assets increased \$9.4 million from \$111.2 million to \$120.6 million, or 8.5% from the prior year. This increase is mainly due to the completion of the Middle School athletic center and aquatic complex, commencement of construction of the public works facility as well as the mitigation operations center and the Ocean Way beach revitalization.

The City's total noncurrent liabilities decreased \$0.2 million from \$75.8 million to \$75.6 million, or less than one percent from the prior year. This was due to various changes in amounts due for compensated absences, insurance claims payable and bonds, loans and leases payable.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

City of Deerfield Beach's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 17,274,521	\$ 13,833,726	\$ 33,170,886	\$ 31,803,347	\$ 50,445,407	\$ 45,637,073
Operating grants/contributions	4,459,951	5,229,862	-	-	4,459,951	5,229,862
Capital grants/contributions	1,521,244	2,470,520	111,760	213,360	1,633,004	2,683,880
General revenues:						
Taxes	46,072,064	41,201,384	-	-	46,072,064	41,201,384
Grants and contributions not restricted to specific programs and miscellaneous						
	3,112,942	2,348,895	-	-	3,112,942	2,348,895
Unrestricted investment earnings	1,183,078	497,863	377,479	146,225	1,560,557	644,088
Total revenues	73,623,800	65,582,250	33,660,125	32,162,932	107,283,925	97,745,182
Expenses:						
General government	16,465,472	13,173,248	-	-	16,465,472	13,173,248
Economic environment	1,104,229	1,209,660	-	-	1,104,229	1,209,660
Public safety	34,156,399	29,863,193	-	-	34,156,399	29,863,193
Human services	2,489,242	2,338,711	-	-	2,489,242	2,338,711
Physical environment	4,640,670	3,642,515	-	-	4,640,670	3,642,515
Transportation	2,839,192	2,476,519	-	-	2,839,192	2,476,519
Culture and recreation	4,777,558	3,781,281	-	-	4,777,558	3,781,281
Interest on long term debt	1,713,398	1,512,795	-	-	1,713,398	1,512,795
Water and sewer	-	-	18,577,991	15,564,964	18,577,991	15,564,964
Solid waste	-	-	14,118,216	11,621,977	14,118,216	11,621,977
Total expenses	68,186,160	57,997,922	32,696,207	27,186,941	100,882,367	117,881,070
Increase in net assets						
before transfers	5,437,640	7,584,328	963,918	4,975,991	6,401,558	12,560,319
Transfers	-	960,000	-	(960,000)	-	-
Increase in net assets	5,437,640	8,544,328	963,918	4,015,991	6,401,558	12,560,319
Net assets, October 1	38,323,274	29,778,946	56,662,741	52,646,750	94,986,015	82,425,696
Net assets, September 30	\$ 43,760,914	\$ 38,323,274	\$ 57,626,659	\$ 56,662,741	\$ 101,387,573	\$ 94,986,015

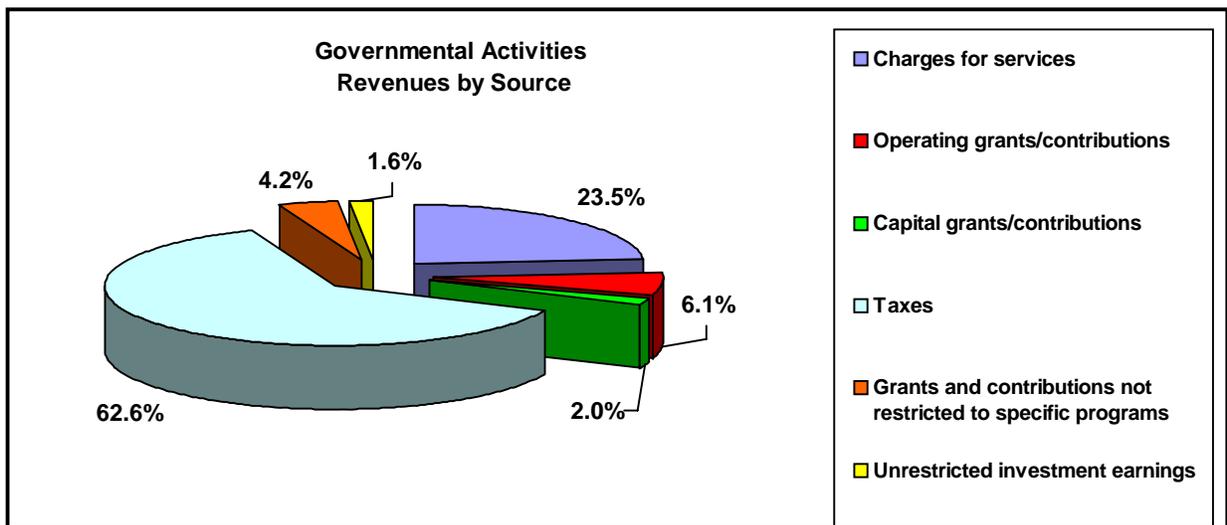
Governmental activities. Governmental activities increased the City's net assets by \$5.4 million after transfers, thereby accounting for 85.0% of the total growth in total net assets. The City's total revenues totaled \$73.6 million in governmental activities. Of revenues, 62.6% is generated from taxes, 23.5% is from charges for services, operating grants/contributions comprise 6.1%, capital grants/contributions make up 2.0%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 4.2%, and unrestricted investment earnings generates 1.6%.

City of Deerfield Beach, Florida
 Management's Discussion and Analysis
 For the Year Ended September 30, 2005

The City's expenses cover a broad range of services, with approximately 50.09% of governmental activity expenses related to public safety (fire/rescue and police protection). The City's total revenues exceeded its expenses for governmental activities by a 5.8% margin while business-type activities had 6.2% more revenues than expenses.

The next chart compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, all governmental activities relied on general revenues to support the function.

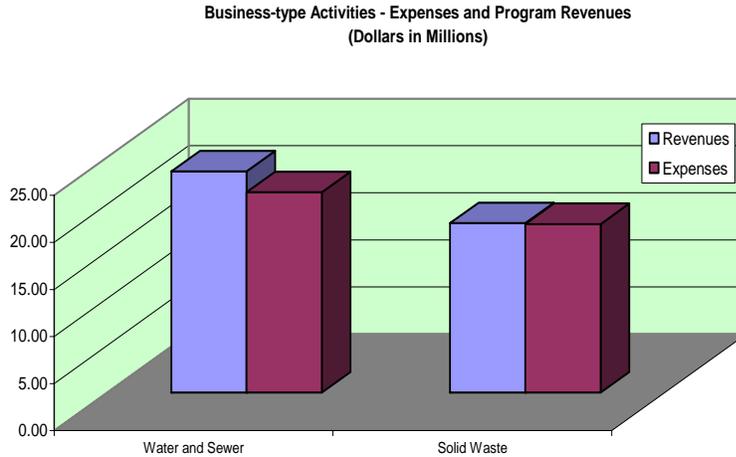
The next chart shows the percent of the total for each source of revenue supporting governmental activities.



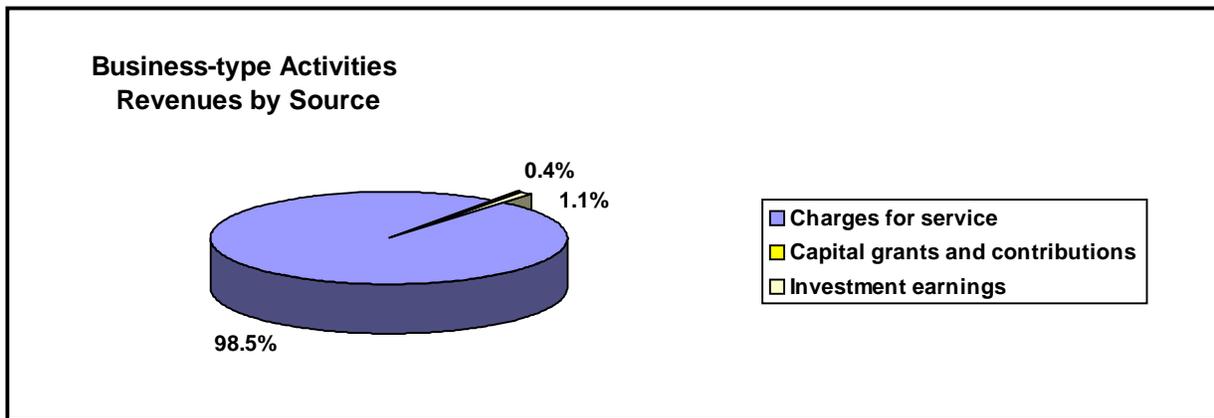
Business-type activities. Business-type activities increased the City's net assets by \$1.0 million after transfers, thereby accounting for 15.0% of the total growth in net assets.

The following chart compares program revenues to expenses by individual business-type activity for the current year. These business-type activities recover more costs through program revenues than governmental activities and both the water and sewer and solid waste funds generated sufficient revenues to cover current expenses.

City of Deerfield Beach, Florida
 Management's Discussion and Analysis
 For the Year Ended September 30, 2005



The following chart shows that over 98% of revenues from business-type activities are generated by charges for services.



Financial Analysis of the City's Funds

The City of Deerfield Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$37.5 million, a decrease of \$2.6 million from the prior year's ending balances of \$40.1 million. Approximately 88.4% of this total amount (\$33.1 million) constitutes unreserved fund balance, which is available for spending at the government's discretion, subject to reporting fund-type limitations. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1.8 million), 2) to pay debt service (\$131,205), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$1.7 million), or 4) for a variety of other restricted purposes (\$0.7 million).

The general fund is the chief operating fund of the City of Deerfield Beach. At the end of the current fiscal year, unreserved fund balance of the general fund was \$9.3 million, while total fund balance reached \$11.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.8% of total general fund expenditures, while total fund balance represents approximately 19.5% of that same amount.

The unreserved fund balance of the City of Deerfield Beach's general fund increased by \$3.8 million during the current fiscal year. Key factors in this growth are as follows:

- Ad valorem revenues increased by \$4.0 million due to increased assessed values on property transactions and new construction in Deerfield Beach.
- Charges for service increased by \$1.3 million in fiscal year 2005 primarily as a result of increased ambulance transport fees.
- Public safety expenditures increased by \$3.5 million, or 11.7% due to increased personnel costs as per labor agreements, increased costs of funding the City's pension for uniformed personnel and additional contractual costs for police services with Broward Sheriff's Office.
- Culture and recreation costs increased by \$0.8 million as the city began staffing the new aquatic center and took over the operation of the international municipal pier as of January 1, 2005. The increased costs associated with the pier also provided a revenue stream of over \$0.3 million through charges for services for pier admittance as well as parking fees in the municipal lot adjacent to the pier.

The general construction fund balance decreased by \$6.5 million primarily due to the completion of some sizable capital projects within the city. The athletic complex and aquatic center built on the campus of Deerfield Beach Middle School in partnership with the School Board of Broward County was completed in fiscal 2005. This facility houses a competition size swimming pool with state of the art geothermal cooling and heating systems. Also completed in fiscal year 2005 were improvements to Ocean Way. This \$2.8 million project included infrastructure improvements, enhanced lighting, drainage and brick pavers.

Proprietary funds. The City of Deerfield Beach's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Restricted net assets in the water and sewer fund totaled \$4.4 million at the end of fiscal year 2005. Unrestricted net assets of the water and sewer fund at the end of the year amounted to \$7.8 million, and those for the solid waste fund amounted to \$0.9 million. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

City of Deerfield Beach, Florida
 Management's Discussion and Analysis
 For the Year Ended September 30, 2005

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$4,808,309. The increases were allocated as follows: \$155,000 to city attorney, \$100,000 to public works and \$4,553,309 to other-unclassified. Miscellaneous increases in revenues funded these additional expenditures in addition to a cash carryover of \$4,808,309 from the prior year.

During the year, actual revenues exceeded budgetary estimates and actual expenditures were less than budgetary appropriations. The net change in fund balance during the year was an increase of \$8.0 million, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City of Deerfield Beach's capital assets for its governmental and business type activities as of September 30, 2005, amounts to \$120.6 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as park improvements), equipment, utility plants in service and infrastructure (roads, highways, bridges). The total increase in the City's capital assets for the current fiscal year was 8.4% (17.5% for governmental activities and 1.4% for business type activities). The following table summarizes the City's capital assets.

**City of Deerfield Beach's Capital Assets
 (net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 9,185,192	\$ 8,755,876	\$ 50,531	\$ 50,531	\$ 9,235,723	\$ 8,806,407
Buildings	5,675,128	5,940,684	1,010,468	1,070,211	6,685,596	7,010,895
Improvements other than buildings	2,542,130	1,309,951	30,023,088	31,153,604	32,565,218	32,463,555
Equipment	3,147,131	3,405,269	3,841,917	3,142,639	6,989,048	6,547,908
Utility plants in service	-	-	27,511,869	26,534,330	27,511,869	26,534,330
Infrastructure	26,709,705	17,366,389	-	-	26,709,705	17,366,389
Construction in progress	<u>9,762,459</u>	<u>11,711,363</u>	<u>1,135,047</u>	<u>772,345</u>	<u>10,897,506</u>	<u>12,483,708</u>
Total	<u>\$ 57,021,745</u>	<u>\$ 48,489,532</u>	<u>\$ 63,572,920</u>	<u>\$ 62,723,660</u>	<u>\$ 120,594,665</u>	<u>\$ 111,213,192</u>

Major capital asset events during the current fiscal year included the following:

- Completion of the new Middle School athletic complex and aquatic center.
- Construction of Ocean Way enhancements.
- Construction in progress for the public works facility.
- Construction in progress for the mitigation operations center.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

- Construction in progress for the S-Curve Improvements
- Various water treatment improvements.

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 39 - 40 of this report.

Long term debt. At year-end, the City of Deerfield Beach had \$32.3 million in general obligation bonds and \$0.9 million in revenue bonds outstanding. New debt resulted mainly from the issuance of capital leases in the amount of \$2.6 million. This funding is for various equipment utilized for essential city functions.

The City continues to maintain high investment grade ratings from the three major rating agencies. Ratings of A from Fitch Ratings, AA- from Standard and Poor's Corporation and Aa3 from Moody's Investor Service, Inc. remain unchanged from the prior fiscal year.

City of Deerfield Beach's Outstanding Debt
(Bonds, Loans and Leases Payable)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds (backed by the City)	\$ 32,281,189	\$ 33,482,219	\$ -	\$ -	\$ 32,281,189	\$ 33,482,219
Revenue bonds	500,000	970,000	420,000	3,385,000	920,000	4,355,000
Covenant bonds	9,245,000	9,305,000	-	-	9,245,000	9,305,000
Add/(subtract) premium/(discount)	1,017,998	1,080,648	(465)	(2,620)	1,017,533	1,078,028
Capital leases	2,663,604	1,934,053	2,118,674	1,641,904	4,782,278	3,575,957
Loan payable	-	-	<u>16,541,287</u>	<u>17,182,818</u>	<u>16,541,287</u>	<u>17,182,818</u>
Total bonds, loans and leases payable	<u>\$ 45,707,791</u>	<u>\$ 46,771,920</u>	<u>\$ 19,079,496</u>	<u>\$ 22,207,102</u>	<u>\$ 64,787,287</u>	<u>\$ 68,979,022</u>

The City's general obligation debt per capita, excluding enterprise fund debt, was \$419 at the end of fiscal year 2005. The City's outstanding net general obligation debt was .44% of the City's assessed property value. The legal debt limit as per City Charter is 15% of assessed property value and the City has reached approximately 3.04% of this limit.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (H) on pages 42 – 45 of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the City evaluated the long-term impacts of the national and local economies in conjunction with business decisions made. The following are the major assumptions used in formulating the fiscal 2006 budget:

The nation's economy will continue to grow at a modest rate.
 Florida will experience employment growth that slightly exceeds that of the country.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2005

The City's population will grow as Broward County continues to experience a demand for housing and employment.

The property tax base will increase by approximately 10%.

Salaries will increase by 3%.

Health benefit costs will increase by 18%.

Water, wastewater and residential solid waste rates will remain at the same level as the previous fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$9.3 million. The City does not plan to appropriate any of this amount for spending in the 2006 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Deerfield Beach's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Management and Budget, City of Deerfield Beach, 150 N.E. 2nd Avenue, Deerfield Beach, Florida 33441.

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,277,325	\$ 1,020,776	\$ 4,298,101
Investments	39,335,410	10,997,465	50,332,875
Receivables (net of allowances)	685,508	4,421,163	5,106,671
Internal balances	(127,662)	127,662	-
Due from other governments	3,274,259	221,165	3,495,424
Inventories	283,962	326,281	610,243
Prepays	461,188	1,315	462,503
Deferred charges	524,453	1,433	525,886
Capital assets:			
Non-depreciable	18,947,651	1,185,578	20,133,229
Depreciable (net)	<u>38,074,094</u>	<u>62,387,342</u>	<u>100,461,436</u>
Total assets	<u>104,736,188</u>	<u>80,690,180</u>	<u>185,426,368</u>
LIABILITIES			
Accounts payable	917,999	1,687,505	2,605,504
Accrued liabilities	627,712	297,395	925,107
Accrued interest payable	653,307	191,622	844,929
Unearned revenue	2,024,633	10,000	2,034,633
Payable from restricted assets:			
Accounts payable	1,564,460	-	1,564,460
Accrued liabilities	33,532	-	33,532
Customer deposits	-	442,108	442,108
Non-current liabilities:			
Due within one year:			
Compensated absences	1,597,988	620,103	2,218,091
Insurance claims payable	2,832,460	-	2,832,460
Bonds, loans and leases payable	2,881,166	1,551,082	4,432,248
Due in more than one year:			
Compensated absences	1,720,832	735,292	2,456,124
Insurance claims payable	3,294,560	-	3,294,560
Bonds, loans and leases payable	<u>42,826,625</u>	<u>17,528,414</u>	<u>60,355,039</u>
Total liabilities	<u>60,975,274</u>	<u>23,063,521</u>	<u>84,038,795</u>
NET ASSETS			
Invested in capital assets, net of related debt	33,334,631	44,493,424	77,828,055
Restricted for:			
Debt service	169,113	704,024	873,137
Perpetual care	1,699,755	-	1,699,755
Rate stabilization	-	3,600,000	3,600,000
Renewal and replacement	-	100,000	100,000
Transportation	2,298,523	-	2,298,523
Other purposes	998,763	-	998,763
Unrestricted	<u>5,260,129</u>	<u>8,729,211</u>	<u>13,989,340</u>
Total net assets	<u>\$ 43,760,914</u>	<u>\$ 57,626,659</u>	<u>\$ 101,387,573</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 16,465,472	\$ 4,522,561	\$ -	\$ -	\$ (11,942,911)	\$ -	\$ (11,942,911)
Economic environment	1,104,229	-	836,039	-	(268,190)	-	(268,190)
Public safety	34,156,399	9,730,171	488,879	-	(23,937,349)	-	(23,937,349)
Human services	2,489,242	590,202	1,502,191	-	(396,849)	-	(396,849)
Physical environment	4,640,670	236,985	114,311	-	(4,289,374)	-	(4,289,374)
Transportation	2,839,192	1,213,092	1,231,792	-	(394,308)	-	(394,308)
Culture and recreation	4,777,558	981,510	286,739	1,521,244	(1,988,065)	-	(1,988,065)
Interest and fiscal charges	1,713,398	-	-	-	(1,713,398)	-	(1,713,398)
Total governmental activities	<u>68,186,160</u>	<u>17,274,521</u>	<u>4,459,951</u>	<u>1,521,244</u>	<u>(44,930,444)</u>	<u>-</u>	<u>(44,930,444)</u>
Business-type activities:							
Water and sewer	18,577,991	19,001,300	-	111,760	-	535,069	535,069
Solid waste	14,118,216	14,169,586	-	-	-	51,370	51,370
Total business-type activities	<u>32,696,207</u>	<u>33,170,886</u>	<u>-</u>	<u>111,760</u>	<u>-</u>	<u>586,439</u>	<u>586,439</u>
Total	<u>\$ 100,882,367</u>	<u>\$ 50,445,407</u>	<u>\$ 4,459,951</u>	<u>\$ 1,633,004</u>	<u>(44,930,444)</u>	<u>586,439</u>	<u>(44,344,005)</u>
General revenues:							
Property taxes					30,962,884	-	30,962,884
Incremental property taxes					816,523	-	816,523
Sales taxes					3,970,596	-	3,970,596
Franchise taxes					9,082,753	-	9,082,753
Motor fuel taxes					1,239,308	-	1,239,308
Alcoholic beverage/mobile home license taxes					54,143	-	54,143
Grants and contributions not restricted to specific programs					2,779,545	-	2,779,545
Unrestricted investment earnings					1,183,078	377,479	1,560,557
Miscellaneous					279,254	-	279,254
Total general revenues and transfers					<u>50,368,084</u>	<u>377,479</u>	<u>50,745,563</u>
Change in net assets					5,437,640	963,918	6,401,558
Net assets - beginning					<u>38,323,274</u>	<u>56,662,741</u>	<u>94,986,015</u>
Net assets - ending					<u>\$ 43,760,914</u>	<u>\$ 57,626,659</u>	<u>\$ 101,387,573</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2005

	<u>General</u>	<u>General Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 721,195	\$ 261,261	\$ 2,294,869	\$ 3,277,325
Investments	10,020,349	24,836,918	4,478,143	39,335,410
Receivables (net):				
Accounts	588,918	-	254	589,172
Assessments	1,707	-	-	1,707
Interest	14,483	71,802	8,344	94,629
Due from other funds	3,339,845	-	43,115	3,382,960
Due from other governments	1,489,363	-	1,784,896	3,274,259
Inventories	283,962	-	-	283,962
Prepaid items	461,188	-	-	461,188
Total assets	<u>\$ 16,921,010</u>	<u>\$ 25,169,981</u>	<u>\$ 8,609,621</u>	<u>\$ 50,700,612</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	917,999	1,432,272	132,188	2,482,459
Accrued liabilities	3,460,172	-	33,532	3,493,704
Due to other funds	127,662	1,717,031	1,665,929	3,510,622
Unearned revenue	882,813	-	2,858,931	3,741,744
Total liabilities	<u>5,388,646</u>	<u>3,149,303</u>	<u>4,690,580</u>	<u>13,228,529</u>
Fund balances:				
Reserved for:				
Encumbrances	1,433,063	317,507	2,100	1,752,670
Prepaid items	461,188	-	-	461,188
Inventories	283,962	-	-	283,962
Debt service	-	-	131,205	131,205
Perpetual care	-	-	1,699,755	1,699,755
Unreserved, reported in:				
General fund	9,354,151	-	-	9,354,151
Special revenue funds	-	-	3,295,186	3,295,186
Debt service funds	-	-	166,762	166,762
Capital projects funds	-	21,703,171	(1,375,967)	20,327,204
Total fund balances	<u>11,532,364</u>	<u>22,020,678</u>	<u>3,919,041</u>	<u>37,472,083</u>
Total liabilities and fund balances	<u>\$ 16,921,010</u>	<u>\$ 25,169,981</u>	<u>\$ 8,609,621</u>	<u>\$ 50,700,612</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Fund balances, total governmental funds: \$ 37,472,083

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 funds.

Governmental capital assets	96,522,822	
Less: accumulated depreciation	<u>(39,501,077)</u>	
Net capital assets		57,021,745

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

Accrued interest payable on long-term bonds	(653,307)	
Bonds and notes payable	(42,026,189)	
Capital leases payable	(2,663,606)	
Insurance claims payable	(3,294,560)	
Compensated absences	<u>(3,318,820)</u>	
Total		(51,956,482)

Unearned revenue in the funds is susceptible to full accrual.

Revenues previously deferred increases net assets.	1,717,111
--	-----------

Bond premiums, discounts, gains and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Bond premium, beginning	(1,080,648)	
Amortization	<u>62,652</u>	
Unamortized premium, September 30, 2005		(1,017,996)

Financing costs related to the issuance of long-term debt are expensed by governmental funds in the fund financial statements; under full accrual accounting, these amounts are treated as an asset and are amortized over the life of the debt in the government-wide financial statements.

Bond issuance costs, beginning	553,798	
Amortization	<u>(29,345)</u>	
Unamortized deferred charges, September 30, 2005		<u>524,453</u>

Net assets of governmental activities	<u>\$ 43,760,914</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF DEERFIELD BEACH, FLORIDA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>General</u>	<u>General Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 30,962,884	\$ -	\$ 816,523	\$ 31,779,407
Sales taxes	3,970,596	-	-	3,970,596
Fire assessment fees	3,432,997	-	-	3,432,997
Franchise fees	8,557,013	-	525,740	9,082,753
Local option gas tax	-	-	1,239,308	1,239,308
Licenses and permits	1,420,371	-	-	1,420,371
Intergovernmental	3,531,562	1,007,839	3,611,924	8,151,325
Charges for services	5,738,349	-	556,292	6,294,641
Fines and forfeitures	1,417,522	-	45,648	1,463,170
Investment earnings	318,524	804,843	139,037	1,262,404
Miscellaneous:				
Parking deviation fees	-	-	12,000	12,000
Cemetery plot sales	-	-	124,695	124,695
Insurance proceeds	20,786	-	-	20,786
Donations/contributions	1,695,628	-	83,530	1,779,158
Administrative fees	2,866,754	-	220,369	3,087,123
Other	298,017	-	16,420	314,437
Total revenues	<u>64,231,003</u>	<u>1,812,682</u>	<u>7,391,486</u>	<u>73,435,171</u>
EXPENDITURES				
Current:				
General government	14,800,858	-	-	14,800,858
Economic environment	13,750	-	1,089,831	1,103,581
Public safety	33,403,359	-	415,575	33,818,934
Human services	2,140,622	-	243,626	2,384,248
Physical environment	4,191,882	-	107,499	4,299,381
Transportation	91,897	-	1,821,677	1,913,574
Culture and recreation	3,754,866	-	749,367	4,504,233
Capital outlay	-	8,802,597	1,771,116	10,573,713
Debt service:				
Principal	688,042	-	1,864,873	2,552,915
Interest and fiscal charges	50,506	-	1,626,834	1,677,340
Bond issuance costs	-	-	-	-
Total expenditures	<u>59,135,782</u>	<u>8,802,597</u>	<u>9,690,398</u>	<u>77,628,777</u>
Excess (deficiency) of revenues over expenditures	<u>5,095,221</u>	<u>(6,989,915)</u>	<u>(2,298,912)</u>	<u>(4,193,606)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	1,392,229	-	159,208	1,551,437
Transfers in	854,097	830,534	3,874,509	5,559,140
Transfers out	<u>(3,546,462)</u>	<u>(351,482)</u>	<u>(1,661,196)</u>	<u>(5,559,140)</u>
Total other financing sources(uses)	<u>(1,300,136)</u>	<u>479,052</u>	<u>2,372,521</u>	<u>1,551,437</u>
Net change in fund balances	3,795,085	(6,510,863)	73,609	(2,642,169)
Fund balances - beginning	<u>7,737,279</u>	<u>28,531,541</u>	<u>3,845,432</u>	<u>40,114,252</u>
Fund balances - ending	<u>\$ 11,532,364</u>	<u>\$ 22,020,678</u>	<u>\$ 3,919,041</u>	<u>\$ 37,472,083</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Net change in fund balances-total governmental funds \$ (2,642,169)

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 allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	11,411,047	
Less: current year's depreciation	<u>(2,878,835)</u>	8,532,212

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,849,411

Revenues in the statement of activities for the previous year provided current financial resources and, as such, were reported as revenues in the funds for the current year. (1,660,782)

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds:
increase in long-term portion of insurance claims payable (1,540,200)

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets. (1,551,437)

In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid). During the fiscal year, compensated absences earned, \$1,706,633, exceeded the amount used, \$1,640,381. (66,252)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.
Debt retired: Principal repayments 2,552,915

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of accrued interest on bonds, leases and notes payable. (36,058)

Change in net assets of governmental activities \$ 5,437,640

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 188,133	\$ 28,619	\$ 216,752
Investments	6,811,680	143,677	6,955,357
Restricted investments	1,484,825	48,163	1,532,988
Receivables (net):			
Accounts	2,433,711	1,689,786	4,123,497
Delinquent assessments	65,077	-	65,077
Interest	232,589	-	232,589
Due from other funds	120,564	7,098	127,662
Due from other governments	-	221,165	221,165
Inventories	326,281	-	326,281
Prepaid items	1,157	158	1,315
Total current assets	<u>11,664,017</u>	<u>2,138,666</u>	<u>13,802,683</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	804,024	-	804,024
Investments	<u>2,509,120</u>	<u>-</u>	<u>2,509,120</u>
Deferred charges	<u>1,433</u>	<u>-</u>	<u>1,433</u>
Capital assets:			
Land	50,531	-	50,531
Buildings	1,798,520	-	1,798,520
Utility plants in service	35,059,135	-	35,059,135
Improvements other than buildings	51,153,160	44,700	51,197,860
Equipment	5,065,093	9,145,307	14,210,400
Construction in progress	1,135,047	-	1,135,047
Less accumulated depreciation	<u>(34,035,235)</u>	<u>(5,843,338)</u>	<u>(39,878,573)</u>
Total capital assets (net of accumulated depreciation)	<u>60,226,251</u>	<u>3,346,669</u>	<u>63,572,920</u>
Total noncurrent assets	<u>63,540,828</u>	<u>3,346,669</u>	<u>66,887,497</u>
Total assets	<u>75,204,845</u>	<u>5,485,335</u>	<u>80,690,180</u>

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
(continued)

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,189,951	497,554	1,687,505
Accrued liabilities	172,133	125,262	297,395
Compensated absences	373,717	246,386	620,103
Unearned revenue	10,000	-	10,000
Capital leases payable - current	-	651,824	651,824
Total current liabilities	<u>1,745,801</u>	<u>1,521,026</u>	<u>3,266,827</u>
Current liabilities payable from restricted assets:			
Customer deposits payable	393,945	48,163	442,108
Loan payable, current	899,258	-	899,258
Accrued interest payable	191,622	-	191,622
Total current liabilities payable from restricted assets	<u>1,484,825</u>	<u>48,163</u>	<u>1,532,988</u>
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discounts)	419,535	-	419,535
Compensated absences	454,834	280,458	735,292
Capital leases payable	-	1,466,850	1,466,850
Loan payable	15,642,029	-	15,642,029
Total noncurrent liabilities	<u>16,516,398</u>	<u>1,747,308</u>	<u>18,263,706</u>
Total liabilities	<u>19,747,024</u>	<u>3,316,497</u>	<u>23,063,521</u>
NET ASSETS			
Invested in capital assets, net of related debt	43,265,429	1,227,995	44,493,424
Restricted for:			
Debt service	704,024	-	704,024
Renewal and replacement	100,000	-	100,000
Rate stabilization	3,600,000	-	3,600,000
Unrestricted	7,788,368	940,843	8,729,211
Total net assets	<u>\$ 55,457,821</u>	<u>\$ 2,168,838</u>	<u>\$ 57,626,659</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating revenues:			
Charges for sales and services:			
Water sales pledged as security for revenue bonds	\$ 11,827,006	\$ -	\$ 11,827,006
Sewer charges pledged as security for revenue bonds	6,731,402	-	6,731,402
Solid waste charges	-	13,441,726	13,441,726
Engineering fees	66,357	-	66,357
Miscellaneous	350,655	672,508	1,023,163
Total operating revenues	<u>18,975,420</u>	<u>14,114,234</u>	<u>33,089,654</u>
Operating expenses:			
Personal services	5,090,624	3,556,590	8,647,214
Contractual services	645,652	832,012	1,477,664
Electricity	791,149	-	791,149
Insurance	817,029	544,686	1,361,715
Fixed charges	47,952	52,625	100,577
County wastewater charge	2,823,763	-	2,823,763
County raw water charge	41,594	-	41,594
Disposal fees	-	6,880,329	6,880,329
General administrative charge	2,492,836	594,287	3,087,123
Commodities	2,259,405	732,540	2,991,945
Depreciation	2,885,105	828,111	3,713,216
Fiscal charges	12,093	-	12,093
Total operating expenses	<u>17,907,202</u>	<u>14,021,180</u>	<u>31,928,382</u>
Operating income	<u>1,068,218</u>	<u>93,054</u>	<u>1,161,272</u>
Non-operating revenues (expenses):			
Investment earnings	350,951	26,528	377,479
Interest charges	(636,117)	(41,684)	(677,801)
Amortization of bond issuance costs	(6,637)	-	(6,637)
Amortization of bond discount	(2,155)	-	(2,155)
Total non-operating expenses	<u>(293,958)</u>	<u>(15,156)</u>	<u>(309,114)</u>
Income before contributions and transfers	774,260	77,898	852,158
Capital contributions - tap fees	111,760	-	111,760
Change in net assets	886,020	77,898	963,918
Total net assets - beginning	<u>54,571,801</u>	<u>2,090,940</u>	<u>56,662,741</u>
Total net assets - ending	<u>\$ 55,457,821</u>	<u>\$ 2,168,838</u>	<u>\$ 57,626,659</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 18,979,617	\$ 13,714,964	\$ 32,694,581
Payments to suppliers	(9,268,689)	(9,768,017)	(19,036,706)
Payments to employees	<u>(4,923,000)</u>	<u>(3,474,444)</u>	<u>(8,397,444)</u>
Net cash provided by operating activities	<u>4,787,928</u>	<u>472,503</u>	<u>5,260,431</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Collection of interfund loans	<u>1,262,118</u>	<u>892,903</u>	<u>2,155,021</u>
Net cash provided by non-capital financing activities	<u>1,262,118</u>	<u>892,903</u>	<u>2,155,021</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Loan proceeds	246,421	-	246,421
Capital contributed from connection fees	111,760	-	111,760
Acquisition and construction of capital assets	(2,779,471)	(699,228)	(3,478,699)
Principal paid on:			
Revenue bonds	(2,965,000)	-	(2,965,000)
Capital lease	-	(607,010)	(607,010)
Loan	(887,952)	-	(887,952)
Interest paid on:			
Revenue bonds	(130,257)	-	(130,257)
Capital lease	-	(41,626)	(41,626)
Loan	(513,268)	-	(513,268)
Deposits	(1,384)	(58)	(1,442)
Collection of special assessment levies	1,272	-	1,272
Interest received on special assessment	<u>6,674</u>	<u>-</u>	<u>6,674</u>
Net cash used in capital and related financing activities	<u>(6,911,205)</u>	<u>(1,347,922)</u>	<u>(8,259,127)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	9,747,805	(191,840)	9,555,965
Purchase of investments	(9,403,459)	-	(9,403,459)
Interest and dividends received	<u>255,693</u>	<u>26,528</u>	<u>282,221</u>
Net cash provided by (used) in investing activities	<u>600,039</u>	<u>(165,312)</u>	<u>434,727</u>
Net decrease in cash and cash equivalents	(261,120)	(147,828)	(408,948)
Cash and cash equivalents, beginning of year	<u>1,253,277</u>	<u>176,447</u>	<u>1,429,724</u>
Cash and cash equivalents, end of year	<u>\$ 992,157</u>	<u>\$ 28,619</u>	<u>\$ 1,020,776</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
(continued)

	Water and Sewer Fund	Solid Waste Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 1,068,218	\$ 93,054	\$ 1,161,272
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,885,105	828,111	3,713,216
Changes in assets and liabilities:			
Increase in accounts receivable (net of allowances)	(44,039)	(277,985)	(322,024)
Increase in intergovernmental receivables	-	(164,955)	(164,955)
Decrease in inventories	50,573	-	50,573
Increase in prepaid items	(757)	(158)	(915)
Increase in customer deposits	48,237	29,649	77,886
Increase (decrease) in accounts payable and accrued liabilities	635,443	(98,593)	536,850
Increase in compensated absences payable	145,148	63,380	208,528
Total adjustments	3,719,710	379,449	4,099,159
Net cash provided by operating activities	\$ 4,787,928	\$ 472,503	\$ 5,260,431
 Non-cash investing, capital and financing activities:			
Borrowings under capital lease agreements	\$ -	\$ 1,083,780	\$ 1,083,780

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2005

	<u>Fiduciary Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 1,002,996
Investments:	
Money market funds	29,502,318
U.S. Government securities	28,710,826
Corporate equities	88,511,387
Corporate bonds and notes	11,397,669
Real estate	<u>19,929</u>
Total investments	<u>158,142,129</u>
Receivables:	
Interest and dividends	576,396
Due from other governments	482,526
Contributions	<u>17,178</u>
Total receivables	<u>1,076,100</u>
Total assets	160,221,225
 LIABILITIES:	
Accounts payable	<u>164,799</u>
 NET ASSETS:	
Held in trust for pension benefits	<u>\$ 160,056,426</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Fiduciary Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 3,456,313
Employer (on behalf of plan members)	180,883
Plan members	1,204,385
State of Florida	<u>897,215</u>
Total contributions	<u>5,738,796</u>
Investment earnings:	
Interest and dividends	3,759,387
Net increase in the fair value of investments	<u>15,094,196</u>
Total investment earnings	18,853,583
Less investment expense	<u>(712,647)</u>
Net investment earnings	<u>18,140,936</u>
Other miscellaneous income	<u>8,693</u>
Total additions	<u>23,888,425</u>
DEDUCTIONS:	
Benefits paid	7,815,675
Administrative expenses	<u>547,114</u>
Total deductions	<u>8,362,789</u>
Change in net assets	15,525,636
Net assets held in trust for pension benefits:	
Beginning of year	<u>144,530,790</u>
End of year	<u>\$ 160,056,426</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
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SEPTEMBER 30, 2005

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CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Deerfield Beach's ("the City") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The format of the accompanying financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34, known as the new financial reporting model, affects the way the City prepares and presents financial information.

The basic financial statements include both government-wide and fund financial statements. While the previous financial reporting model emphasized fund types, in the new financial reporting model the focus is on either the City as a whole, or major individual funds. This 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 focus of the fund financial statements is on the major individual funds of the governmental and business-type categories.

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.

A. Financial Reporting Entity

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. The City, which was incorporated in June, 1925, is approximately 16.4 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 77,039 residents, the City operates water, sewer and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the North Broward Hospital District, respectively.

The financial reporting entity covered by this report includes the City and its component unit. The reporting entity has been defined by GASB Statement No. 14 (as amended by GASB Statement No. 39) as the primary government and those component units for which the primary government is financially accountable. Financial accountability exists when a primary government appoints a voting majority of an organization's governing board and may either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and so data for these units are combined with data of the primary government.

The Deerfield Beach Community Redevelopment Agency (the "CRA"), which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials. The CRA is fiscally dependent upon the City because the City Commission approves the CRA's budget, levies taxes and must approve any debt issuances. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Complete financial statements for the CRA are not available.

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The Deerfield Beach Housing Authority (the "Housing Authority") is a related organization because the mayor, with the concurrence of the City Commission, has the responsibility of appointing the members of the Housing Authority Board. Its operations are conducted within City boundaries. However, it is not included as a part of the financial reporting entity because it is fiscally independent and it has no financial accountability to the City. The Housing Authority's autonomy prohibits it from providing any financial benefit or imposing a financial burden upon the City. The Housing Authority is not exclusively for the benefit of City residents and the City Commission cannot impose its will over operations, cannot hire, reassign or dismiss management, and cannot remove Housing Authority board members without cause. The Housing Authority is responsible for ensuring that a complete and full financial accounting and an audit is made biennially by a certified public accountant.

The Northeast Focal Point CASA, Inc (hereinafter referred to as "CASA"), is a nonprofit entity which was organized under the laws of the State of Florida in September 1986. This organization raises funds and makes yearly pledges to the City to subsidize the costs of operating the City's children's, Alzheimer's, senior and adult day care facilities. GASB Statement No. 39 requires that a legally separate, tax-exempt organization should be reported as a component unit of the City, if all of the following are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City; (2) the City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by the separate organization are significant to the City. The City believes that conditions (1) and (2) applies to CASA. However, the City does not believe that the economic resources held/received by that entity is "significant" to the City's operations. As such, it is not included as a part of the financial reporting entity.

B. Government-wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial

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statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within three months of the end of the current fiscal period, with the exception of property tax revenue, which is deferred unless taxes are received within sixty days subsequent to year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, (when levied for), franchise taxes, intergovernmental revenue (when the eligibility requirements are met), licenses, special assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The **General Construction Fund** accounts for the acquisition and construction of capital improvements which are financed by the issuance of bonds.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to the City's residents.

The **Solid Waste Fund** accounts for the provision of solid waste services to the City's residents.

Additionally, the City's **pension trust funds**, namely, Fire, Police and Non-uniformed pension funds, account for the activities of the retirement systems for these relevant classes of employees and accumulate resources for pension benefit payments to qualified retirees.

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 GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to apply subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods and services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a

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proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for the provision of water and sewer services. This fund also recognizes as revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Further, the Solid Waste Fund recognizes as revenue charges to customers for the provision of solid waste services. Operating expenses for both enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes, that allows the City to invest in relatively low-risk securities, such as the State Treasurer's Investment Pool, and U.S. Government and Agencies securities. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," all investments have been reported at fair value. The State Treasurer's Investment Pool's reported value is the same as the fair value of the pool shares. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

During the fiscal year, the City adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3. This statement modifies disclosure requirements for deposits and investments to address common deposit and investment risks related to credit risk, concentration risk, custodial credit risk, interest rate risk and foreign currency risk. Accordingly, certain note disclosures have been revised to conform to the provisions of GASB Statement No. 40.

2. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles. Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. The tax levy is divided into two billings: the first billing (mailed during September) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on November 1) reflects adjustments to the current year's actual levy. The billings are considered past due on April 1 of the subsequent year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Amounts reflected as "due from other governments" in the government-wide and the fund financial statements represent amounts that are owing to the City by other governmental

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entities for services rendered by the City in the capacity of a vendor or for amounts to be reimbursed in connection with grants and other cooperative agreements.

Water and sewer and solid waste charges to customers are based on actual consumption. Consumption is determined on a monthly basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30.

3. Inventories and Prepaid Items – Inventories consisting principally of expendable items held for consumption, are stated at lower of average cost or market. The consumption method is used for all inventories, that is, items of inventory are expended when they are consumed rather than when they are purchased.

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

4. Restricted Assets – Certain proceeds of the City's Water and Sewer enterprise fund's revenue bonds, as well as certain resources that have been set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their uses are limited by applicable bond covenants. The revenue bond sinking fund account is used to segregate resources that are accumulated for the payment of debt service on the City's water and sewer revenue bonds. The "renewal, replacement and improvement account" is used to account for the minimum amount required to be maintained on deposit (\$100,000), which funds must be used for extensions, enlargements or additions to the assets of the water and sewer system. The "rate stabilization account" is used to account for amounts held in reserves to pay the costs of operations and maintenance of the water and sewer system.

The "general obligation bond construction account" is used to report those proceeds of general obligation bonds that are restricted for use in the construction of specified projects, as outlined in the bond covenants.

5. Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on related debt proceeds, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The City's property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

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<u>Asset Type</u>	<u>Years</u>
Buildings	40
Building improvements	20
Roads	40
Bridges	50
Other infrastructure	20 to 50
Equipment	5 to 7

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is recorded.

6. Compensated Absences – It is the City’s policy to permit employees to accumulate earned unused vacation and sick pay benefits. A portion of accumulated sick pay benefits are paid upon separation, based on the number of years of service. All vacation pay and applicable portions of sick pay balances are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

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

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets (net of related debt) – 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 – have third-party (statutory bond covenant or granting agency) limitations on their use or limitations which have been imposed through enabling legislation.

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

9. Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 could differ from management’s estimates.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations – For the year ended September 30, 2005, expenditures exceeded appropriations in the Risk Management Department (the legal level of budgetary control) of the General Fund by \$361,131. This overexpenditure was funded by greater than anticipated revenues.

B. Deficit Fund Equity - At September 30, 2005, the Capital Projects Grants Fund had a deficit fund balance of \$1,375,967. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2005.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits – The City maintains a common cash and cash equivalents pool for use by all funds. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. Pursuant to the City’s policies, all of the City’s deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, “Florida Security for Public Deposits Act.” Under the Act, all qualified public depositories are required to pledge eligible collateral having market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository’s collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss. At September 30, 2005, the carrying amount of the City’s deposits totaled \$4,298,101.

2. Investments

Authorized Investments

The City’s investments are categorized as investments for the City as a whole (hereinafter referred to as “general City investments”) and those of its various defined benefit pension plans. The City is authorized by Statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds as created by Section

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218.405, Florida Statutes. The overriding objectives of the City's investment policy are preservation of its principal investment, while providing for liquidity and maximization of investment income.

Each of the City's three individual pension plans is governed by a Board of Trustees, which is responsible for determining the investment policies for the respective plan, namely the City's Fire, Police Officers, and Non-uniformed retirement pension plans. The investment policies for the various plans typically are devised to earn an average rate of return over the long term that will equal or exceed the return of a target index. The trustees are authorized to invest in a wide range of instruments, including but not limited to, federally-guaranteed obligations, bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state or organized territory of the United States, provided that the corporation is listed on any one or more of the recognized national stock exchanges or the National Market System of the NASDAQ Stock Market.

In acquiring these investments on behalf of the various plans, the trustees are required to exercise a level of care which persons of prudence, discretion and intelligence would exercise when acquiring these same investments for their own (personal) accounts. As of September 30, 2005, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Fl. Local Gov't. Investment Trust	\$ -	\$ 5,823,129	\$ 5,823,129
Investment in Fl. Municipal Investment Trust	-	24,843,382	24,843,382
Money market funds	29,502,318	774,054	30,276,372
Repurchase agreements	-	10,099,520	10,099,520
U.S. Government and agency securities	28,710,826	8,792,790	37,503,616
Domestic corporate bonds and notes	11,397,669	-	11,397,669
Domestic corporate equities	88,511,387	-	88,511,387
Real estate	19,929	-	19,929
Total	<u>\$ 158,142,129</u>	<u>\$ 50,332,875</u>	<u>\$ 208,475,004</u>

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. In accordance with the City's investment policy, the City minimizes the market value risk of investments in the portfolio by placing limitations on the duration of such investments. With the exception of funds reserved for capital projects, all of the City's general investments shall be limited to instruments maturing within two years of purchase. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity. The various pension plans limit their exposure to interest rate risk through diversification of investments by security type and institution and limit 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 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:

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Investment Type	Fair Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Repurchase agreements	\$ 10,099,520	\$ 10,099,520	\$ -	\$ -	\$ -
Investment Pools	30,666,511	30,666,511	-	-	-
Money market funds	30,276,372	30,276,372	-	-	-
U.S. Treasuries	10,720,858	3,742,115	3,180,440	3,107,328	690,975
U.S. Agencies	26,782,758	9,987,168	6,641,234	3,680,481	6,473,875
Corporate bonds and notes	11,397,669	161,703	4,458,802	4,462,894	2,314,270
Total	\$ 119,943,688	\$ 84,933,389	\$ 14,280,476	\$ 11,250,703	\$ 9,479,120

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO's). State law limits investments in commercial paper and corporate bonds to the top 3 ratings issued by NRSRO's. It is the City's policy (and those of its pension plans) to limit its investments to the top ratings issued by NRSRO's. All U.S. Agency securities and Treasury obligations are guaranteed by the good faith and credit of the United States and are therefore not subject to credit risk. The amounts held in the investment pools, namely the Florida Local Government Investment Trust and the Florida Municipal Investment Trust are also not rated. The following table discloses credit ratings by investment type, at September 30, 2005, as applicable:

Quality Credit Rating*		Fair Value
S&P	Moody's	
A		\$ 569,888
A-		317,429
A+		1,118,525
AA		106,999
AAA		110,353
BBB		300,197
BBB+		600,818

	Aaa	31,477,661
	Aa1	1,050,986
	Aa2	1,112,962
	Aa3	1,296,214
	A1	1,059,973
	A2	763,985
	A3	824,760
	Baa1	449,598
	Baa2	283,032
	Baa3	130,698
	MIG1	99,963
Total corporate bonds and notes and money market funds		<u>\$ 41,674,041</u>

*Moody's ratings were primarily used. If Moody's did not rate a particular security, then Standard & Poor's was used.

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Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2005.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. All of the City's investments in corporate bonds and notes are held by the pension plans. These investments are held by the various pension plans' custodial banks and are registered in the name of the pertinent pension plan.

Included in the City's investments at September 30, 2005 were repurchase agreements totaling \$10,099,520. These securities were collateralized by U.S. Government obligations that were held in book entry form by the City's custodial bank. All of the City's remaining general investments were held by the City's custodial bank and were insured or registered in the City's name as of year-end.

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

	<u>General</u>	<u>General Construction</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Non-major Governmental Funds</u>	<u>Pension Trust Funds</u>	<u>Total</u>
Receivables:							
Accounts	\$ 588,918	\$ -	\$ 2,547,270	\$ 1,818,311	\$ 254	\$ 17,178	\$ 4,971,931
Assessments	1,707	-	65,077	-	-	-	66,784
Interest	14,483	71,802	232,589	-	8,344	576,396	903,614
Intergovernmental	<u>1,489,363</u>	<u>-</u>	<u>-</u>	<u>221,165</u>	<u>1,784,896</u>	<u>482,526</u>	<u>3,977,950</u>
Gross receivables	2,094,471	71,802	2,844,936	2,039,476	1,793,494	1,076,100	9,920,279
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(113,559)</u>	<u>(128,525)</u>	<u>-</u>	<u>-</u>	<u>(242,084)</u>
Net receivables	<u>\$ 2,094,471</u>	<u>\$ 71,802</u>	<u>\$ 2,731,377</u>	<u>\$ 1,910,951</u>	<u>\$ 1,793,494</u>	<u>\$ 1,076,100</u>	<u>\$ 9,678,195</u>

Revenues of the General Fund, Water and Sewer and Solid Waste Enterprise Funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales	\$ 85,438
Uncollectibles related to sewer charges	28,121
Uncollectibles related to solid waste charges	<u>128,525</u>
Total uncollectibles for the current fiscal year	<u>\$ 242,084</u>

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C. Capital Assets – The following is a summary of capital asset activity for the year ended September 30, 2005:

Governmental activities:	Beginning Balance	Increases	Decreases	Total
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,755,876	\$ 429,316	\$ -	\$ 9,185,192
Construction in progress	<u>11,711,363</u>	<u>4,668,683</u>	<u>6,617,587</u>	<u>9,762,459</u>
<i>Total capital assets not being depreciated</i>	<u>20,467,239</u>	<u>5,097,999</u>	<u>6,617,587</u>	<u>18,947,651</u>
 <i>Capital assets being depreciated:</i>				
Buildings	10,506,253	40,446	-	10,546,699
Improvements other than buildings	1,994,655	1,317,773	-	3,312,428
Equipment	13,772,433	970,771	840,605	13,902,599
Infrastructure	<u>39,211,799</u>	<u>10,601,646</u>	<u>-</u>	<u>49,813,445</u>
<i>Total capital assets being depreciated</i>	<u>65,485,140</u>	<u>12,930,636</u>	<u>840,605</u>	<u>77,575,171</u>
 <i>Less: accumulated depreciation for:</i>				
Buildings	4,565,569	306,002	-	4,871,571
Improvements other than buildings	684,704	85,594	-	770,298
Equipment	10,367,164	1,228,909	840,605	10,755,468
Infrastructure	<u>21,845,410</u>	<u>1,258,330</u>	<u>-</u>	<u>23,103,740</u>
<i>Total accumulated depreciation</i>	<u>37,462,847</u>	<u>2,878,835</u>	<u>840,605</u>	<u>39,501,077</u>
Total capital assets being depreciated, net	<u>28,022,293</u>	<u>10,051,801</u>	<u>-</u>	<u>38,074,094</u>
 Governmental activities capital assets, net	 <u>\$ 48,489,532</u>	 <u>\$ 15,149,800</u>	 <u>\$ 6,617,587</u>	 <u>\$ 57,021,745</u>
 Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 50,531	\$ -	\$ -	\$ 50,531
Construction in progress	<u>772,345</u>	<u>362,702</u>	<u>-</u>	<u>1,135,047</u>
<i>Total capital assets not being depreciated</i>	<u>822,876</u>	<u>362,702</u>	<u>-</u>	<u>1,185,578</u>
 <i>Capital assets being depreciated:</i>				
Buildings	1,798,520	-	-	1,798,520
Utility plants in service	33,114,262	1,944,873	-	35,059,135
Improvements other than buildings	50,760,560	437,300	-	51,197,860
Equipment	<u>12,708,338</u>	<u>1,817,601</u>	<u>315,538</u>	<u>14,210,401</u>
<i>Total capital assets being depreciated</i>	<u>98,381,680</u>	<u>4,199,774</u>	<u>315,538</u>	<u>102,265,916</u>
 <i>Less: accumulated depreciation for:</i>				
Buildings	728,309	59,743	-	788,052
Utility plants in service	6,579,932	967,334	-	7,547,266
Improvements other than buildings	19,606,956	1,567,816	-	21,174,772
Equipment	<u>9,565,699</u>	<u>1,118,323</u>	<u>315,538</u>	<u>10,368,484</u>
<i>Total accumulated depreciation</i>	<u>36,480,896</u>	<u>3,713,216</u>	<u>315,538</u>	<u>39,878,574</u>
Total capital assets being depreciated, net	<u>61,900,784</u>	<u>486,558</u>	<u>-</u>	<u>62,387,342</u>
 Business-type activities capital assets, net	 <u>\$ 62,723,660</u>	 <u>\$ 849,260</u>	 <u>\$ -</u>	 <u>\$ 63,572,920</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 130,353
Economic environment	648
Public safety	869,159
Human services	104,994
Physical environment	465,229
Transportation	925,617
Culture and recreation	<u>382,835</u>
Total depreciation expense - governmental activities	<u>\$ 2,878,835</u>

Business-type activities:

Water and Sewer	\$ 2,885,105
Solid Waste	<u>828,111</u>
Total depreciation expense - business-type activities	<u>\$ 3,713,216</u>

D. Construction Commitments – The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2005:

<u>Project</u>	<u>Spent to Date</u>	<u>Amounts Outstanding</u>
Deerfield Beach Middle School Park	\$ 4,710,403	\$ 209,670
Hillsboro Boulevard - Streetscape Improvements	540,327	746,700
Mitigation Operations Center	1,054,526	9,058,768
Public Works Facility	4,794,248	7,309,130
S- Curve Improvements, Phases I & II	617,475	1,094,600
Membrane Concentrate Pumping Facility	535,847	928,953
West Water Treatment - Reverse Osmosis	214,110	499,590
West Wellfield Improvements	74,700	174,300
North Boardwalk Expansion Project	<u>20,250</u>	<u>110,150</u>
	<u>\$ 12,561,886</u>	<u>\$ 20,131,861</u>

E. Unearned Revenue – Unearned revenue in the General Fund includes \$411,500 for occupational licenses relating to fiscal year 2006; ambulance transport fees which were not collected within 90 days of year-end; deferred property taxes of \$191,440 that were levied during the current fiscal year but were not received within 60 days of year-end and thus were not considered “available;” and \$31,527 in connection with the Federal Emergency Management Agency (“FEMA”) for fiscal year 2005 hurricane damages.

Unearned revenue in the Water and Sewer Utility major fund represents a vendor payment in the amount of \$10,000 for the purchase and installation of a telemetry system into the sanitary sewage

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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lift station at the Quiet Waters Business Park. This project had not been completed by the City, as of year-end.

The unearned revenue in the State Housing Initiative Partnership Program ("SHIP") non-major special revenue fund, \$1,392,734, represents amounts received in advance from the State of Florida Housing Finance Agency which the City did not obligate (spend) as of September 30, 2005. Unearned revenue of \$90,230 in the Miscellaneous Grants non-major special revenue fund represents grant reimbursements which the City did not receive within 90 days of fiscal year-end. The Capital Grants non-major capital projects fund had \$1,375,967 in unearned revenue at September 30, 2005. This amount represents reimbursements from the School Board of Broward County and Broward County's Board of County Commissioners for amounts incurred by the City in connection with construction of a multi-purpose athletic facility at Deerfield Beach Middle School, which the City did not receive within 90 days of fiscal year end.

F. Interfund Receivables, Payables and Transfers – The interfund balances below represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end. The composition of interfund balances at September 30, 2005 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major Governmental Funds	\$ 1,622,814
General Fund	General Construction Fund	1,717,031
Non-major Governmental Funds	Non-major Governmental Funds	43,115
Water and Sewer Fund	General Fund	120,564
Solid Waste Fund	General Fund	7,098
Total		<u>\$ 3,510,622</u>

Interfund Transfers:

	Transfers to:			
	General	General Construction	Non-major Governmental	Total
Transfers from:				
General	\$ -	\$ 94,503	\$ 3,451,959	\$ 3,546,462
General Construction	-	-	351,482	351,482
Non-major Governmental	854,097	736,031	71,068	1,661,196
Total	<u>\$ 854,097</u>	<u>\$ 830,534</u>	<u>\$ 3,874,509</u>	<u>\$ 5,559,140</u>

Transfers to the General Fund represent amounts paid by the non-major governmental funds for matching grant requirements for amounts which were accounted for in the General Fund. Transfers to the non-major governmental funds represent payment of debt service as well as payment for the City's match in connection with grants that require that the City participate in the sharing of expenditures for a particular project(s). Transfers into the General Construction Fund represent funding for capital projects.

G. Capital Leases – The City has entered into master lease purchase agreements and other lease agreements as lessee for financing the acquisition of equipment for public safety and public works.

CITY OF DEERFIELD BEACH, FLORIDA
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The City has also financed the acquisition of sanitation vehicles in its Solid Waste enterprise fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception. The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2005, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
2006	\$ 793,013	\$ 709,561	\$ 1,502,574
2007	643,810	615,261	1,259,071
2008	546,636	439,765	986,401
2009	442,163	359,507	801,670
2010	295,524	132,358	427,882
After 2010	<u>169,923</u>	<u>-</u>	<u>169,923</u>
Total Minimum lease payments	2,891,069	2,256,452	5,147,521
Less: amount representing interest	<u>(227,464)</u>	<u>(137,778)</u>	<u>(365,242)</u>
Present value of future minimum lease payments	<u>\$ 2,663,605</u>	<u>\$ 2,118,674</u>	<u>\$ 4,782,279</u>

As of September 30, 2005, the equipment held under capital leases for governmental activities and business-type activities were \$3,347,590 and \$3,196,418, respectively. Accumulated depreciation for equipment held under capital leases was \$520,703 and \$674,660 for governmental and business-type activities, respectively, as of September 30, 2005.

H. Long-term Debt - Summarized below are the City's debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2005:

1. Governmental Activities Debt:

- *General Obligation Bonds, Series 2000* - The original amount of this issue was divided into two series: Series "A" for which \$9,978,847 in bonds were issued, and Series "B" for which \$2,820,183 in bonds were issued. The proceeds of these bonds will be used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$12,181,189, earn interest at rates from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024. For Series B, principal is due annually on November 1st, and interest is payable semi-annually on May 1st and November 1st with the final maturity date being November 1, 2027.
- *General Obligation Bonds, Series 2003A* - The original amount of this issue was \$5,140,000, which proceeds were used for refunding two previously issued general obligation bonds, namely Series 1993 and 1995. The outstanding bonds of the issue, \$4,690,000, earn interest at rates from 3.00% to 5.00%. Principal is due annually on May 1st and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being May 1, 2016.

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- *General Obligation Bonds, Series 2003B* – The original amount of this issue was \$15,410,000, which proceeds are to be used for the acquisition and construction of a public works facility, a fire station, neighborhood right-of-way improvements, and improvements to parks and recreational facilities. The interest rates on the bonds range from 1.32% to 4.77%. Principal is due annually on December 1st and interest is payable semi-annually on June 1st and December 1st, with the final maturity date being December 1, 2028.
- *Improvement Revenue Refunding Bonds, Series 1992* - The original amount of this issue was \$4,870,000 and was used to advance refund and defease the 1978 and 1986 improvement revenue bonds. The remaining outstanding bonds of this issue, \$500,000, earn interest at rates from 3.35% to 5.7%. Principal is due annually on July 1st and interest is payable semi-annually on January 1st and July 1st with the final maturity date being July 1, 2006.
- *Covenant Bonds, Series 2003A* – These bonds were issued in connection with the City’s General Obligation Bonds, Series 2003A, described previously. The principal amount of the loan was \$6,825,000, which was issued for the purpose of financing streetscape improvements in the City’s Community Redevelopment Area. The remaining outstanding bonds of this issue, \$6,825,000, earn interest from 3.00% to 5.00%. Principal is due annually on May 1st and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being May 1, 2028. The City is required to budget and appropriate non-ad valorem tax revenues to pay the annual debt service on this issue.
- *Covenant Bonds, Series 2003B* – These bonds were issued in connection with the City’s General Obligation Bonds, Series 2003B, described previously. The principal amount of the loan was \$2,480,000, which was issued for the purpose of financing improvements in the City’s beach district, more commonly described as “Ocean Way Improvements.” The remaining outstanding bonds of this issue, \$2,420,000, earn interest at a rate that is similar to the general obligation debt issue. Further, the interest and principal payments as well as the final maturity dates are identical to those of the general obligation issue.

2. Business-type Activities Debt:

- *Water and Sewer Refunding and Improvement Revenue Bonds, Series 1992* – The original amount of this issue was \$13,890,000, less a discount of \$132,708. It was sold to provide \$3,600,000 for various improvements to the City’s water plants and the remainder was used to advance refund a portion of the 1984 series water and sewer bonds. As of September 30, 2005, \$420,000, less a discount of \$465 of the bonds remain outstanding. Interest rates on the bonds range from 4.50% to 6.125%. Interest payments are made semi-annually on April 1st and October 1st, and principal payments are made annually on October 1st, with the final maturity date of October 1, 2006. This issue is secured by the revenues from the operation of the water and sewer system.
- *State Revolving Loan Payable* - In November of 1998, the City entered into a loan agreement with the State of Florida Department of Environmental Protection to borrow up to \$19,806,000. The purpose of this loan was to construct water and wastewater facilities. As of September 30, 2005, the City borrowed \$18,976,567 with an interest rate ranging from 2.99% to 3.57%. Interest and principal payments

CITY OF DEERFIELD BEACH, FLORIDA
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are due on May 15 and November 15 of each year. Revenues of the Water and Sewer System have been pledged as security for repayment of this loan.

3. Changes in Long-term Liabilities – The following is a summary of changes in long-term liabilities for the year ended September 30, 2005:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 33,482,219	\$ -	\$ 1,201,030	\$ 32,281,189	\$ 1,430,247
Improvement revenue refunding bonds	970,000	-	470,000	500,000	500,000
Covenant bonds	9,305,000	-	60,000	9,245,000	240,000
Plus: Deferred amounts for premiums on refunding	<u>1,080,648</u>	<u>-</u>	<u>62,652</u>	<u>1,017,996</u>	<u>-</u>
Total bonds payable	44,837,867	-	1,793,682	43,044,185	2,170,247
Capital leases	1,934,053	1,551,437	821,884	2,663,606	710,919
Claims and judgments	3,690,977	7,998,274	5,562,231	6,127,020	2,832,460
Compensated absences	3,252,568	1,706,633	1,640,381	3,318,820	1,597,988
Notes payable	<u>132,300</u>	<u>-</u>	<u>132,300</u>	<u>-</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 53,847,765</u>	<u>\$ 11,256,344</u>	<u>\$ 9,950,478</u>	<u>\$ 55,153,631</u>	<u>\$ 7,311,614</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 3,385,000	\$ -	\$ 2,965,000	\$ 420,000	\$ -
Less: Deferred amounts for discounts on refunding	<u>(2,620)</u>	<u>-</u>	<u>(2,155)</u>	<u>(465)</u>	<u>-</u>
Total bonds payable	3,382,380	-	2,962,845	419,535	-
Capital leases	1,641,904	1,083,780	607,010	2,118,674	651,824
Compensated absences	1,146,867	792,151	583,623	1,355,395	620,103
Loan payable	<u>17,182,818</u>	<u>246,421</u>	<u>887,952</u>	<u>16,541,287</u>	<u>899,258</u>
Total business-type activities long-term liabilities	<u>\$ 23,353,969</u>	<u>\$ 2,122,352</u>	<u>\$ 5,041,430</u>	<u>\$ 20,434,891</u>	<u>\$ 2,171,185</u>

4. Advance and Current Refundings – At September 30, 2005, two bond issues were considered defeased. The proceeds of all defeased issues have been placed in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2005, outstanding bonds of \$9,215,000 of business-type activity debt were considered defeased.

The governmental activities claims and judgments as well as compensated absences are generally liquidated by the General Fund.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

5. Summary of annual Debt Service Requirements – The annual debt service requirements to maturity for debt outstanding as of September 30, 2005 are as follows:

Year Ending September 30	Governmental Activities Debt			
	<i>General Obligation Bonds</i>		<i>Improvement Revenue Refunding Bonds</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,430,247	\$ 1,226,263	\$ 500,000	\$ 28,500
2007	1,423,187	1,233,031	-	-
2008	1,414,345	1,243,622	-	-
2009	1,405,211	1,248,946	-	-
2010	1,398,530	1,255,072	-	-
2011-2015	6,685,976	6,638,792	-	-
2016-2020	5,396,354	7,880,990	-	-
2021-2025	5,385,441	7,887,575	-	-
2026-2029	<u>7,741,898</u>	<u>2,883,110</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 32,281,189</u>	<u>\$ 31,497,401</u>	<u>\$ 500,000</u>	<u>\$ 28,500</u>

Year Ending September 30	Governmental Activities Debt		Business-type Activities Debt	
	<i>Covenant Bonds</i>		<i>Revenue Bonds</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 240,000	\$ 437,909	\$ -	\$ -
2007	245,000	429,609	420,000	12,863
2008	250,000	422,394	-	-
2009	255,000	415,316	-	-
2010	270,000	407,824	-	-
2011-2015	1,540,000	1,838,785	-	-
2016-2020	1,950,000	1,399,157	-	-
2021-2025	2,510,000	845,400	-	-
2026-2029	<u>1,985,000</u>	<u>202,375</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,245,000</u>	<u>\$ 6,398,769</u>	<u>\$ 420,000</u>	<u>\$ 12,863</u>

The City is still drawing down funds from the State Revolving loan, and no debt repayment schedule has yet been established. The City currently makes estimated annual payments of \$1,408,048.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

NOTE IV – OTHER INFORMATION

A. Restricted Assets – The amounts shown below are those assets restricted by sources external to the City.

Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2005:

Business-type Activities

	Water and Sewer Fund	Solid Waste Fund	Total
Debt Service Sinking Funds	\$ 704,024	\$ -	\$ 704,024
Customer Deposits	393,945	48,163	442,108
Rate Stabilization Funds	3,600,000	-	3,600,000
Renewal and Replacement Funds	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total business-type activities restricted assets	<u>\$ 4,797,969</u>	<u>\$ 48,163</u>	<u>\$ 4,846,132</u>

B. Risk Management - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes under the Doctrine of Sovereign Immunity. The General Fund provides coverage of up to \$100,000 for employee health claims. The General Fund also provides coverage for workers compensation claims. The City retains the risk of loss up to \$100,000 for general liability claims and \$100,000 for property damage claims. For all other risks of loss, the City has purchased an excess coverage insurance policy covering individual claims in excess of these specified amounts. Settled claims did not exceed the commercial coverage in any of the past three fiscal years.

Various funds of the City participate in the risk management program and make payments to the General Fund based on estimates of the amounts needed to pay prior and current years' claims. Claims expenditures and liabilities are reported when it is probable and a loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

At September 30, 2005, the amount of these liabilities was \$6,127,020. Changes in the reported liability since September 30, 2004 resulted from the following:

<u>Fiscal Year</u>	<u>Claims Payable October 1</u>	<u>Current Year's Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability September 30</u>
2005	\$ 3,690,977	\$ 7,998,275	\$ (5,562,232)	\$ 6,127,020
2004	\$ 5,214,660	\$ 4,161,570	\$ (5,685,253)	\$ 3,690,977

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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C. Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally, the federal and state agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Various lawsuits have been filed against the City including personal injury and general liability claims. The liability related to the various claims which were reasonably determinable at the end of the fiscal year has been accrued in the pertinent funds. In the opinion of management and legal counsel, any other potential claims will not have a material adverse effect on the City's financial statements.

D. Pension Information – The following information is provided in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." This statement prescribes standards for the measurement, recognition and display of pension expenditures/expenses and related liabilities, assets and note disclosures in the financial statements of state and local governmental employers.

1. Plan Description - The City of Deerfield Beach, as a single employer, maintains three defined benefit pension plans covering full-time firefighters, police officers employed by the City prior to January 13, 1990 and non-uniformed employees hired before April 17, 1990. The Fire Pension Plan, Police Pension Plan and Non-uniformed Pension Plan are individual plans administered for each of three employee categories: fire, police and non-uniformed personnel. Each plan is governed by its own board of trustees which is responsible for establishing employee benefit provisions within the framework of Chapters 175 and 185 of the Florida Statutes and local ordinances. Retirement, disability and death benefits and annual cost-of-living adjustments are provided by all three plans to members and beneficiaries. New members are no longer admitted to the police and non-uniformed defined benefit plans.

The Financial statements for the City's pension plans are prepared using the accrual basis of accounting. Contributions from plan members are recognized in the period in which the contributions are due. The City's contributions are recognized when due and when a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of each individual plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the City's balance sheet date. Securities without an established market price are reported at estimated fair value. Also, the Fire Pension Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing or calling the following: The Pension Resource Center, Inc., 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, FL 33410; (561) 624-3277.

The Police Officers' Retirement Plan also issues a publicly available financial report. The report may be obtained via written request to Administrative Services, Inc., 7990 SW 117th Avenue; Miami, FL 33183, or by calling (800) 749-1858.

The Non-uniformed Employees' Pension Plan does not issue stand-alone financial statements. The financial statements for this plan are presented hereinafter.

CITY OF DEERFIELD BEACH, FLORIDA
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CITY OF DEERFIELD BEACH NON-UNIFORMED EMPLOYEES' RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

ASSETS:	
Investments:	
Money market funds	\$ 973,233
U.S. Government securities	5,106,596
Corporate equities	42,066,680
Corporate bonds and notes	<u>5,119,672</u>
Total investments	<u>53,266,181</u>
Receivables:	
Interest and dividends	<u>164,892</u>
Total assets	<u>53,431,073</u>
NET ASSETS:	
Held in trust for pension benefits	<u>\$ 53,431,073</u>

CITY OF DEERFIELD BEACH NON-UNIFORMED EMPLOYEES' RETIREMENT PLAN
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

ADDITIONS:	
Contributions:	
Employer	\$ 738,339
Employer (on behalf of plan members)	16,463
Plan members	<u>325,445</u>
Total contributions	<u>1,080,247</u>
Investment earnings:	
Interest and dividends	1,264,965
Net increase in the fair value of investments	<u>5,655,002</u>
Total investment earnings	6,919,967
Less investment expense	<u>(113,175)</u>
Net investment earnings	<u>6,806,792</u>
Total additions	<u>7,887,039</u>
DEDUCTIONS:	
Benefits paid	2,622,779
Administrative expenses	<u>354,667</u>
Total deductions	<u>2,977,446</u>
Change in net assets	4,909,593
Net assets held in trust for pension benefits:	
Beginning of year	<u>48,521,480</u>
End of year	<u>\$ 53,431,073</u>

On January 13, 1990 the police officers of the City of Deerfield Beach merged with the Broward County Sheriff's Office. State law provides that these officers, who are now employees of the Broward County Sheriff's Office, could make an irrevocable election to remain in the City's pension plan.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

2. Funding Policy and Annual Required Contributions - The board of trustees of each plan establishes and may amend the contribution requirements of plan members and of the City.

The City's annual required contribution for the current year and related information for each plan is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>
Contribution rates:			
City	27.30%	55.10%	21.36%
Plan members	9.00%	9.00%	9.00%
Annual required contribution ("ARC")	\$1,777,309	\$940,265	\$741,914
Contributions made	\$1,777,309	\$940,265	\$741,914
Actuarial valuation date	10/01/04	10/01/04	10/01/04
Actuarial cost method	Entry age	Entry age	Aggregate cost (a)
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	30 years	30 years	15 years
Asset valuation method	5 year smoothed market	4 year smoothed market	4 year smoothed market
Actuarial assumptions:			
Investment rate of return	7.63%	7.00%	7.50%
Projected salary increases	7.00%	6.50%	6.00%
Includes inflation of	3.00%	3.00%	4.00%
Cost of living adjustments	None	None	4.00%

(a) The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

Information regarding fiscal year 2005 participant data for the three pension plans is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>	<u>Total</u>
<i>Number of plan members:</i>				
Retirees and beneficiaries				
currently receiving benefits	30	56	104	190
Vested terminated employees	1	1	10	12
<i>Active employees:</i>				
Fully vested	53	21	64	138
Non-vested	65	0	0	65
<i>Benefit provisions:</i>				
Normal retirement benefit equals:				
Average salary for years shown	3	3	3	
At the rate of/per year of service	(b)	3.00%	3.00%	
Maximum years of service	30	30	30	
<i>Normal retirement eligibility:</i>				
Age/service years	52/10	47/10	65/10	
(Alternative)	N/A/20	47/20	55/25	
<i>Early retirement eligibility:</i>				
Age/service years	47/10	47/10	55/10	

(b) The Fire Pension Plan's accrual rate is 3% for the first 10 years of service and 3.25% thereafter.

Covered employees in the fire and non-uniformed defined benefit plans are required to contribute 9 percent of their gross salary. Beginning on January 13, 1990 participants in the police pension plan were no longer required to contribute to the plan. Prior to that time a 9 percent contribution of gross salary was mandatory. The member's contribution rate is fixed by the authorizing ordinance and the City's contribution rate is actuarially determined. The actuarial assumptions and four/five-year smoothed market methods were selected to fund the plans with the intent of producing future required employer contributions which remain fairly level as a percentage of covered payroll. The contribution rate for normal cost is determined using the entry age or the aggregate cost method, depending on the plan, over a 15 to 30 year period.

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2005

3. Three-year Trend Information - The Annual Pension Cost ("APC") is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. As of the valuation dates indicated, three year historical trend information on the plans is presented in the table below:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Fire			
2004	\$ 1,597,171	101.6%	\$(150,625)
2003	\$ 1,508,067	100.2%	\$(124,721)
2002	\$ 707,691	111.6%	\$(122,397)
Police			
2004	\$ 798,119	100.0%	\$ -
2003	\$ 831,455	100.0%	\$ -
2002	\$ 402,018	115.0%	\$ -
Non-uniformed			
2004	\$ 319,893	100.0%	\$ -
2003	\$ 552,825	100.0%	\$ -
2002	\$ -	N/A	\$ -

At September 30, 2004, the Firefighters' Pension Trust had a negative net pension obligation, which was derived as follows:

a. Annual required contribution ("ARC")	\$ 1,597,539
b. Interest on Net Pension Obligation ("NPO")	(9,978)
c. Adjustment to ARC	7,610
d. Annual pension cost (a+b+c)	1,595,171
e. Actual contributions	1,623,075
f. NPO at beginning of year	(124,721)
g. Increase (decrease) in NPO (d-e)	(25,904)
h. NPO at end of year (f+g)	(150,625)

E. Defined Contribution Plan – The City has a defined contribution plan that was established on April 17, 1990 via Ordinance No. 1990-025. This plan covers all full-time employees who are not members of the City's defined benefit pension plans, previously described. This plan was established under the provisions of Section 401(a) of the Internal Revenue Code. The City has authorized the city commission to establish and amend all plan provisions. The assets of the plan are self-directed, and investment results are reported to participants/employees on a quarterly basis. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment returns thereon. The City does not have fiduciary accountability for the plan and, accordingly, the plans are not reported in the accompanying financial statements.

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ending September 30, 2005 of \$1,141,850. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled \$570,925.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

F. Deferred Compensation Plan – The City offers certain employees the opportunity to participate in a deferred compensation plan that was created on December 1, 1987 via resolution C1987/114. This plan was established in accordance with Section 457 of the Internal Revenue Code. The plan permits employees to defer a portion of their salaries until future years. At the employee's election, such amounts may be invested in mutual funds with varying degrees of risk and return. Loans may be taken against an employee's account for specified purposes. All amounts of compensation deferred under a "Section-457" plan, all property and rights purchased with those amounts, and all investment earnings, are held in trust for the exclusive benefit of the plan's participants and their beneficiaries. Since the City has no control over these assets, they are not reflected in the City's financial statements.

G. Other Post-employment Benefits - In addition to providing pension benefits, the City provides health insurance benefits to retired employees, as established by City ordinance. This is part of the City's self-insurance health plan. The retirees are not required to contribute to the cost of insurance coverage. The cost of retiree health care insurance benefits is recognized as an expenditure as claims are paid on a "pay-as-you-go basis." For the year ending September 30, 2005, those costs totaled \$762,167 for the 67 participants.

H. New Accounting Pronouncements Not Yet Adopted - In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires governments to report the effects of capital asset impairment in the financial statements when the impairment occurs by evaluating major events affecting capital assets including physical damage, changes in legal or environmental factors, technological changes or obsolescence, changes in manner or duration and construction stoppage to determine whether the capital assets are impaired. Impairment will be measured using methods that are designed to isolate the cost of the capital asset's service capacity that has been rendered unusable by impairment. This Statement also enhances comparability of financial statements by requiring all governments to account for insurance recoveries in the same manner. The City will be required to implement this Statement for the fiscal year 2006. Management does not believe implementation of this Statement will materially impact the City's financial statements.

GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1* will be effective for the City beginning with its year ending September 30, 2006. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by Statement 34.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* will be effective for the City beginning with its year ending September 30, 2008. This Statement improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The impact of implementing this statement was not ascertainable as of September 30, 2005.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34* will be effective for the fiscal year ending September 30, 2007. This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Further, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

GASB Statement No. 47, *Accounting for Termination Benefits*," will be effective for fiscal years beginning after June 15, 2005. This Statement requires employers to disclose its termination benefit arrangements, the cost of the termination benefits and any significant methods and assumptions used to determine termination benefit liabilities. Management does not believe implementation of this Statement will materially impact the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEERFIELD BEACH, FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 30,989,313	\$ 30,989,313	\$ 30,962,884	\$ (26,429)
Sales taxes	3,599,835	3,599,835	3,970,596	370,761
Fire assessment fees	3,216,255	3,216,255	3,432,997	216,742
Franchise fees	7,912,836	7,912,836	8,557,013	644,177
Licenses and permits	1,811,300	1,811,300	1,420,371	(390,929)
Intergovernmental	3,276,192	3,276,192	3,531,562	255,370
Charges for services	4,759,491	4,759,491	5,738,349	978,858
Fines and forfeitures	1,398,250	1,398,250	1,417,522	19,272
Investment earnings	94,000	94,000	318,524	224,524
Miscellaneous:				
Insurance proceeds	22,500	22,500	20,786	(1,714)
Donations/contributions	1,620,630	1,620,630	1,695,628	74,998
Administrative fees	2,866,754	2,866,754	2,866,754	-
Other	172,000	172,000	298,017	126,017
Total revenues	61,739,356	61,739,356	64,231,003	2,491,647
EXPENDITURES:				
Departmental:				
City commission	187,065	187,065	161,272	25,793
City manager	520,840	520,840	477,542	43,298
City clerk	417,186	417,186	278,041	139,145
City attorney	420,500	575,500	572,997	2,503
Central services	502,700	502,700	441,261	61,439
Parks & recreation	5,709,153	5,709,153	5,414,196	294,957
Fire/rescue	18,671,309	18,671,309	18,230,489	440,820
Human Resources	467,939	467,939	466,209	1,730
Insurance/safety	5,705,036	5,705,036	6,066,167	(361,131)
Management and budget	2,104,705	2,104,705	1,940,320	164,385
Planning and growth management	777,615	777,615	718,406	59,209
Police	15,455,352	15,455,352	15,329,553	125,799
Public works	5,289,576	5,389,576	5,380,038	9,538
Senior services	2,213,592	2,213,592	2,036,444	177,148
Community participation	203,626	203,626	169,402	34,224
Other - unclassified	1,089,142	5,642,451	1,300,588	4,341,863
Debt service	1,012,794	1,012,794	738,548	274,246
Total expenditures	60,748,130	65,556,439	59,721,473	5,834,966
Excess (deficiency) of revenues over expenditures	991,226	(3,817,083)	4,509,530	8,326,613
Other financing sources (uses):				
Capital lease proceeds	1,754,488	1,754,488	1,392,229	(362,259)
Transfers in	844,609	844,609	854,097	9,488
Transfers out	(3,590,323)	(3,590,323)	(3,546,462)	43,861
Total other financing sources (uses)	(991,226)	(991,226)	(1,300,136)	(308,910)
Net change in fund balance	\$ -	\$ (4,808,309)	\$ 3,209,394	\$ 8,017,703

See accompanying notes to required supplementary information.

**CITY OF DEERFIELD BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS**

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)/ (UFAAL)*	Funded Ratio	Covered Payroll	UAAL as a %age of Covered Payroll
FIRE						
10/1/1999	45,774,225	41,109,467	(4,664,758)	111.3	7,280,344	(64.1)
10/1/2000	50,566,155	43,039,092	(7,527,063)	117.5	7,756,000	(97.0)
10/1/2001	53,300,998	53,300,998	-	100.0	8,326,813	0.0
10/1/2002	51,611,851	55,046,464	3,434,613	93.8	6,016,000	57.1
10/1/2003	56,133,532	60,416,560	4,283,028	92.9	6,234,000	68.7
10/1/2004	58,806,662	70,106,558	11,299,896	83.9	8,085,192	139.8
POLICE						
10/1/1999	36,921,415	35,384,702	(1,536,713)	104.3	3,635,089	(42.3)
10/1/2000	41,008,013	38,705,287	(2,302,726)	106.0	3,565,355	(64.6)
10/1/2001	41,572,280	40,644,942	(927,338)	102.3	2,254,213	(41.1)
10/1/2002	39,933,707	42,719,581	2,785,874	93.5	2,248,000	123.9
10/1/2003	39,227,454	42,848,761	3,621,307	91.5	2,032,000	178.2
10/1/2004	37,288,853	44,789,665	7,500,812	83.3	1,706,000	439.7
NON-UNIFORMED						
10/1/1999	42,140,481	42,852,711	712,230	98.3	4,784,193	14.9
10/1/2000	49,074,968	45,932,720	(3,142,248)	106.8	4,679,236	(67.2)
10/1/2001	51,101,438	47,603,750	(3,497,688)	107.3	4,500,861	(77.7)
10/1/2002	48,062,522	49,639,894	1,577,372	96.8	4,413,504	35.7
10/1/2003	50,656,242	51,123,617	467,375	99.1	4,053,762	11.5
10/1/2004	49,074,968	45,932,720	(3,142,248)	106.8	3,472,804	(90.5)

*Unfunded (Frozen) Actuarial Accrued Liability: Relative to the Non-uniformed Plan, effective 10/1/96, the actuarial cost method was changed from the Frozen Entry Age Cost Method, which produces UFAAL, to the Entry Age Normal Cost Method which produces UAAL. Effective 10/1/00, the actuarial cost method was again changed from the Entry Age Normal Cost Method to the Aggregate Cost Method, which does not produce a UAAL.

Schedules of Employer Contributions

Year Ended September 30	Employer Contributions					
	Fire		Police		Non-uniformed	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2000	\$577,694	100%	\$582,580	100%	\$473,439	100%
2001	326,020	100	492,865	100	-	N/A
2002	443,541	100	402,018	100	-	N/A
2003	924,595	100	592,668	100	552,825	100
2004	1,166,190	100	798,119	100	319,893	100
2005	1,777,309	100	940,265	100	741,914	100

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2005

NOTE I – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information – The City adopts annual operating budgets on a non-GAAP basis for the General Fund and the enterprise funds, as well as the following special revenue funds: Road and Bridge Tax Fund, Community Development Block Grant Fund, and the Community Redevelopment Agency Fund. The remaining special revenue funds are governed by grants with different fiscal periods and are funded at levels which the City has little control over or measurable knowledge of at the time it adopts the other budgets. During fiscal year 2005, all legal requirements with regard to budget adoption and control for each of these funds were met. No fund exceeded its total appropriation.

For budgetary control purposes, encumbrance accounting is utilized, wherein purchase orders, contracts and other financial commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balance, since they do not constitute expenditures or liabilities. Unless encumbered by a purchase order, the budget appropriations lapse at the end of each year.

At any time during the fiscal year, the city manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change. Further, if the city manager certifies that there are revenues available for appropriations in excess of those estimated in the original budget, the City Commission may, by ordinance, make supplemental appropriations for the year up to the amount of such excess. During fiscal year 2005, the City Commission made supplemental appropriations in the amount of \$4,808,309 for the General Fund.

B. Reconciliation of Budget to Actual – The City adopts annual budgets on a non-GAAP basis which includes encumbrances. Actual data accounted for on a basis consistent with GAAP is presented in the “Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.” Actual data accounted for on a non-GAAP basis is presented in the “Budgetary Comparison Schedule – General Fund.” Reconciliation of the actual data as presented in the aforementioned statements is shown below:

	GAAP Basis Actual	Net Encumbrances	Non-GAAP Basis Actual
Current expenditures	\$ 58,397,234	\$ 585,691	\$ 58,982,925
Debt service	<u>738,548</u>	<u>-</u>	<u>738,548</u>
Total expenditures	<u>\$ 59,135,782</u>	<u>\$ 585,691</u>	<u>\$ 59,721,473</u>

In the above reconciliation, “net encumbrances” represents the difference between the encumbrances outstanding as of September 30, 2005 and the outstanding encumbrances as of September 30, 2004, which were paid during fiscal year 2005.

C. Excess of Expenditures Over Appropriations – For the year ended September 30, 2005, expenditures exceeded appropriations in the Risk Management Department (the legal level of budgetary control) of the General Fund by \$361,131. This overexpenditure was funded by greater than anticipated revenues.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Road and Bridge Tax Fund – to account for the proceeds from motor fuel tax revenues that are restricted to the maintenance and acquisition of roads and bridges.

Community Development Block Grant (“CDBG”) Fund – to account for federal proceeds which are restricted as to the objectives of community development and revitalization.

Community Redevelopment Agency (“CRA”) Fund – to account for the proceeds of tax increment revenues and the related expenditures for redevelopment of the area that hovers along Hillsboro Boulevard and that encompasses most of the beach district from Federal Highway to the intracoastal waterway.

State Housing Initiative Partnership (“SHIP”) Grant Fund – to account for State funds received for providing assistance to very low, low, and moderate-income households in becoming first time homebuyers or in rehabilitating their existing homes.

Miscellaneous Grants Fund – to account for federal, state and county monies restricted to expenditures for projects and programs which are outlined in the individual grant agreements.

Parking Deviation Fund – to account for impact fees collected from property owners, which fees are earmarked for construction of parking facilities within those areas from which the fees were collected.

General Trust Fund – to account for funds received as donations, which have been restricted as to expenditures for specified purposes.

Target Area Trust Fund – to account for monies collected from code violation fines and which have been designated for the rehabilitation of the Target Area within the City.

Beautification and Landscape Trust Fund – to account for tree removal fees, fines and private contributions designated for the preservation of trees within the City.

Crime Prevention Trust Fund – to account for a penalty assessed on the violation of local ordinances, which funds are used to increase public awareness and acquire crime prevention tools such as informational brochures, audio visual aids and training of police officers and civilians involved in crime awareness and prevention.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Improvement Revenue Sinking Fund – to accumulate monies for payment of the Series 1992 Improvement Revenue Bonds with remaining principal and interest due in varying amounts until maturity in 2006.

General Obligation Sinking Fund – to accumulate monies for payment of Series 1992, 2000 and 2003 general obligation bonds with remaining principal and interest due in varying amounts until maturity in 2028.

CAPITAL GRANTS CAPITAL PROJECTS FUND

This fund is used to account for the acquisition and construction of major capital improvements that are financed by grants from federal, state and local agencies.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Perpetual Care Permanent Fund – to account for moneys received for the purpose of providing perpetual care for the City's cemeteries.

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Grants Capital Projects Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,207,056	\$ 36,366	\$ -	\$ 51,447	\$ 2,294,869
Investments	2,573,367	260,947	-	1,643,829	4,478,143
Receivables (net):					
Accounts	-	-	-	254	254
Interest	3,465	654	-	4,225	8,344
Due from other funds	43,115	-	-	-	43,115
Due from other governments	379,691	-	1,405,205	-	1,784,896
Total assets	<u>\$ 5,206,694</u>	<u>\$ 297,967</u>	<u>\$ 1,405,205</u>	<u>\$ 1,699,755</u>	<u>\$ 8,609,621</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	132,188	-	-	-	132,188
Accrued liabilities	33,532	-	-	-	33,532
Due to other funds	260,724	-	1,405,205	-	1,665,929
Unearned revenue	1,482,964	-	1,375,967	-	2,858,931
Total liabilities	<u>1,909,408</u>	<u>-</u>	<u>2,781,172</u>	<u>-</u>	<u>4,690,580</u>
Fund balances (deficit):					
Reserved for:					
Encumbrances	2,100	-	-	-	2,100
Debt service	-	131,205	-	-	131,205
Perpetual care	-	-	-	1,699,755	1,699,755
Unreserved	3,295,186	166,762	(1,375,967)	-	2,085,981
Total fund balances	<u>3,297,286</u>	<u>297,967</u>	<u>(1,375,967)</u>	<u>1,699,755</u>	<u>3,919,041</u>
Total liabilities and fund balances	<u>\$ 5,206,694</u>	<u>\$ 297,967</u>	<u>\$ 1,405,205</u>	<u>\$ 1,699,755</u>	<u>\$ 8,609,621</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Grants Capital Projects Fund</u>	<u>Perpetual Care Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES					
Property taxes	\$ 816,523	\$ -	\$ -	\$ -	\$ 816,523
Franchise fees	-	525,740	-	-	525,740
Local option gas tax	1,239,308	-	-	-	1,239,308
Intergovernmental	2,813,704	-	798,220	-	3,611,924
Charges for services	556,292	-	-	-	556,292
Fines and forfeitures	45,648	-	-	-	45,648
Investment earnings	83,534	10,430	-	45,073	139,037
Miscellaneous:					
Parking deviation fees	12,000	-	-	-	12,000
Cemetery plot sales	-	-	-	124,695	124,695
Donations/contributions	83,530	-	-	-	83,530
Administrative fees	220,369	-	-	-	220,369
Other	16,420	-	-	-	16,420
Total revenues	<u>5,887,328</u>	<u>536,170</u>	<u>798,220</u>	<u>169,768</u>	<u>7,391,486</u>
EXPENDITURES					
Current:					
Economic environment	1,089,831	-	-	-	1,089,831
Public safety	415,575	-	-	-	415,575
Human services	243,626	-	-	-	243,626
Physical environment	107,499	-	-	-	107,499
Transportation	1,821,677	-	-	-	1,821,677
Culture and recreation	749,367	-	-	-	749,367
Capital outlay	1,163,113	-	608,003	-	1,771,116
Debt service:					
Principal	133,843	1,731,030	-	-	1,864,873
Interest and fiscal charges	2,199	1,624,635	-	-	1,626,834
Total expenditures	<u>5,726,730</u>	<u>3,355,665</u>	<u>608,003</u>	<u>-</u>	<u>9,690,398</u>
Excess (deficiency) of revenues over expenditures	<u>160,598</u>	<u>(2,819,495)</u>	<u>190,217</u>	<u>169,768</u>	<u>(2,298,912)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds	159,208	-	-	-	159,208
Transfers in	944,840	2,835,071	94,598	-	3,874,509
Transfers out	(1,661,196)	-	-	-	(1,661,196)
Total other financing sources (uses)	<u>(557,148)</u>	<u>2,835,071</u>	<u>94,598</u>	<u>-</u>	<u>2,372,521</u>
Net change in fund balances	(396,550)	15,576	284,815	169,768	73,609
Fund balances (deficit) - beginning	3,693,836	282,391	(1,660,782)	1,529,987	3,845,432
Fund balances (deficit) - ending	<u>\$ 3,297,286</u>	<u>\$ 297,967</u>	<u>\$ (1,375,967)</u>	<u>\$ 1,699,755</u>	<u>\$ 3,919,041</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005

	Road and Bridge Tax Fund	CDBG Fund	CRA Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS											
Cash and cash equivalents	\$ 164,205	\$ -	\$ 60,791	\$ 1,408,397	\$ 54,111	\$ 250,609	\$ 32,827	\$ 167,484	\$ 59,492	\$ 9,140	\$ 2,207,056
Investments	1,862,613	-	710,754	-	-	-	-	-	-	-	2,573,367
Receivables (net):											
Interest	2,152	-	1,313	-	-	-	-	-	-	-	3,465
Due from other funds	43,115	-	-	-	-	-	-	-	-	-	43,115
Due from other governments	94,855	48,328	-	-	236,255	-	-	-	-	253	379,691
Total assets	<u>\$ 2,166,940</u>	<u>\$ 48,328</u>	<u>\$ 772,858</u>	<u>\$ 1,408,397</u>	<u>\$ 290,366</u>	<u>\$ 250,609</u>	<u>\$ 32,827</u>	<u>\$ 167,484</u>	<u>\$ 59,492</u>	<u>\$ 9,393</u>	<u>\$ 5,206,694</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	89,357	5,213	3,616	15,663	6,040	-	11,809	-	-	490	132,188
Accrued liabilities	29,669	-	3,863	-	-	-	-	-	-	-	33,532
Due to other funds	-	43,115	-	-	217,609	-	-	-	-	-	260,724
Unearned revenue	-	-	-	1,392,734	90,230	-	-	-	-	-	1,482,964
Total liabilities	<u>119,026</u>	<u>48,328</u>	<u>7,479</u>	<u>1,408,397</u>	<u>313,879</u>	<u>-</u>	<u>11,809</u>	<u>-</u>	<u>-</u>	<u>490</u>	<u>1,909,408</u>
Fund balances (deficit):											
Reserved for:											
Encumbrances	-	-	-	-	-	-	2,100	-	-	-	2,100
Unreserved	2,047,914	-	765,379	-	(23,513)	250,609	18,918	167,484	59,492	8,903	3,295,186
Total fund balances (deficit)	<u>2,047,914</u>	<u>-</u>	<u>765,379</u>	<u>-</u>	<u>(23,513)</u>	<u>250,609</u>	<u>21,018</u>	<u>167,484</u>	<u>59,492</u>	<u>8,903</u>	<u>3,297,286</u>
Total liabilities and fund balances	<u>\$ 2,166,940</u>	<u>\$ 48,328</u>	<u>\$ 772,858</u>	<u>\$ 1,408,397</u>	<u>\$ 290,366</u>	<u>\$ 250,609</u>	<u>\$ 32,827</u>	<u>\$ 167,484</u>	<u>\$ 59,492</u>	<u>\$ 9,393</u>	<u>\$ 5,206,694</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Road and Bridge Tax Fund	CDBG Fund	CRA Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Total Nonmajor Special Revenue Funds
REVENUES											
Property taxes	\$ -	\$ -	\$ 816,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 816,523
Local option gas tax	1,239,308										1,239,308
Intergovernmental	562,621	1,231,572	-	383,268	636,243	-	-	-	-	-	2,813,704
Charges for services	-	-	127	-	1,709	-	541,255	-	13,201	-	556,292
Fines and forfeitures	-	-	-	-	-	-	-	30,870	-	14,778	45,648
Investment earnings	34,491	-	25,703	19,132	-	-	69	3,221	777	141	83,534
Miscellaneous:											
Parking deviation fees	-	-	-	-	-	12,000	-	-	-	-	12,000
Donations/contributions	-	-	-	54,263	-	-	29,267	-	-	-	83,530
Administrative fees	220,369	-	-	-	-	-	-	-	-	-	220,369
Other	15,143	850	-	-	427	-	-	-	-	-	16,420
Total revenues	<u>2,071,932</u>	<u>1,232,422</u>	<u>842,353</u>	<u>456,663</u>	<u>638,379</u>	<u>12,000</u>	<u>570,591</u>	<u>34,091</u>	<u>13,978</u>	<u>14,919</u>	<u>5,887,328</u>
EXPENDITURES											
Current:											
Economic environment	-	239,156	388,023	396,943	65,709	-	-	-	-	-	1,089,831
Public safety	-	300,000	-	-	59,748	-	38,486	-	-	17,341	415,575
Human services	-	14,996	-	-	228,630	-	-	-	-	-	243,626
Physical environment	-	1,248	-	-	78,498	-	22,903	-	4,850	-	107,499
Transportation	1,803,918	-	-	-	17,759	-	-	-	-	-	1,821,677
Culture and recreation	-	-	-	-	165,024	-	584,343	-	-	-	749,367
Capital outlay	213,426	562,932	-	-	386,755	-	-	-	-	-	1,163,113
Debt service:											
Principal	133,843	-	-	-	-	-	-	-	-	-	133,843
Interest and fiscal charges	2,199	-	-	-	-	-	-	-	-	-	2,199
Total expenditures	<u>2,153,386</u>	<u>1,118,332</u>	<u>388,023</u>	<u>396,943</u>	<u>1,002,123</u>	<u>-</u>	<u>645,732</u>	<u>-</u>	<u>4,850</u>	<u>17,341</u>	<u>5,726,730</u>
Excess (deficiency) of revenues over expenditures	<u>(81,454)</u>	<u>114,090</u>	<u>454,330</u>	<u>59,720</u>	<u>(363,744)</u>	<u>12,000</u>	<u>(75,141)</u>	<u>34,091</u>	<u>9,128</u>	<u>(2,422)</u>	<u>160,598</u>
OTHER FINANCING SOURCES (USES)											
Capital lease proceeds	159,208	-	-	-	-	-	-	-	-	-	159,208
Transfers in	-	3,251	572,135	-	369,454	-	-	-	-	-	944,840
Transfers out	(145,250)	(117,341)	(1,249,702)	(59,720)	(34,649)	-	(5)	(54,529)	-	-	(1,661,196)
Total other financing sources (uses)	<u>13,958</u>	<u>(114,090)</u>	<u>(677,567)</u>	<u>(59,720)</u>	<u>334,805</u>	<u>-</u>	<u>(5)</u>	<u>(54,529)</u>	<u>-</u>	<u>-</u>	<u>(557,148)</u>
Net change in fund balances	(67,496)	-	(223,237)	-	(28,939)	12,000	(75,146)	(20,438)	9,128	(2,422)	(396,550)
Fund balances - beginning	2,115,410	-	988,616	-	5,426	238,609	96,164	187,922	50,364	11,325	3,693,836
Fund balances (deficit) - ending	<u>\$ 2,047,914</u>	<u>\$ -</u>	<u>\$ 765,379</u>	<u>\$ -</u>	<u>\$ (23,513)</u>	<u>\$ 250,609</u>	<u>\$ 21,018</u>	<u>\$ 167,484</u>	<u>\$ 59,492</u>	<u>\$ 8,903</u>	<u>\$ 3,297,286</u>

CITY OF DEERFIELD BEACH, FLORIDA
ROAD AND BRIDGE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis)</u> <u>Actual Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local option gas tax	\$ 1,247,699	\$ 1,247,699	\$ 1,239,308	\$ (8,391)
Intergovernmental	609,775	609,775	562,621	(47,154)
Investment earnings	18,000	18,000	34,491	16,491
Miscellaneous:				
Administrative fees	220,369	220,369	220,369	-
Other	14,407	14,407	15,143	736
Total revenues	<u>2,110,250</u>	<u>2,110,250</u>	<u>2,071,932</u>	<u>(38,318)</u>
EXPENDITURES				
Current:				
Transportation	1,809,023	1,934,023	1,940,159	(6,136)
Capital outlay	199,590	199,590	213,426	(13,836)
Debt service:				
Principal	136,316	136,316	133,843	2,473
Interest	4,295	4,295	2,199	2,096
Total expenditures	<u>2,149,224</u>	<u>2,274,224</u>	<u>2,289,627</u>	<u>(15,403)</u>
Excess (deficiency) of revenues over expenditures	<u>(38,974)</u>	<u>(163,974)</u>	<u>(217,695)</u>	<u>(53,721)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	181,000	181,000	159,208	(21,792)
Transfers in	3,224	3,224	-	(3,224)
Transfers out	(145,250)	(145,250)	(145,250)	-
Total other financing sources (uses)	<u>38,974</u>	<u>38,974</u>	<u>13,958</u>	<u>(25,016)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ (203,737)</u>	<u>\$ (78,737)</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 1,803,918	\$ 136,241	\$ 1,940,159
Capital outlay	213,426	-	213,426
Debt service	136,042	-	136,042
Total expenditures	<u>\$ 2,153,386</u>	<u>\$ 136,241</u>	<u>\$ 2,289,627</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2005 and the outstanding encumbrances as of September 30, 2004 which were paid during fiscal year 2005.

CITY OF DEERFIELD BEACH, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis) Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 731,000	\$ 731,000	\$ 1,231,572	\$ 500,572
Other	-	-	850	850
Total revenues	<u>731,000</u>	<u>731,000</u>	<u>1,232,422</u>	<u>501,422</u>
EXPENDITURES				
Current:				
Economic environment	584,800	584,800	239,156	345,644
Public safety	-	-	300,000	(300,000)
Human services	-	-	14,996	(14,996)
Physical environment	-	-	1,248	(1,248)
Capital outlay	-	-	<u>562,932</u>	<u>(562,932)</u>
Total expenditures	<u>584,800</u>	<u>584,800</u>	<u>1,118,332</u>	<u>(533,532)</u>
Excess of revenues over expenditures	<u>146,200</u>	<u>146,200</u>	<u>114,090</u>	<u>(32,110)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,251	3,251
Transfers out	<u>(146,200)</u>	<u>(146,200)</u>	<u>(117,341)</u>	<u>28,859</u>
Total other financing sources (uses)	<u>(146,200)</u>	<u>(146,200)</u>	<u>(114,090)</u>	<u>32,110</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DEERFIELD BEACH, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis) Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,393,316	\$ 1,393,316	\$ 816,523	\$ (576,793)
Charges for services	-	-	127	127
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>25,703</u>	<u>20,703</u>
Total revenues	<u>1,398,316</u>	<u>1,398,316</u>	<u>842,353</u>	<u>(555,963)</u>
EXPENDITURES				
Current:				
Economic environment	884,567	884,567	318,023	566,544
Debt service:				
Fiscal charges	<u>10,590</u>	<u>10,590</u>	-	<u>10,590</u>
Total expenditures	<u>895,157</u>	<u>895,157</u>	<u>318,023</u>	<u>577,134</u>
Excess of revenues over expenditures	<u>503,159</u>	<u>503,159</u>	<u>524,330</u>	<u>21,171</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	572,135	572,135
Transfers out	<u>(503,159)</u>	<u>(503,159)</u>	<u>(1,249,702)</u>	<u>(746,543)</u>
Total other financing sources (uses)	<u>(503,159)</u>	<u>(503,159)</u>	<u>(677,567)</u>	<u>(174,408)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153,237)</u>	<u>\$ (153,237)</u>

	<u>GAAP Basis Actual</u>	<u>Net Encumbrances*</u>	<u>Non-GAAP Basis Actual</u>
<u>Reconciliation of Budget and Actual:</u>			
Total current expenditures	<u>\$ 388,023</u>	<u>\$ (70,000)</u>	<u>\$ 318,023</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2005 and the outstanding encumbrances as of September 30, 2004 which were paid during fiscal year 2005.

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005

	Improvement Revenue Sinking Fund	General Obligation Sinking Fund	Total Nonmajor Debt Service Funds
ASSETS			
Cash and cash equivalents	\$ 36,366	\$ -	\$ 36,366
Investments	254,483	6,464	260,947
Receivables (net):			
Interest	654	-	654
Total assets	<u>\$ 291,503</u>	<u>\$ 6,464</u>	<u>\$ 297,967</u>
 FUND BALANCES			
Reserved for:			
Debt service	131,205	-	131,205
Unreserved	160,298	6,464	166,762
Total fund balances	291,503	6,464	297,967
Total liabilities and fund balances	<u>\$ 291,503</u>	<u>\$ 6,464</u>	<u>\$ 297,967</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Improvement Revenue Sinking Fund	General Obligation Sinking Fund	Total Nonmajor Debt Service Funds
REVENUES			
Franchise fees	\$ 525,740	\$ -	\$ 525,740
Investment earnings	9,217	1,213	10,430
Total revenues	<u>534,957</u>	<u>1,213</u>	<u>536,170</u>
EXPENDITURES			
Debt service:			
Principal	470,000	1,261,030	1,731,030
Interest and fiscal charges	55,845.00	1,568,790	1,624,635
Total expenditures	<u>525,845</u>	<u>2,829,820</u>	<u>3,355,665</u>
Excess (deficiency) of revenues over expenditures	9,112	(2,828,607)	(2,819,495)
Transfers in	-	2,835,071	2,835,071
Total other financing sources (uses)	<u>-</u>	<u>2,835,071</u>	<u>2,835,071</u>
Net change in fund balances	9,112	6,464	15,576
Fund balances - beginning	282,391	-	282,391
Fund balances - ending	<u>\$ 291,503</u>	<u>\$ 6,464</u>	<u>\$ 297,967</u>

FIDUCIARY FUNDS

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2005

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ASSETS:				
Cash and cash equivalents	\$ -	\$ 1,002,996	\$ -	\$ 1,002,996
Investments:				
Money market funds	23,416,916	5,112,169	973,233	29,502,318
U.S. Government securities	11,735,532	11,868,698	5,106,596	28,710,826
Corporate equities	27,916,343	18,528,364	42,066,680	88,511,387
Corporate bonds and notes	3,153,788	3,124,209	5,119,672	11,397,669
Real estate	-	19,929	-	19,929
Total investments	<u>66,222,579</u>	<u>38,653,369</u>	<u>53,266,181</u>	<u>158,142,129</u>
Receivables:				
Interest and dividends	258,752	152,752	164,892	576,396
Due from other governments	482,526	-	-	482,526
Contributions	-	17,178	-	17,178
Total receivables	<u>741,278</u>	<u>169,930</u>	<u>164,892</u>	<u>1,076,100</u>
Total assets	<u>66,963,857</u>	<u>39,826,295</u>	<u>53,431,073</u>	<u>160,221,225</u>
LIABILITIES:				
Accounts payable	<u>103,430</u>	<u>61,369</u>	<u>-</u>	<u>164,799</u>
NET ASSETS:				
Held in trust for pension benefits	<u>\$ 66,860,427</u>	<u>\$ 39,764,926</u>	<u>\$ 53,431,073</u>	<u>\$ 160,056,426</u>

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ADDITIONS:				
Contributions:				
Employer	\$ 1,777,709	\$ 940,265	\$ 738,339	\$ 3,456,313
Employer (on behalf of plan members)	-	164,420	16,463	180,883
Plan members	878,940	-	325,445	1,204,385
State of Florida	<u>482,526</u>	<u>414,689</u>	<u>-</u>	<u>897,215</u>
Total contributions	<u>3,139,175</u>	<u>1,519,374</u>	<u>1,080,247</u>	<u>5,738,796</u>
Investment earnings:				
Interest and dividends	1,299,546	1,194,876	1,264,965	3,759,387
Net increase in the fair value of investments	<u>6,614,274</u>	<u>2,824,920</u>	<u>5,655,002</u>	<u>15,094,196</u>
Total investment earnings	7,913,820	4,019,796	6,919,967	18,853,583
Less investment expense	<u>(330,637)</u>	<u>(268,835)</u>	<u>(113,175)</u>	<u>(712,647)</u>
Net investment earnings	<u>7,583,183</u>	<u>3,750,961</u>	<u>6,806,792</u>	<u>18,140,936</u>
Other miscellaneous income	<u>7,585</u>	<u>1,108</u>	<u>-</u>	<u>8,693</u>
Total additions	<u>10,729,943</u>	<u>5,271,443</u>	<u>7,887,039</u>	<u>23,888,425</u>
DEDUCTIONS:				
Benefits paid	2,098,440	3,094,456	2,622,779	7,815,675
Administrative expenses	<u>118,203</u>	<u>74,244</u>	<u>354,667</u>	<u>547,114</u>
Total deductions	<u>2,216,643</u>	<u>3,168,700</u>	<u>2,977,446</u>	<u>8,362,789</u>
Change in net assets	8,513,300	2,102,743	4,909,593	15,525,636
Net assets held in trust for pension benefits:				
Beginning of year	<u>58,347,127</u>	<u>37,662,183</u>	<u>48,521,480</u>	<u>144,530,790</u>
End of year	<u>\$ 66,860,427</u>	<u>\$ 39,764,926</u>	<u>\$ 53,431,073</u>	<u>\$ 160,056,426</u>

CITY OF DEERFIELD BEACH, FLORIDA
Government-wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous	
1996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	\$43,471,397	\$3,163,889	\$2,432,851	\$37,018,094	\$1,951,679	\$529,031	\$114,182	\$88,681,123
2004	45,637,073	5,229,862	2,683,880	41,201,384	2,276,438	644,088	72,457	97,745,182
2005	50,445,407	4,459,951	1,633,004	46,126,207	2,779,545	1,560,557	279,254	107,283,925

Information for fiscal years prior to 2003 is not available in this format.

CITY OF DEERFIELD BEACH, FLORIDA
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST TEN FISCAL YEARS

Fiscal Year	General Government	Economic Environment	Public Safety	Human Services	Physical Environment	Transportation	Culture and Recreation	Interest and Fiscal Charges	Water and Sewer	Solid Waste	Total
1996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	\$ 12,772,118	\$ 841,411	\$ 26,211,599	\$ 2,197,139	\$ 3,493,509	\$ 2,649,217	\$ 3,734,646	\$ 1,026,374	\$ 14,232,165	\$ 11,507,115	\$ 78,665,293
2004	13,173,248	1,209,660	29,863,193	2,338,711	3,642,515	2,476,519	3,781,281	1,512,795	15,564,964	11,621,977	85,184,863
2005	16,465,472	1,104,229	34,156,399	2,489,242	4,640,670	2,839,192	4,777,558	1,713,398	18,577,991	14,118,216	100,882,367

Information for fiscal years prior to 2003 is not available in this format.

CITY OF DEERFIELD BEACH, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Economic Environment	Public Safety	Human Services	Physical Environment	Transportation	Culture and Recreation	Capital Outlay	Debt Service	Total
1996	\$ 9,119,426	\$ 70,000	\$ 12,615,936	\$ 1,372,937	\$ 1,491,604	\$ 1,383,015	\$ 1,945,033	\$ 3,005,411	\$ 2,277,243	\$ 33,280,605
1997	9,401,227	70,000	13,522,542	1,329,052	1,788,101	1,311,838	2,039,404	2,541,788	2,137,318	34,141,270
1998	10,024,138	132,975	14,751,523	1,435,811	2,091,582	1,832,419	2,424,879	3,041,996	2,455,704	38,191,027
1999	11,149,613	524,309	16,780,440	1,502,407	2,064,874	1,416,179	2,438,419	2,083,414	2,404,877	40,364,532
2000	12,330,732	399,459	19,111,897	1,699,055	2,417,869	1,626,572	2,703,622	4,651,290	2,508,994	47,449,490
2001	12,906,517	739,004	21,076,694	1,894,364	2,365,368	1,566,461	3,014,426	3,141,280	2,979,404	49,683,518
2002	13,324,384	567,645	22,243,484	1,986,327	2,535,156	1,631,333	3,137,326	4,580,320	3,008,720	53,014,695
2003	13,775,845	840,763	26,014,787	2,135,110	3,138,612	1,891,522	3,354,044	5,422,747	3,297,210	59,870,640
2004	16,178,208	1,209,012	30,303,355	2,227,748	3,493,836	1,539,200	3,552,922	5,038,057	3,636,132	67,178,470
2005	14,800,858	1,103,581	33,818,934	2,384,248	4,299,381	1,913,574	4,504,233	10,573,713	4,230,255	77,628,777

(1) Includes general, special revenue, debt service, and capital projects funds.

CITY OF DEERFIELD BEACH, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Fire Assessment Fees	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Investment Earnings	Miscellaneous	Total
1996	\$18,942,292	\$ -	\$ 1,619,825	\$2,404,692	\$3,922,466	\$ 852,572	\$ 948,215	\$ 3,268,811	\$31,958,873
1997	20,616,175	-	1,982,942	2,254,303	3,759,826	980,718	984,383	3,782,610	34,360,957
1998	20,947,264	-	1,639,968	3,259,221	3,887,737	922,972	876,184	4,215,529	35,748,875
2000	25,811,687	-	1,500,511	3,784,930	4,213,192	1,167,329	848,596	4,141,581	41,467,826
2001	28,351,387	-	1,439,905	4,058,116	5,249,764	1,204,497	1,541,038	3,873,836	45,718,543
2002	33,232,644	2,188,669 (1)	1,677,301	3,441,169	5,037,560	1,126,129	1,165,452	4,232,765	52,101,689
2003	36,802,201	2,956,946	1,567,473	5,646,977	4,895,715	1,226,663	403,787	4,536,017	58,035,779
2004	41,201,384	2,862,874	1,619,185	6,646,581	4,874,660	1,500,637	497,863	4,719,506	63,922,690
2005	46,072,064	3,432,997	1,420,371	8,151,325	6,294,641	1,463,170	1,262,404	5,338,199	73,435,171

(1) First year of fire assessment fee.

CITY OF DEERFIELD BEACH, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Total
1996	\$ 12,425,449	\$ 2,407,280	\$ 3,213,495	\$ 896,068	\$ 18,942,292
1997	13,564,279	2,472,495	3,666,739	912,662	20,616,175
1998	14,146,702	2,578,822	3,294,145	927,595	20,947,264
1999	15,144,729	2,699,792	3,641,017	953,035	22,438,573
2000	17,859,295	3,053,854	3,942,356	956,182	25,811,687
2001	19,090,178	3,555,078	4,505,254	1,200,877	28,351,387
2002	22,548,974	3,662,369	5,798,169	1,223,132	33,232,644
2003	24,385,094	3,774,962	7,511,692	1,130,453	36,802,201
2004	27,601,682	3,786,457	8,465,117	1,348,128	41,201,384
2005	31,779,407	3,970,596	9,082,753	1,239,308	46,072,064

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

Fiscal Year	Total Adjusted Tax Levy (1)	Current Tax Collections (2)	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Collections to Total Adjusted Tax Levy	Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Adjusted Tax Levy
1996	\$ 12,509,727	\$ 12,396,546	99.1%	\$ 28,903	\$ 12,425,449	99.3%	\$ 70,384	0.6
1997	13,556,292	13,505,467	99.6	58,812	13,564,279	100.0	50,180	0.4
1998	14,182,933	14,120,813	99.6	25,889	14,146,702	99.7	51,382	0.4
1999	15,190,034	15,092,192	99.4	52,537	15,144,729	99.7	54,121	0.4
2000	17,895,909	17,726,195	99.1	133,100	17,859,295	99.8	78,280	0.4
2001	19,070,974	18,812,319	98.7	238,403	19,050,722	99.9	64,506	0.3
2002	22,462,744	22,349,036	99.5	50,084	22,399,120	99.7	75,426	0.3
2003	24,263,239	24,008,013	98.9	58,739	24,066,752	99.2	107,455	0.4
2004	27,585,317	26,620,437	96.5	350,144	26,970,581	97.8	128,979	0.5
2005	27,585,317	26,620,437	96.5	350,144	26,970,581	97.8	128,979	0.5

Notes

The table above depicts the City of Deerfield Beach's ad valorem taxes only. Delinquent tax collections are net of any penalties, interest and commissions. The total adjusted tax levy is equal to the total tax levy for a particular year less any discounts allowed for early payment and less any errors made in formulating the original levy.

- (1) Broward County assesses property valuations and collects all ad valorem taxes.
- (2) Current tax collections excludes tax increment revenues.
- (3) Delinquent taxes have been fully reserved and are not reported in the Basic Financial Statements.

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

Fiscal Year	Real Property	Personal Property	Total
1996	\$ 1,877,605,877	\$ 331,638,468	\$ 2,209,244,345
1997	1,972,523,060	330,590,786	2,303,113,846
1998	2,070,581,660	318,863,458	2,389,445,118
1999	2,239,964,380	325,605,676	2,565,570,056
2000	2,622,185,650	387,479,427	3,009,665,077
2001	2,803,935,200	414,770,412	3,218,705,612
2002	3,666,140,080	429,856,742	4,095,996,822
2003	4,131,258,720	445,649,267	4,576,907,987
2004	4,725,301,110	424,948,029	5,150,249,139
2005	6,860,658,070	431,527,907	7,292,185,977

State law requires full (100%) valuation. Therefore, the assessed value and estimated tax value are the same.

CITY OF DEERFIELD BEACH, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

MILLAGE RATES PER \$1,000 OF TAXABLE VALUE

<u>Fiscal Year</u>	<u>Deerfield Beach Operations</u>	<u>Deerfield Beach Debt</u>	<u>Broward County</u>	<u>School Board</u>	<u>North Broward Hospital District</u>	<u>S. Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>Total</u>
1996	5.3230	0.6630	8.1165	10.0477	2.4327	0.6470	0.0400	27.2699
1997	5.6144	0.6536	7.7524	9.9400	2.4200	0.6720	0.0380	27.0904
1998	5.6144	0.6134	7.8380	9.9745	2.4087	0.6970	0.0500	27.1960
1999	5.6541	0.5737	7.5710	9.7256	2.5000	0.6970	0.0470	26.7684
2000	5.6910	0.5368	7.5710	9.1283	2.4895	0.6970	0.0440	26.1576
2001	5.7166	0.5112	7.5250	8.9553	2.4803	0.6970	0.0410	25.9264
2002	6.3546	0.4960	7.4005	8.7541	2.4803	0.6970	0.0385	26.2210
2003	6.3819	0.4550	7.3650	8.8825	2.4803	0.6970	0.0385	26.3002
2004	6.5205	0.3096	7.0230	8.2695	2.4803	0.6970	0.0385	25.3384
2005	5.9949	0.5051	6.7830	8.0623	2.1746	0.6970	0.0385	24.2554

TAX LEVIES APPLICABLE TO DEERFIELD BEACH ASSESSED VALUE (in thousands)

<u>Fiscal Year</u>	<u>Deerfield Beach</u>	<u>Broward County</u>	<u>School Board</u>	<u>North Broward Hospital District</u>	<u>S. Florida Water Mgmt. District</u>	<u>Florida Inland Navigation District</u>	<u>Total</u>
1996	13,094	17,931	22,198	5,374	1,429	88	60,114
1997	14,212	17,566	22,522	5,483	1,523	86	61,392
1998	14,706	18,479	23,516	5,679	1,643	118	64,141
1999	15,747	19,136	24,582	6,319	1,762	119	67,665
2000	18,523	22,518	27,150	7,404	2,073	131	77,799
2001	19,774	23,893	28,435	7,875	2,213	130	82,320
2002	23,396	25,274	29,897	8,471	2,380	131	89,549
2003	25,195	27,142	32,734	9,140	2,569	142	96,922
2004	20,174	28,364	33,398	10,017	2,815	155	94,923
2005	24,022	32,260	38,344	10,342	3,315	183	108,466

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation for Fiscal 2005</u>	<u>Percentage</u>
1. Publix Supermarket	Food warehousing	\$ 58,902,640	.81
2. City National Bank of FL, Trustee	Banking	44,995,100	.62
3. Felcor/CSS Holdings LP	Hotel	35,627,240	.49
4. CP Deerfield LLC	Shopping Center	31,409,180	.43
5. SPTMRT Properties Trust	Condominium	26,293,410	.36
6. Security Capital Atlantic, Inc.	Apartments	25,129,260	.34
7. CMD Realty Investors	Office building	23,656,930	.32
8. FGI Financing I Corp.	Condominium	23,317,960	.32
9. Tivoli Lakes Club Investors	Apartments	21,513,900	.30
10. Quiet Waters Business Park LLC	Warehouses	<u>20,285,540</u>	<u>.28</u>
Total taxable assessed value of ten largest taxpayers		311,131,160	4.27
Total taxable assessed value of other taxpayers		<u>6,981,054,817</u>	<u>95.73</u>
Total taxable assessed value of all taxpayers		<u>\$ 7,292,185,977</u>	<u>100.00%</u>

CITY OF DEERFIELD BEACH, FLORIDA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Assessments Outstanding at Beginning of Fiscal Year	Net Assessments Made During Fiscal Year	Assessments Collected During Fiscal Year	Assessments Outstanding at End of Fiscal Year
1996	\$ 128,375	\$ 26,067	\$ 27,256	\$ 127,186
1997	127,186	31,067	32,608	125,645
1998	125,645	5,000	14,408	116,237
1999	116,237	5,000	4,838	116,399
2000	116,399	-	10,490	105,909
2001	105,909	-	8,919	96,990
2002	96,990	-	2,493	94,497
2003	94,497	-	4,497	90,000
2004	90,000	-	16,527	73,473
2005	73,473	-	6,689	66,784

CITY OF DEERFIELD BEACH, FLORIDA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita (A)	Ratio of Total Bonded Debt to Assessed Value	Total Net Bonded Debt Per Capita (B)
1996	48,974	\$ 2,209,244,345	\$ 12,555,000	\$ 212,039	\$12,342,961	0.56%	\$252	1.74%	\$786
1997	50,123	2,303,113,846	11,835,000	201,539	11,633,461	0.51	232	1.58	727
1998	50,213	2,389,445,118	11,085,000	114,039	10,970,961	0.46	218	1.38	657
1999	60,166	2,565,570,056	10,295,000	118,190	10,176,810	0.40	169	1.24	527
2000	61,671	3,009,665,077	19,443,847	125,174	19,318,674	0.64	313	1.27	620
2001	64,948	3,218,705,612	21,269,104	52,278	21,216,826	0.66	327	1.30	641
2002	65,500	4,095,996,822	20,215,364	-	20,215,364	0.50	309	1.01	629
2003	64,748	4,576,907,987	18,873,774	280,655	18,593,119	0.41	287	0.82	581
2004	74,304	5,150,249,139	33,482,219	282,391	33,199,828	0.64	447	1.22	846
2005	77,039	7,292,185,977	32,281,189	297,967	31,983,222	0.44	415	0.86	816

Note: Population estimates were obtained from the following sources:
1995 through 1996, 1998 - University of Florida, Bureau of Business and Economic Research
1997 - U.S. Bureau of the Census Official Estimate
1999 – City of Deerfield Beach, Planning and Growth Management Department
2000 - 2001 - Broward County Planning Department Estimate
2002 - University of Florida, Bureau of Business and Economic Research
2003 - 2005 – City of Deerfield Beach, Planning and Growth Management Department

(A) Net bonded debt per capita is equal to the direct general obligation bonded debt of the City divided by population.

(B) Total net bonded debt per capita is equal to the direct general obligation bond debt of the city plus the overlapping general obligation bond debt of the county and school district divided by population.

CITY OF DEERFIELD BEACH
 COMPUTATION OF LEGAL DEBT MARGIN
 SEPTEMBER 30, 2005

Assessed value of taxable property		<u>\$7,292,185,977</u>
Limit, 15% of assessed value		\$1,093,827,896
Amount of net applicable to debt limits:		
General Obligation Bonds, Series 2000	12,181,189	
General Obligation Bonds, Series 2003	<u>20,100,000</u>	<u>32,281,189</u>
LEGAL DEBT MARGIN		<u>\$1,061,546,707</u>

Authorization to issue and debt limit are established by the City Charter, as follows:

“The City is authorized to issue full faith and credit bonds only after same shall have been approved by a majority of votes cast in an election in which a majority of freeholders who are qualified electors residing in the City shall participate, as required by Section 12 of Article VII of the Constitution of Florida. Full faith and credit bonds of the City can be issued only if all full faith and credit bonds outstanding at the time together with the amounts of bonds proposed to be issued shall not exceed in the aggregate fifteen percentum (15%) of the assessed valuation of taxable property in the City at such time.”

CITY OF DEERFIELD BEACH, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures
1996	\$ 959,000	\$ 948,714	\$1,907,714	\$ 33,280,605	5.73%
1997	1,050,500	884,039	1,934,539	34,141,270	5.67
1998	1,167,500	833,271	2,000,771	38,191,027	5.24
1999	1,135,000	778,763	1,913,763	40,364,532	4.74
2000	1,195,000	720,553	1,915,553	47,449,490	4.04
2001	1,379,926	706,887	2,086,813	49,683,518	4.20
2002	1,458,740	696,630	2,155,370	53,014,695	4.07
2003	1,516,590	636,026	2,152,616	59,870,640	3.60
2004	1,251,555	1,192,675	2,444,230	67,178,470	3.64
2005	1,731,030	1,624,635	3,355,665	77,628,777	4.32

CITY OF DEERFIELD BEACH, FLORIDA
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 GENERAL OBLIGATION BONDS
 SEPTEMBER 30, 2005

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Deerfield Beach	Amount Applicable to City of Deerfield Beach
<i>Direct Debt:</i>			
City of Deerfield Beach	\$ 32,281,189	100.00%	\$ 32,281,189
<i>Overlapping Debt:</i>			
Broward County	607,815,602	6.32%*	38,413,946
Broward School District	<u>79,088,067</u>	6.32%*	<u>4,998,366</u>
	<u>686,903,669</u>		<u>43,412,312</u>
 Total	 <u>\$ 719,184,858</u>		 <u>\$ 75,693,501</u>

* Ratio of taxable assessed value in the City of Deerfield Beach to total Broward County assessed value.

CITY OF DEERFIELD BEACH, FLORIDA
WATER AND SEWER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	<u>Debt Service Requirements</u>			Coverage
				Escrow or Principal	Interest	Total (C)	
1996	\$ 12,383,762	\$ 7,928,620	\$ 4,455,142	\$ 930,000	\$ 713,561	\$ 1,643,561	2.71
1997	12,674,544	8,507,678	4,166,866	980,000	665,009	1,645,009	2.53
1998	13,474,187	8,478,960	4,995,227	1,035,000	611,896	1,646,896	3.03
1999	14,646,659	8,861,837	5,784,822	1,090,000	553,809	1,643,809	3.52
2000	16,269,400	8,009,955	8,259,445	1,155,000	491,154	1,646,154	5.02
2001	17,014,773	8,915,308	8,099,465	1,225,000	422,994	1,647,994	4.91
2002	17,466,593	9,359,920	8,106,673	1,275,000	368,418	1,643,418	4.93
2003	18,672,822	9,700,131	8,972,691	1,355,000	290,325	1,645,325	5.45
2004	19,126,884	10,368,745	8,758,139	1,440,000	207,331	1,647,331	5.32
2005	19,352,251	12,529,261	6,822,990	1,525,000	119,130	1,644,130	4.15

- A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings. For fiscal years before 1993, gross revenue does not include that portion of investment earnings earned by the treasury bonds that were held in the sinking fund for payment of the term bonds, which are now defeased, that mature on April 1, 2008.
- B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.
- C) The debt service requirement for the water and sewer revenue bonds is set forth in the bond resolution which authorized the issuance of the Water and Sewer Refunding Revenue Bonds, Series 1984, as supplemented and amended by the bond resolutions passed in conjunction with the issuance of the Water and Sewer Refunding and Improvement Revenue Bonds, Series 1992.

CITY OF DEERFIELD BEACH
DEMOGRAPHICS STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(A) <u>Population</u>	(B) <u>Per Capita Income</u>	(B) <u>Median Age</u>	(C) <u>School Enrollment</u>	(D) <u>Unemployment Rate</u>
1996	48,974	26,752	39.5	6,203	4.8
1997	50,123	27,661	39.5	6,738	4.7
1998	50,213	28,546	39.5	7,178	4.6
1999	60,166	29,442	39.5	7,345	3.8
2000	61,671	29,409	39.5	7,007	3.7
2001	64,948	30,702	39.5	7,023	3.6
2002	65,500	31,785	37.7	7,534	5.9
2003	64,748	32,844	38.6	7,253	5.1
2004	74,304	Not available	38.1	7,138	4.5
2005	77,039	Not available	38.5	8,583	3.5

A) Source: City of Deerfield Beach Planning and Growth Management Department Estimate for 1999, 2000, 2004 and 2005. Population estimates from 1994 through 1996 and 1998 as well as 2001, 2002 and 2003 were obtained from the University of Florida, Bureau of Economic and Business Research. The 1997 population is from the US Bureau of the Census.

B) Source: University of Florida, Bureau of Business and Economic Research - for Broward County.

C) Source: School Board of Broward County.

D) Source: Florida Bureau of Labor Market Information.

CITY OF DEERFIELD BEACH, FLORIDA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	(A) Property Value	(B) Commercial Construction		(B) Residential Construction		Building Permits		(C) Bank Deposits
	Assessed Property Value (A)	Number of Units	Value*	Number of Units	Value*	Number of Permits	Value*	Total Deposits*
1996	2,209,244	353	19,017	1,320	13,033	5,524	63,411	\$ 7,161,930
1997	2,303,114	302	23,333	595	77,075	7,601	100,407	6,410,425
1998	2,389,445	498	106,951	687	21,803	8,264	178,019	8,873,818
1999	2,565,570	128	23,185	353	32,534	8,737	108,075	7,093,748
2000	3,009,665	533	26,740	548	17,890	7,809	73,049	7,319,000
2001	3,218,706	501	39,910	593	3,711	5,851	78,064	7,841,000
2002	4,095,997	270	55,182	296	8,194	10,985	94,019	8,632,000
2003	4,576,908	290	25,128	470	14,152	13,311	76,740	8,983,000
2004	5,150,249	302	54,395	359	8,763	9,564	100,977	9,463,000
2005	7,292,186	480	50,092	1,046	14,091	11,300	99,324	9,975,000

*Amounts expressed in thousands

A) Source: Broward County Property Appraiser - Assessed value of all real and personal property, before exemptions, as of January 1st of current fiscal year.

B) Source: City of Deerfield Beach Building Department.

C) Source: Florida Bankers Association.

CITY OF DEERFIELD BEACH, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2005

Date of incorporation	June 11, 1925
Date first charter adopted	1925
Date present charter adopted	1975
Form of government	Mayor/Commission
Area	16.4 square miles
Miles of streets and alleys:	
Paved	146.6
Sidewalks	133.8
Miles of sewers:	
Storm	28.96
Sanitary	133.66
Force mains	37.91
Building permits issued:	11,300
Value of buildings permitted:	99,324,063
Fire protection:	
Number of stations	4
Number of employees	140
Municipal water department:	
Number of meters	12,776
Number of units	33,017
Plant capacity	34,800,000 gallons per day
Recreation:	
Number of parks	22
Public beach	5,700 feet
Municipal pier	920 feet
Education:	
Number of public schools	7
Number of teachers	575
Number of students	8,583
Employees	569