



CITY OF MIRAMAR, FL

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

2300 Civic Center Place, Miramar, Florida 33025



City of Miramar, Florida
Comprehensive Annual Financial Report
For the Year Ended September 30, 2010

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ABOUT THE COVER

The 3,150 sq. ft. Miramar Community Garden located at Fairway Park, is the first demonstration “micro farming system” in Broward County; an environmentally and economically sustainable system that creates a network of healthy food sources of naturally grown vegetables and fruits, a social network for garden volunteers to learn about the urban agricultural industry and the opportunity for vocational training.

PHOTO CREDIT: Mark James, Finance Department

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City of Miramar
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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President

Executive Director

City of Miramar, Florida

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INTRODUCTORY SECTION



CITY OF MIRAMAR
An Equal Opportunity Employer

Mayor

Lori C. Moseley

City Commission

Winston F. Barnes

Yvonne Garth

Troy R. Samuels

Barbara Sharief

***"We're at the
Center of Everything"***

FINANCE DEPARTMENT

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Miramar, Florida 33025

Phone (954) 602-3028
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March 21, 2011

The Honorable Mayor and
Members of the City Commission
City of Miramar
2300 Civic Center Place
Miramar, Florida 33025

Dear Mayor and City Commissioners:

The City of Miramar, Florida, hereby submits the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2010 in accordance with both local ordinances and state statutes. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability and transparency to our citizens by:

- Assessing financial condition and results of operations;
- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

The City of Miramar's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Miramar for the fiscal year ended September 30, 2010, are free of material misstatement. The 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 has issued an unqualified opinion for the City of Miramar's financial statements for the fiscal year ended September 30, 2010. The independent auditors' report is located at the front of the financial section of this report.

The CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) which requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A and it is designed to complement the MD&A, which can be found immediately following the independent auditors' report.

PROFILE OF THE CITY

The Legislature of the State of Florida created the City of Miramar in 1955. Miramar resides within Broward County, the second most populated county in the State, occupying approximately 31.5 square miles in the southwestern portion of the County. The population in Miramar has grown to 112,552 residents. Since the year 1999, the City's population has increased 50%. It is anticipated that over the next few years the rate of growth will level off.

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

The City operates under a Commission/Manager form of government. Policymaking and legislative authority are vested in the governing commission, which consists of a Mayor, Vice-Mayor and three Commissioners. The City Commission is vested with policy-setting authority, adopting the annual budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments with the concurrence of the City Commission, submitting the proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.

Miramar provides a full range of services including police and fire rescue protection; the construction and maintenance of streets and other infrastructure; recreational activities; social services and cultural events. Water services are provided by two water treatment plants located in the east and west portions of the City. Wastewater services are provided by our state of the art Waste Water Reclamation Facility, which treats sewage and then recycles the used water for irrigation purposes. Wastewater services in certain portions of eastern Miramar are provided through a contract with the City of Hollywood. A franchise contractor provides the City's sanitation services.

The foundation of the City's financial planning and control is the Annual Operating and Capital Improvement Budget. Prior to July 10, the City Manager presents the proposed budget to the City Commission. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (e.g., Human Resources, Police, Fire Rescue, etc.) and division. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

ECONOMIC CONDITION AND OUTLOOK

The continuous growth over the past few years, in both residential and commercial development, is still continuing in the City of Miramar though at a much slower pace. Miramar is currently the 15th largest city in Florida. With a 50% increase in population from 1999, Miramar has grown from a bedroom community to one of the Country's fastest growing municipalities in the country.

The availability of large vacant tracts of land has been the catalyst for much of the City's current and projected development potential. Miramar is centrally located equidistant from the Miami and Fort Lauderdale metropolitan areas. Thus Miramar is strategically positioned to benefit from the robust economic activity attracted to these major business centers. Miramar is connected to these metropolitan areas with access to major regional transportation routes, particularly Interstate 75 and the Florida Turnpike. These major transportation arteries provide the most central location in South Florida for industry to have access to the two major airports, the two seaports, as well as the major business centers in Miami-Dade, Broward and Palm Beach Counties.

The City of Miramar has long been a preferred locale for major corporations and Fortune 500 companies to call home. Miramar has achieved the status of being amongst the most desirable corporate and business centers in South Florida in part due to its prime location and because highly skilled and professional workforce resides here. Better than a third of Miramar's residents have a bachelor's degree or higher and their average household income ranks among the highest locally and statewide. Companies that are a prominent part of Miramar include American Express, AT&T Broadband, Caremark, NBC6/Telemundo, Spirit Airlines, Clear Channel, Royal Caribbean Cruise Lines, Carnival Corporation, Mattel, Honeywell International, FedEx, Trane Air Conditioning and USA Today. Miramar businesses employ over 41,000 employees, and have more Fortune 500 companies than any other city in South Florida.

MAJOR INITIATIVES

The City of Miramar is in sound financial condition. We are fortunate to have taken a fiscally conservative approach to management of the City's growth and resources. With the adherence to the Business Plan, the City remains strong. Great strides were made in the past few years in our Capital Improvement Program. The City's rapid growth has required us to "catch-up" with our public facilities and services. Facility renovation, park expansion, and equipment replacement are scheduled for completion within the City's Capital Improvement Plan. The Business Plan and the Capital Improvement Plan are integral parts of the City's long-term financial planning.

CIP Accomplishments and Initiatives for this year are outlined below indicating both the challenges and opportunities related to the growth and development currently taking place within the City.

- **Historic Miramar Redevelopment** - A major priority in preserving and upgrading the historical areas of the City is evidenced with approximately \$10 million of dedicated economic development project initiatives that will enhance and improve this areas viability. Significant underground utilities infrastructure improvements were completed during the Historical Miramar Infrastructure Improvements Project, Phase I, which was completed in 2007. A major goal of this project was to make central sewer service available to residents and businesses. Residents decommissioned their private septic tanks and connected to the new sewer system. In addition, Phase I project area residents are currently enjoying enhanced water service, better fire and flood protection, newly paved roadways and new landscaping (sod) along rights-of-way. In 2010 and 2011, these improved services will be extended during Historic Miramar Infrastructure Improvements, Phase 2.

Through the Historic Miramar Fire Hydrant and Lines Improvements Project, larger sized water lines were installed to accommodate greater volume to support additional fire hydrants. Benefits include a higher level of water service and fire protection to Miramar residents. Construction between SW 64th Avenue and SW 68th Avenue was completed in 2008. Design of the next phase will further extend needed water main improvements to the area bounded east-west by SW 68th Avenue and Utopia Drive, and north-south by Pembroke Road and Harbour Boulevard. The project scope includes the installation of new water distribution pipes to replace old undersized and/or asbestos-cement pipes to provide greater water volume and pressure to residents. New water service connections will be installed to replace old

service lines. In addition, fire protection capabilities will be enhanced with the installation of new fire hydrants within the project area. The project will be constructed in phases and continues through 2014.

- **West Water Treatment Plant (West WTP) Expansion** – The City is in the process of expanding the treatment capacity of the West WTP by 2.5 million gallons per day (MGD) in order to supply the anticipated City demand for potable water. Due to policy changes implemented by the South Florida Water Management District in 2007, the expanded use of the Biscayne Aquifer for meeting future water supply needs will not be allowed. As a result, the City has received authorization to draw additional water from the deeper and brackish Floridian Aquifer. The brackish quality of this water has required the installation of Reverse Osmosis (RO) treatment units at the West WTP. The construction of the RO units began in 2009 and was completed in 2010.
- **Wastewater Reclamation Facility (WWRF) Expansion** – The permit capacity of the WWRF was re-rated to 8.4 MGD in 2007. Based on a forecast impact analysis of all future residential, industrial, retail, and commercial developments conducted in 2006, it was determined that the WWRF needed to be able to treat an additional 2.0 MGD. In 2009, construction of the 2.0 MGD expansion project broke ground. The expansion includes additional treatment units as well as a 2.0 MGD increase in reuse system production capacity. Construction of these facilities will be completed in 2011 and allow the treatment of 10.4 MGD of wastewater and the production of 4.0 MGD of high quality reuse water for irrigating residential, commercial and public green spaces. The City has been able to offset the cost of the reuse system expansion through grant funds.
- **Economic Development** – The past fiscal year saw a continuance of slow economic recovery in all sectors. On the non-residential side, conditions favor tenants, with owners, landlords, and management companies providing concessions to attract and retain businesses. Major indicators (vacancy rate, space absorption, and lease rates) for the greater Miramar market area have generally been comparable to other South Florida market areas.

More positively, the City has not had any large building spaces come on line that would add to the inventory, cause a spike in vacancies and further delay recovery. The residential market experienced additional declines in pricing as foreclosures continued to have an effect. Longer term, generally favorable conditions such as high inventory levels, low prices and low mortgage rates should lead to greater stability and improvement.

To offset the economic conditions, the City has implemented various revitalization and redevelopment programs. With the assistance of numerous federal and state grants, the following assistance has been provided to residents and businesses:

Commercial Rehabilitation - To date, thirteen businesses have made a total of \$2.3 million in improvements, leveraging \$1.1 million in grant funds. An additional seven applications are at various stages in the approval or pre-construction process.

Residential Utility Connection - Since 2007 and completion of various infrastructure improvement projects, the City has provided approximately \$77,400 in loans and \$165,780 in grant funding to residents to connect their properties to the City's sanitary sewer system. Through these efforts, a total of 459 residences have connected their properties in Historic Miramar North and South projects, and 80 residences have connected in Tropical Valley Phase IV.

Neighborhood Stabilization Program (NSP) - During 2009 and into 2010, the City has been implementing its NSP program, which assists low, moderate and middle income residents with the purchase and rehabilitation of foreclosed homes. The program was expanded to include an acquisition and resale strategy with a goal of approximately 27 homes. The estimated total number of households to be served is seventy.

- **Vizcaya Park** – Development of this park commenced in 2009 with the clearing of the land and construction of required infrastructure. The parking lot was completed, including the installation of lights. The next development phase will consist of the construction of a soccer/football field, two basketball courts, two pavilions, playground, 7,660 sq. ft. community center and all associated landscaping and irrigation systems which will proceed during 2011. Vizcaya Park is located in an area of the City that was developed in the last 10-15 years and has been identified as an area that is currently underserved by park and recreation facilities. Construction of this park meets the requirements for open space and is in line with our comprehensive plan.
- **Everglades High School Baseball Field Lighting** – The City of Miramar and the Broward County School Board entered into an agreement to equally share in the costs of baseball field upgrades at Everglades High School. The main improvement would be the installation of sports lighting for both the baseball and softball fields. The sports lighting was completed in April 2010; and also included lighting a small football practice area adjacent to the baseball field. A double batting cage was completed earlier in the year.
- **The Miramar Community Garden** - The 3,150 sq. ft. Miramar Community Garden at Fairway Park is a project championed by Miramar Mayor Lori C. Moseley. Unlike a typical community garden, it is a micro-urban farm where people can learn about the sources of fresh produce, receive vocational training in sustainable agriculture, learn about healthy living and the importance of environmental stewardship. Donations are integral to the success of the community garden, which is run by resident-volunteers and friends of the City working together to make the world a little greener.

MIRAMAR TOWN CENTER UPDATE

The vision for Miramar Town Center (MTC) is to be the community and cultural heart of the City that offers a dynamic mix of residential, retail, recreational, educational, cultural, and civic uses and activities. With the build-out and success of the 14-acre public parcel at Miramar Town Center, which includes City Hall, the Miramar Cultural Center Arts Park, the Miramar Educational Center and Central Station, efforts in FY2010 and 2011 concentrated on initiating development of the un-built portions of the 40-acre private parcel. In this regard, the City worked diligently with the property owners, developers and joint venture partners to develop the private portions of Miramar Town Center and to amend the master development agreement to adequately address new market conditions. Various beautification improvements were made to the property including painting of the parking garage, installation of landscape buffers and improved signage, which have resulted in increased development and leasing interest at the Town Center.

Several civic facilities at Miramar Town Center (MTC) celebrated their first year of operation in FY2010; namely Miramar Cultural Center Arts Park, Miramar Education Center and Miramar Central Station. These facilities offer a wide variety of services, programs, events and activities for people of all ages to enjoy in one central and easily accessible location.

Miramar Cultural Center/Arts Park

The Miramar Cultural Center/Arts Park hit the ground running during its first year of operation. The Cultural Center theatre held numerous performances ranging from operas like *Carmen* and *La Boheme*; to the *Golden Dragon's* acrobatic display; to *The Family Fun Series*, which included *School House Rock*, *Cinderella*, *Junie B. Jones* and *The Little Engine That Could* performances for kids. The Center achieved national exposure when it became the site of the exclusive screening of CNN's "Latinos in America" series, which included a panel discussion moderated by CNN Anchor Rick Sanchez.

The Ansin Family Art Gallery held an exhibition of internationally renowned artists Pablo Picasso and Carlos Luna in "Shared Passions and Shared Themes". "Power Revealed" was another significant exhibit that showcased art and artifacts depicting concepts of power from the rich cultural heritage of Africa. Adjoining the Gallery, the elegant banquet facility has proven to be a favorite for residents and businesses to host their professionally catered events and conferences.

Miramar Cultural Center/Arts Park was created to celebrate creativity and diversity within the City. This landmark is a vibrant cultural destination located in the heart of MTC. The Cultural Center is home to an 814-seat theater, two art galleries, a full-service kitchen, three banquet room facilities, rehearsal halls, classrooms and a botanical garden.

Miramar Education Center

The Miramar Educational Center's first floor houses a Broward County Community Library that contains a collection of 100,000 items, multi-purpose rooms, tutoring rooms and conference space. Aside from checking out books, magazines, DVD's and CD's, the Library offers a full-service Wi-Fi computer lab with many of the latest software packages. Residents can also complete voter registration forms, purchase bus passes, obtain prescription discount cards and request materials from other libraries via the inter-library loan program. Programs and activities for adults and youth are also held including book reviews, health and wellness discussions, arts and crafts programs and movie screenings.

The Center's second floor is the home of Broward College's (BC) third satellite campus, which offers an Associate in Science degree in Air Traffic Control and general education courses. Nova-Southeastern University's (NSU) satellite facility is on the third floor and offers graduate-level business programs, practical non-degree business courses, as well as education curriculum courses. Both BC and NSU have had successful first years as evidenced by their enrollment estimates either being met or surpassed.

MTC Central Station

MTC Central Station Transit Hub celebrated its first year of operation in FY2010. Central Station serves as a main hub and transfer point for the Miramar Shuttle. Broward County Transit (BCT) commenced operating its first mass-transit route (#28) in January 2010, thus solidifying the facility's truly regional reach. Unfortunately, this route was discontinued later in the year due to budget cuts. Continued efforts by the City Commission and staff to reinstitute service successfully resulted in the launch of the I-95 Express Bus Service in January 2011. The I-95 Express Bus runs from MTC Central Station to the Miami Civic Center, the various area hospitals and downtown Miami. At the same instance, BCT commenced service from the Town Center for route #5, which runs from Pembroke Lakes Mall to Hallandale Beach City Hall via Pembroke Road. It is anticipated that a stop at MTC for the popular route #28 will be reestablished in the near future.

Central Station offers patrons air-conditioned/covered waiting areas, a customer service booth, bike racks and restrooms. City Hall, the Cultural Center/Arts Park and Miramar Education Center are within 300 feet from this facility.

MTC Residential

In a historic first, Miramar Town Center welcomed live-in residents! The developer, Rock-Kim, rapidly leased all of the 17 residential units on Block 4B in a matter of weeks during summer 2010.

GSA Lease

Interior build-out construction is well underway for the long-term lease executed by General Services Administration (GSA) for the United States Customs and Border Protection (CBP). CBP will occupy the entire fourth floor of the office portion of the first privately developed office-retail-residential phase of Town Center. Completion is anticipated for the summer of 2011.

Miramar Town Center is already home to some of the most unique, exciting and versatile facilities in southwest Broward County and continues to steadfastly grow into a major government, education, cultural, community and entertainment destination. These latest recalibrations are expected to help spur private development and bring forward the completion of the Miramar Town Center vision. The best is yet to come!

FOR THE FUTURE

Over the last few years, the City has seen significant reductions in its ad valorem revenue. This is as a result of restrictions on property tax increases imposed on Florida's local governments by the State legislature and the effects of the real estate collapse. The continued decrease in property values has reduced the City's tax base to approximately fiscal 2006 levels. This reduction coupled with the economic recession has required that the City of Miramar carefully plan its financial and economic future. Through careful comprehensive planning, the City has diligently provided the physical public facilities necessary to accommodate its recent population explosion. In order to continue to operate these facilities for our residents, and provide on-going essential services, we must address these significant revenue deficiencies. Ongoing initiatives in regard to restructuring and refinement of the City's programs, processes and personnel resources must be continued so that the City will be able to provide vital services to the residents and business community while keeping the growth of the budget in check.

BUSINESS PLAN

The City's Business Plan, includes revenue and expenditure projections as well as intended outcomes and the initiatives engaged to meet those outcomes in order to accomplish long-term financial stability for Miramar. The Plan serves as a guide to financial and growth management strategies that will lead Miramar to maturity. The Business Plan is continuously reviewed for improvement, including updated financial projections and examination of the Plan's intended outcomes and initiatives. Current intended outcomes and initiatives include:

- Encourage commercial, industrial and office development of at least 500,000 square feet annually in order to add 5 million square feet of such development with Miramar at maturity. Since last year, total industrial square footage increased 850,000 while commercial increased 82,000.
- Control labor and other operating costs.
- Maintain control of pension costs – limit benefits/limit City contributions. A second tier was added to the police pension plan last year and the concept is being studied for the City's other pension plans.
- Develop and adopt a Five Year Employee Attrition Plan.

- Continue Workforce Resource Allocation.
- Maintain pay-as-you-go capital equipment acquisition, if not possible, limit financing to three years.
- Continue to alleviate the tax burden for all residents and businesses in Miramar.

FINANCIAL MANAGEMENT

Accounting and Internal Control

Management of the City of Miramar is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States (GAAP). In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Single Audit

As recipient of federal, state, county and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. As a part of the City's Single Audit, tests were made to determine the adequacy of the City's internal controls and its compliance with applicable laws and regulations, including those related to federal assistance programs. Reported within the Compliance section of the CAFR are the schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and auditor's reports on the schedule, internal control and compliance with applicable laws and regulations.

Budgetary Controls

Budgetary controls are maintained by the City to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund, and Capital Project Funds are included in the annual appropriated budget. A non-appropriated operating budget is adopted for the Enterprise Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriations lapse at year-end. However, encumbrances relating to Capital Projects are generally re-appropriated as part of the following year's budget. Budget-to-actual comparisons demonstrate how the actual expenditures compare to both the original and final revised budgets.

Administrative budget transfers may occur upon approval of the City Manager as long as the final fund budget is not increased. Budget amendments are submitted quarterly, or as needed, to the Commission for their consideration.

FINANCIAL POLICIES

Fund Balance Policy

The City early implemented Governmental Accounting and Financial Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* as part of the budget adoption for Fiscal Year 2010-2011. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as Committed can only be used for specific purposes determined by formal action of the City Commission through an ordinance or a resolution. Commitments may be changed or lifted only by the City Commission through formal action. Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds shall be expressed by the City Commission or may be delegated to the City Manager. Unassigned fund balance can be viewed as the net resources available at the end of the fiscal year.

On September 13, 2010, the City Commission adopted Resolution No. 10-206 establishing a policy to maintain reservations of Fund Balance. The following reservations were established for the General Fund:

- Committed Fund Balance - a stabilization reserve was established equal to 12% of the City’s General Fund budget in order to ensure that the City has sufficient cash flow and available financial resources to meet future economic demands and unanticipated situations.
- Assigned Fund Balance – two reserves were established.
 - Emergency Preparedness - to provide the resources necessary to ensure continued operations and maintenance of services to the public during an emergency situation.
 - Police Headquarters – to provide funding for the future construction of a police headquarters building.

Debt Administration

The City is limited to incurring indebtedness for general obligation bonds until and unless approved by a majority vote of the electors of the City in a referendum election. The City Commission shall approve by majority vote any financing mechanism other than general obligation bonds. The City does not currently have any general obligation bonded debt or a legal debt limit.

Cash Management Policies and Practices

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and to obtain the highest possible yields consistent with restraints imposed by Florida Statutes and City policies.

The City has adopted a written comprehensive investment policy to safeguard against the loss of its assets. The City’s investment program is established in accordance with the City’s investment policy, which was adopted by ordinance by the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment

Policies), which establishes investment plan guidelines for local governments in Florida. The City's investment guidelines permit investment in U.S. Government Obligations, U.S. Government Sponsored Agency obligations, repurchase agreements, time deposits/certificates of deposits and prime commercial paper.

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

Risk Management

The City is exposed to various risks and losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has a comprehensive risk management program that consolidates the City's property, liability (except for public officials which is separately covered), automobile physical damage, workers' compensation, crime exposures, claims administration, loss control and consulting services into one package. This program provides for a self-insurance loss fund which provides for various self-insurance retention levels and utilization of specific excess insurance coverage.

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miramar, for its comprehensive annual financial report for the fiscal year ended September 30, 2009. This was the twenty-second year that the City of Miramar has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a FY10 certificate.

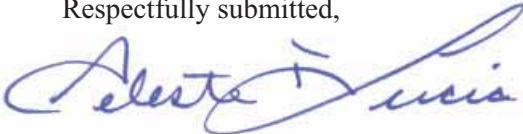
In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual budget for nineteen consecutive years.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated efforts of the entire staff of the Finance Department. Special thanks must be given to Mary Hayen, Barbara Hastings, Ian Thomas, Ian Evans-Smith, Winsome Freeman, Noemy Sandoval and Donna Cousins for their dedication in the development and preparation of this document. Our appreciation is also extended to Karen Livernois, David Goldman, Bibi Shairmohamad and Barbara McClary for providing support in the preparation of this report and to our auditors, Marcum LLP, for their guidance and assistance.

We believe that this report clearly illustrates the strong financial position of the City of Miramar. We wish to take this opportunity to express our sincere appreciation to the Mayor, Vice Mayor, Commissioners, Department Directors and the citizens of Miramar for their cooperation and assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Celeste D. Lucia, CPA, CGFO
Finance Director

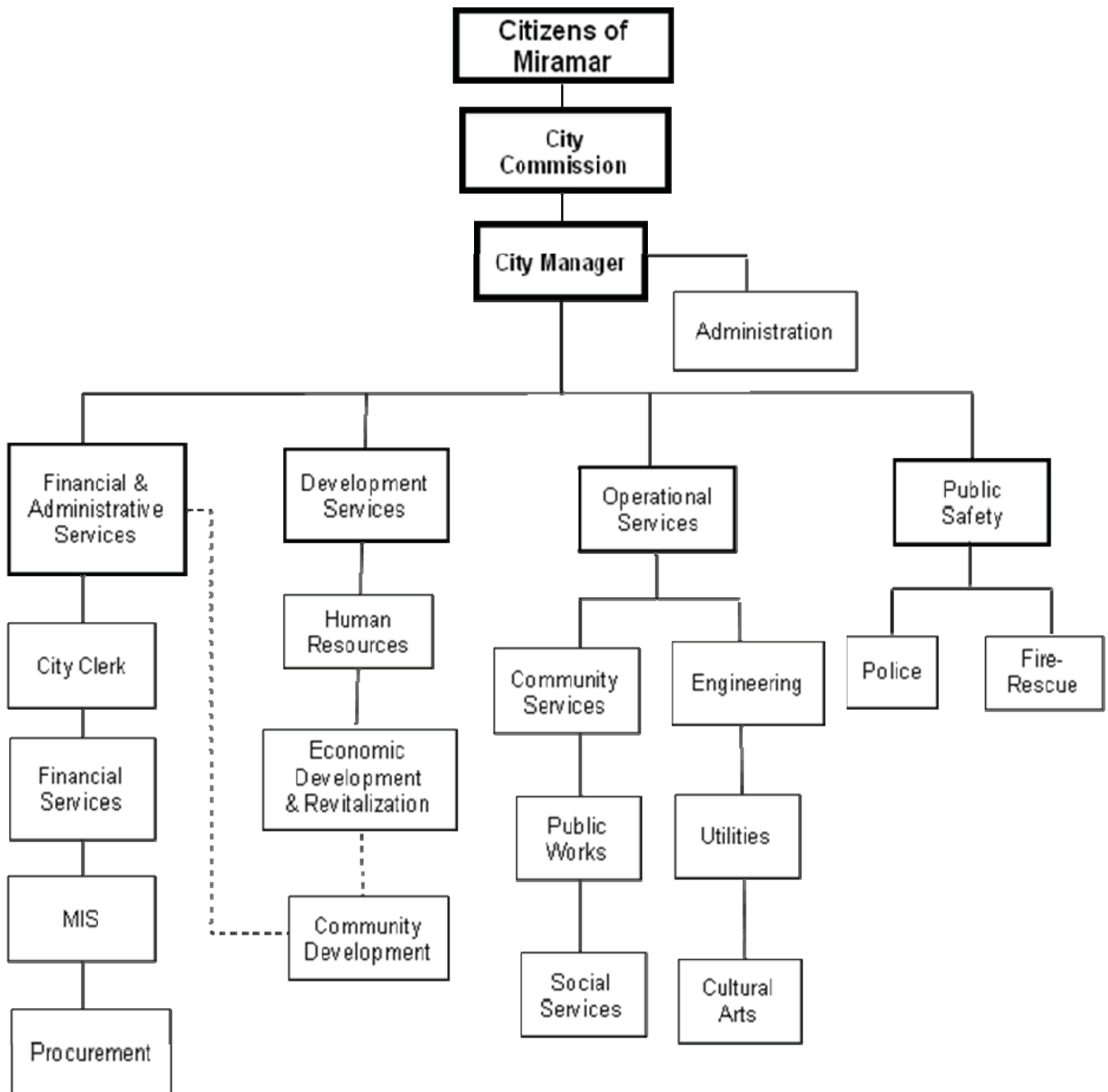


Donald J. Waldron
Assistant City Manager – Administrative Services



Robert A. Payton
City Manager

City of Miramar
Organization Structure
 September 30, 2010



The City of Miramar is structured into four (4) organizations units which group operating departments providing similar services. Each department is further broken down by programs and accounting divisions.

City of Miramar
List of Elected and Appointed Officials
September 30, 2010

Title	Name
Mayor	Lori C. Moseley
Vice Mayor	Barbara Shareif
Commissioner	Winston F. Barnes
Commissioner	Yvonne A. Garth
Commissioner	Troy R. Samuels
City Manager	Robert A. Payton
Assistant City Managers	Donald J. Waldron
	Vernon E. Hargray
	Wazir A. Ishmael
Director of Public Safety	Melvin D. Standley
Director of Finance	Celeste D. Lucia
Director of Social Services	Marva A. Graham
Director of Public Works	Thomas Good
Director of Utilities	Hong Guo
Director of Community Services	Terrence E. Griffin
Fire Rescue/Chief	Fred Kunz
City Clerk	Yvette M. McLeary
Director of Human Resources	Natasha Hampton
Director of Information Services	Richard Peterson
Chief of Police	Keith F. Dunn
Director of Engineering	Luis A. Lopez
Director of Economic Development & Revitalization	Gustavo Zambrano
Director of Community Development	Harold Zombek

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager
City of Miramar, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Miramar, Florida (the City), as of and for the year ended September 30, 2010, 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 Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans, which represents 74.8% and 43.8%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans, are based solely upon the reports of 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 Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2010, 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.

As more fully described in Note 2c, the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the presentation of the fund balances in the governmental funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Information on pages 3 through 20 and 90 through 94 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Marcum LLP

Fort Lauderdale, FL
March 21, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Miramar, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i through xi of this report, as well as the financial statements and notes to financial statements that follow. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at September 30, 2010, by \$467.1 million (net assets). Of this amount, \$49.1 million may be used to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2010, the City's net assets increased by \$5.61 million. This net increase is largely attributable to an increase in operating grants and contributions compared to the prior year.
- The City's business-type activities reported total net assets of \$287.6 million, which is a \$1.1 million decrease, after the prior period adjustment, or 0.37%, in comparison to the prior year. The unrestricted net assets reflect a balance of \$8.6 million. The total unrestricted net asset decrease of \$2.4 million is primarily a result of an increase in charges for services as well as a decrease in overall expenses.
- At the end of the fiscal year, the General Fund reported a fund balance of \$51.0 million, which is an increase of \$5.2 million over the prior year due to not filling vacant positions and tighter expenditure controls. Of this balance, \$18.0 million is unassigned.
- Overall the City's financial position has improved from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following 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.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Government-wide Financial Statements

The *government-wide* financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. The City's government-wide financial statements include the statement of net assets and statement of activities.

The *Statement of Net Assets* presents information on all of the assets held and liabilities owed by the City, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. 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. Accordingly, revenues are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, community services and social services. The business-type activities include water and wastewater, cultural arts and early childhood where the fee for service typically covers all or most of the cost of operations and depreciation.

The City's government-wide financial statements are presented on pages 21-22 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the 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 the comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. The City presents data from all other governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for all the governmental funds to demonstrate compliance with the funds' budgets.

The City's governmental fund financial statements are presented on pages 23-26.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in fund net assets and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles and self-insurance/benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has three Enterprise Funds—the Utility Fund and the Cultural Arts Fund, both of which are major funds, and the Early Childhood Fund. The Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 27-32.

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's own programs. Fiduciary financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

The City's fiduciary fund financial statements are presented on pages 33-34.

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 35-89.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Required supplementary information can be found on pages 90-94.

Combining statements referred to earlier in connection with non-major governmental funds are presented immediately following RSI and can be found on pages 95-102 of this report.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal year 2010 Statement of Net Assets found on page 22 with comparative information for fiscal year 2009.

CITY OF MIRAMAR, FLORIDA
Net Assets (in thousands)
FISCAL YEARS 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009*	2010	2009*	2010	2009*
Current and other assets	\$ 95,321	\$ 90,352	\$ 39,685	\$ 60,637	\$ 135,006	\$ 150,989
Capital assets	226,493	228,428	331,955	322,933	558,448	551,361
Total assets	\$ 321,814	\$ 318,780	\$ 371,640	\$ 383,570	\$ 693,454	\$ 702,350
Long-term liabilities outstanding	\$ 132,176	\$ 131,441	\$ 77,145	\$ 78,320	\$ 209,321	\$ 209,761
Other liabilities	10,131	14,499	6,932	16,630	17,063	31,129
Total liabilities	\$ 142,307	\$ 145,940	\$ 84,077	\$ 94,950	\$ 226,384	\$ 240,890
Net assets:						
Invested in capital assets, net of related debt	\$ 122,562	\$ 124,078	\$ 265,090	\$ 263,487	\$ 387,652	\$ 387,565
Restricted	16,426	11,717	13,896	14,089	30,322	25,806
Unrestricted	40,519	37,045	8,577	11,044	49,096	48,089
Total net assets	\$ 179,507	\$ 172,840	\$ 287,563	\$ 288,620	\$ 467,070	\$ 461,460

*As restated

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

The overall position of the City improved in both fiscal year 2010 and 2009. Changes in net assets over time can be one of the best and most useful indicators of financial health. The total net assets of the City increased by approximately \$5.6 million, or approximately 1.2%, from \$461.5 million in 2009, to \$467.1 million in 2010. The increase in net assets was primarily a result of a \$13.5 million increase in operating grants and contributions related to the Urban Area Securities Initiative and the Neighborhood Stabilization Program offset by a \$6.1 million increase to expenses primarily resulting from the same grant programs.

At the end of the fiscal year, the City reported positive balances in all categories of net assets for both the governmental and business-type activities.

By far, the largest portion of the City's net assets (83.0%) reflect its investment in capital assets (such as land, roads, parks, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. Although the capital assets are shown net of 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 and pay for these liabilities.

The portion of net assets invested in capital assets as related to total net assets has decreased to 83.0% in 2010 from 84.0% in 2009. The small decrease is due to decreased acquisition of capital items. The total dollars invested in capital assets, net of related debt was a decrease of \$1.5 million or 1.2% for the Governmental Activities and an increase of \$1.6 million or 0.6% for the Business-type Activities.

An additional portion of the City's net assets (6.5%) represents resources that are subject to external restrictions on how they may be used. The balance in restricted net assets had a net increase of \$4.5 million from \$25.8 million in 2009 to \$30.3 million in 2010. The net increase is due to an increase in the amount required to fulfill debt service requirements.

The 2010 balance in unrestricted net assets of \$49.1 million, increased by \$1.0 million or 0.02% from the prior year. This balance of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

The following schedule is a summary of the fiscal year 2010 Statement of Activities found on page 22 with comparative information for fiscal year 2009.

CITY OF MIRAMAR, FLORIDA Changes in Net Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009*	2010	2009*	2010	2009*
Revenues:						
Program revenues:						
Charges for services	\$ 23,620	\$ 23,121	\$ 33,966	\$ 29,238	\$ 57,586	\$ 52,359
Operating grants & contributions	18,032	4,498	-	10	18,032	4,508
Capital grants & contributions	1,390	2,349	3,192	6,758	4,582	9,107
General revenues:						
Property taxes	49,849	50,433	-	-	49,849	50,433
Other taxes	21,556	21,764	-	-	21,556	21,764
Intergovernmental	9,944	10,167	-	-	9,944	10,167
Other	2,541	3,785	393	1,666	2,934	5,451
Total revenues	126,932	116,117	37,551	37,672	164,483	153,789
Expenses						
General government	17,250	18,680	-	-	17,250	18,680
Public safety	68,207	62,043	-	-	68,207	62,043
Physical environment	10,898	12,610	-	-	10,898	12,610
Community services	13,874	11,088	-	-	13,874	11,088
Social services	2,932	2,386	-	-	2,932	2,386
Interest	4,971	4,857	-	-	4,971	4,857
Utility	-	-	36,228	36,384	36,228	36,384
Cultural arts	-	-	2,349	2,379	2,349	2,379
Early childhood	-	-	2,164	2,245	2,164	2,245
Total expenses	118,132	111,664	40,741	41,008	158,873	152,672
Increase (decrease) in net assets before transfers	8,800	4,453	(3,190)	(3,336)	5,610	1,117
Transfers	(2,133)	(21,743)	2,133	21,743	-	-
Change in net assets	6,667	(17,290)	(1,057)	18,407	5,610	1,117
Net assets, beginning, as restated	172,840	190,130	288,620	270,213	461,460	460,343
Net assets, ending	\$ 179,507	\$ 172,840	\$ 287,563	\$ 288,620	\$ 467,070	\$ 461,460

*As restated

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

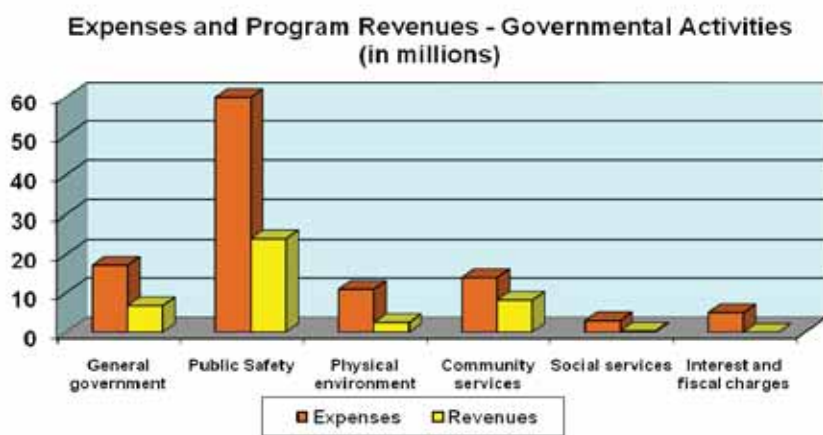
Governmental Activities:

The focus of the City's governmental activities is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

Governmental activities increased the City's net assets by \$6.7 million. This net increase in net assets is a result of the following:

- Operating grants and contributions increased by approximately \$13.5 million primarily as a result of additional grant funding received from the Urban Area Securities Initiative of \$6.2 million and the Neighborhood Stabilization Program of \$5.5 million.
- Property tax revenues decreased by approximately \$583 due to continued reduction in property values and tax collections.
- Other taxes decreased by approximately \$1.2 million due to a reduction in intergovernmental revenues including, sales tax and state shared revenues. The reduction is attributed to the continued decline in economic activity.
- Total expenses in the governmental activities increased approximately \$5.7 million from the prior year. This increase is a direct result of grants and aid expenses that were a result of the increased operating grants and contributions revenues discussed above.

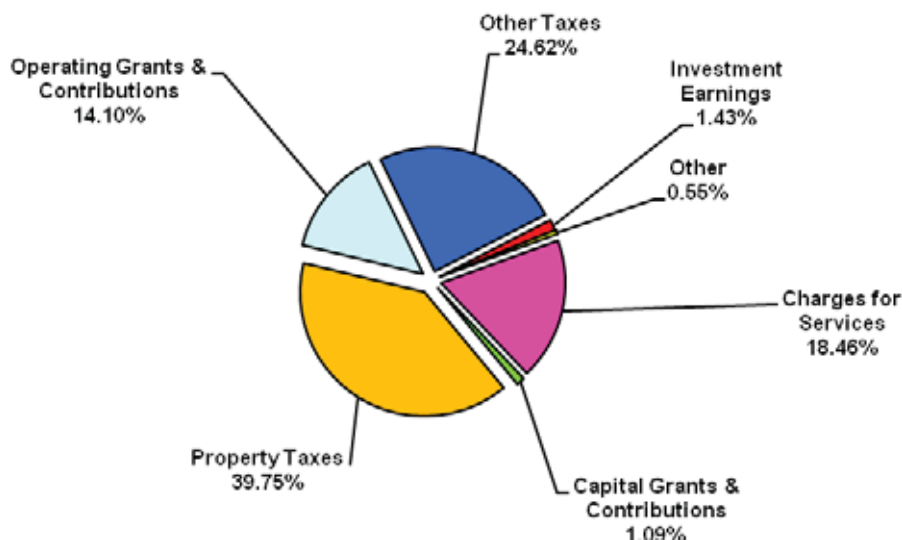
The following chart compares expenses and program revenues for the governmental activities during 2010.



City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

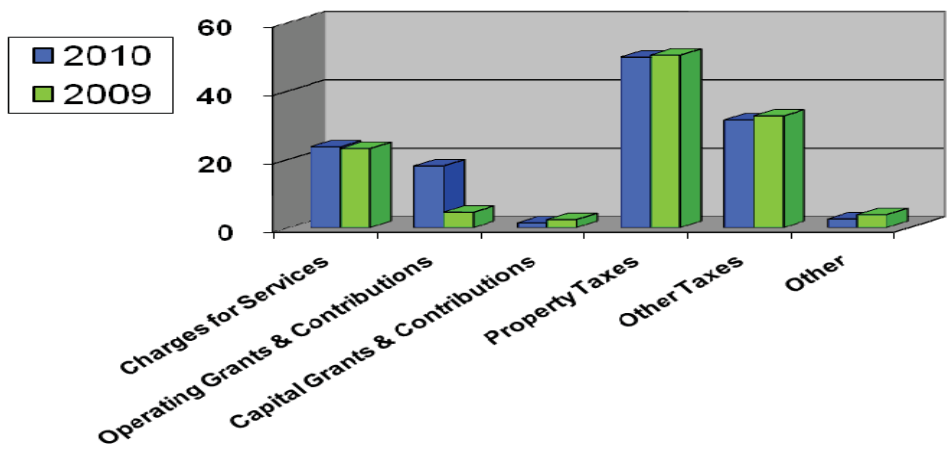
The following is a chart of revenues by source of governmental activities by percent of total revenues.

Revenues by Source - Governmental Activities



The following is a comparative chart of revenues by source for governmental activities for fiscal year 2010 and 2009.

Revenues by Source - Governmental Activities



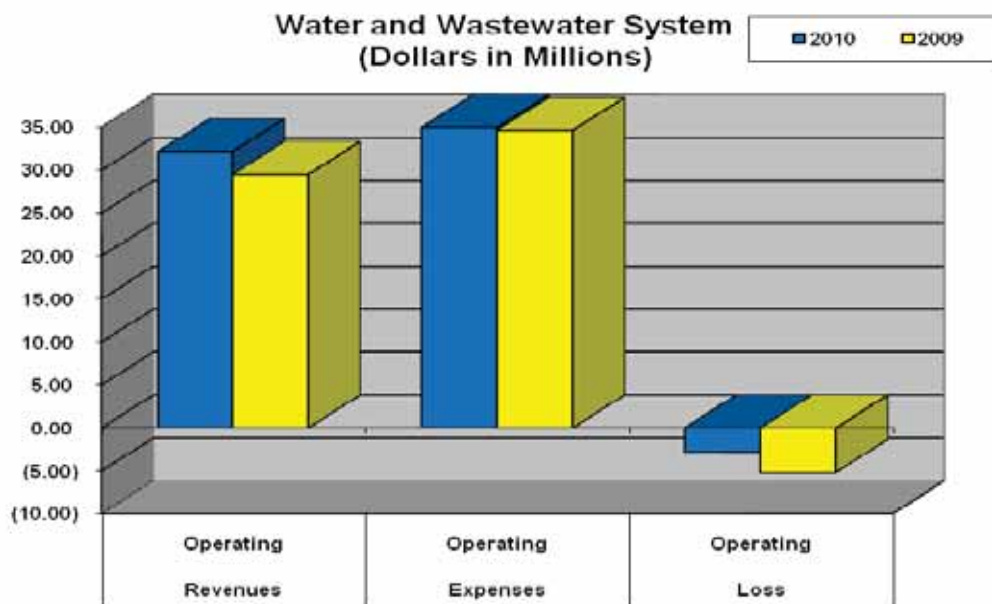
City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Business-Type Activities

The Business-type Activities are comprised of the Utility Fund, Cultural Arts Fund and Early Childhood Fund.

- Net assets decreased by \$1.1 million from \$288.6 million in 2009 to \$287.6 million in 2010, or 0.37%. This decrease is primarily a result of a \$1.4 million decrease in transfers related to the funding of capital projects in the prior year that did not occur in the current year. Overall revenues and expenses remained consistent from the prior year.
- Charges for services increased by \$4.7 million in 2010 due to a one-time adjustment related to special assessments in the prior year. However, operating grants and contributions decreased by \$3.6 million primarily due to a grant from the South Florida Water Management District received in the prior year that was not received in the current year.
- The \$19.6 million decrease in transfers is primarily related to a prior year \$21 million capital contribution from the governmental activities to the business-type activities for the cultural arts facility.

The following chart compares various operating results for 2010 and 2009 for the Utility Fund.



City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Financial Analysis of the City of Miramar's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The fund financial statements for the governmental funds are provided on page 23-26. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combined fund balance of \$72.8 million at September 30, 2010, which consisted of \$5.6 million in nonspendable, \$21.4 million in restricted, \$12.7 in committed, \$17.3 million in assigned and \$15.8 million in unassigned fund balance. The fund balance is a net increase of \$5.8 million over the reported fund balance of \$67.0 million in the prior year. This increase is primarily a result of additional grant funding received from the Urban Area Securities Initiative of \$6.2 million and the Neighborhood Stabilization Program of \$5.5 million.

Major Fund Information

	General	Capital Projects*
Fiscal Year 2010		
Revenues	\$ 107,351	\$ -
Expenditures	96,474	-
Other financing sources (uses)	(5,656)	-
Increase (decrease) in fund balance	5,221	-
Fiscal Year 2009		
Revenues	\$ 104,270	\$ 695
Expenditures	96,043	8,318
Other financing sources (uses)	(3,142)	13,913
Increase (decrease) in fund balance	5,085	6,290

*The Capital Projects Fund is not major fund in fiscal year 2010.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

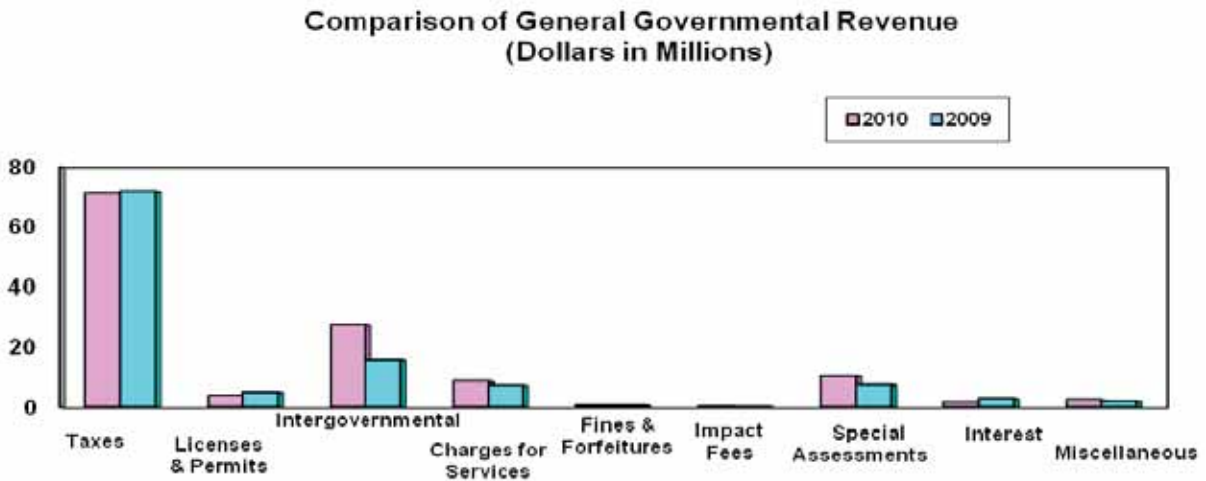
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18.0 million, or 35.3% of the total fund balance of \$51.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total general fund expenditures. Unassigned fund balance represents approximately 18.7% and total fund balance represents approximately 52.8% of total general fund expenditures.

The fund balance for the City's General Fund increased by \$5.2 million during the current fiscal year. Overall, there was an increase of approximately \$2.6 million in special assessment revenues, \$1.6 million in intergovernmental revenue and \$1.5 million in charges for services. Expenditures of the General Fund remained consistent from the prior year.

The nonmajor governmental funds reported combined fund balance of \$21.8 million at September 30, 2010. The nonmajor governmental funds had a total unassigned fund deficit of \$2.2 million. This net deficit is a result of nonspendable fund balance requirements for long-term receivables and advances from other funds in the Urban Areas Securities Initiative Special Revenue Fund and the Park Development Capital Projects Fund, respectively.

The combined fund balance of the City's nonmajor governmental funds increased by \$558 during the current fiscal year. While there was a \$9.3 million increase to revenues as a result of increased Urban Areas Securities Initiative and Neighborhood Stabilization Program funding, there was also an increase in associated grant program expenditures.

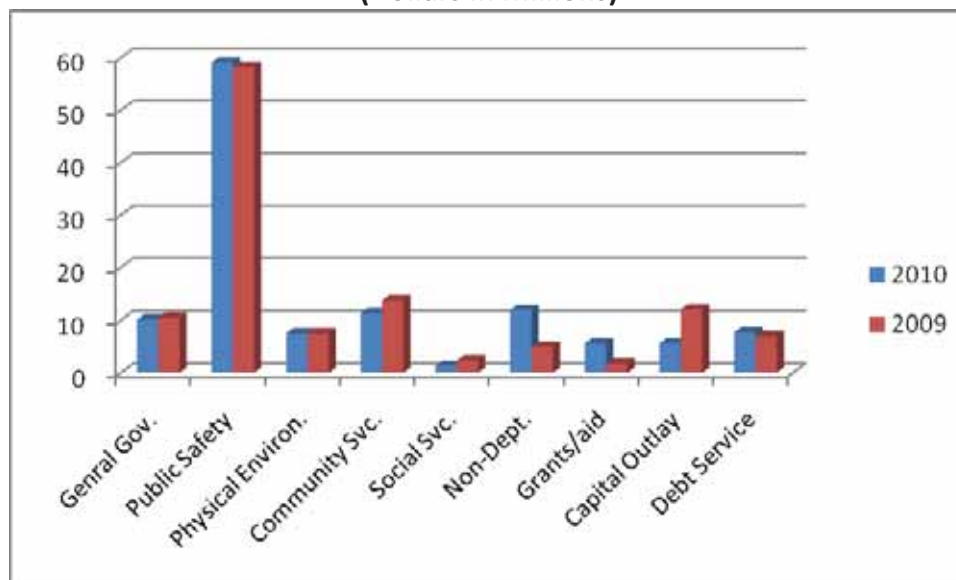
The chart below compares revenues by source for the governmental funds for fiscal years 2010 and 2009.



City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

The following table compares governmental expenditures by program for fiscal years 2010 and 2009.

Comparison of Governmental Expenditures
(Dollars in Millions)



Proprietary Funds

Enterprise funds' net assets consisted of \$265.1 million in invested in capital assets, net of related debt, \$13.9 million in restricted and \$8.6 million in unrestricted net assets. Internal Service funds' net assets consisted of \$120 in invested in capital assets, net of related debt and \$5.6 million in unrestricted net assets.

The Utility Fund had an operating loss of \$2.8 million, after depreciation, in 2010. This is a decrease of \$2.3 million over the \$5.1 million operating loss experienced in 2009. The reduction in the operating loss is a result of increased water sales that were affected in the prior year by the write off of certain special assessments. The Fund ended with a decrease to net assets as a result of the loss in operations.

The Cultural Arts Fund had an operating loss of \$2.1 million, after depreciation, in 2010. This is a result of costs associated with start-up and lower than anticipated ticket sales for scheduled performances. The City does not expect profitability during the first 5 years of operations.

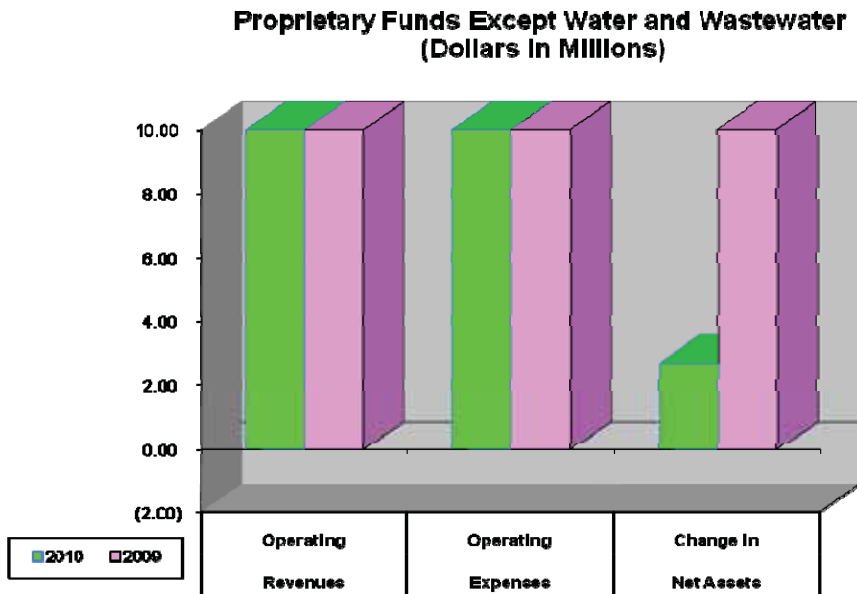
The Utility, Cultural Arts, Early Childhood and Fleet Maintenance Funds generated operating losses for 2010. However, the Cultural Arts and Insurance Funds generated a positive change in net assets. The table below summarizes both the operating income (loss) and the change in net assets for each of the City's proprietary funds.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

PROPRIETARY FUNDS (in thousands)

	Operating Income (Loss)		Change in Net Assets	
	2010	2009	2010	2009
Utility	\$ (2,807)	\$ (5,149)	\$ (714)	\$ (3,572)
Cultural Arts	(2,107)	(2,169)	30	22,088
Early Childhood	(374)	(308)	(374)	(222)
Insurance Fund	2,696	(2,006)	2,789	2,200
Fleet Maintenance Fund	(13)	(90)	(13)	77
Total	\$ (2,605)	\$ (9,722)	\$ 1,718	\$ 20,571

The following is a chart of the Proprietary Funds, excluding the Utility Fund operations, for fiscal years 2010 and 2009.



City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

General Fund Budgetary Highlights

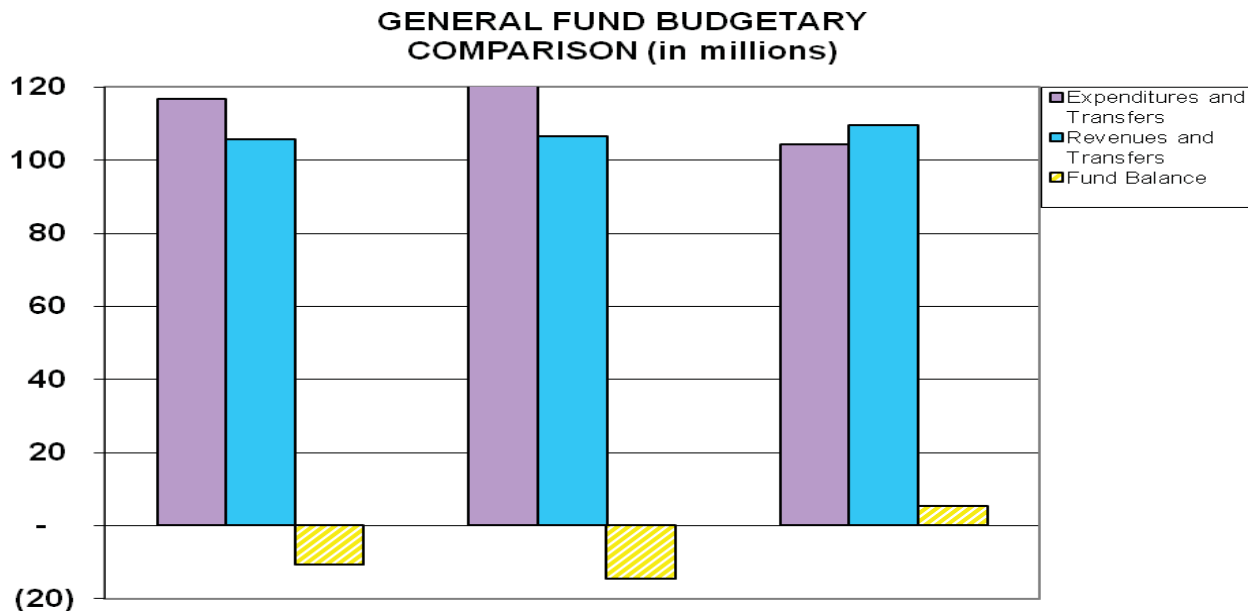
The difference between the original and final amended budget for 2010 was an increase in appropriations of approximately \$4.5 million. This increase was required primarily to offset the costs for non-departmental expenditures as well as for required capital outlay expenditures. The increase in the expenditure budget was funded primarily from available fund balance.

The City generated a positive variance of approximately \$19.8 million between the final adopted budget and actual results. Actual revenues were approximately \$3.8 million more than expected due primarily due to intergovernmental and miscellaneous revenues being greater than anticipated.

Actual expenditures were approximately \$17.6 less than expected. Cost savings were achieved in nearly all governmental programs due to the freeze on vacant positions and savings in non-departmental expenditures of \$10.0 million. Capital outlay expenditures were approximately \$2.8 million less than anticipated in the final budget.

The final budget anticipated using approximately \$14.6 million from available fund balance. During the year, however, expenditures in most programs were less than budgetary estimates. This produced a positive change in fund balance of \$5.2 million and completely eliminated the need to draw upon any of the existing fund balance.

The following chart depicts the 2010 original and amended budgets, as well as actual results for the fiscal year.



City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Capital Assets

As of year-end, the City had \$558.4 million invested in a variety of capital assets, as reflected in the following schedule. In 2010 there was a net increase (additions less retirements and depreciation) of \$7.9 million.

CITY OF MIRAMAR
Capital Assets
(in thousands, net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009*	2010	2009*	2010	2009*
Land	44,399	44,399	5,651	5,651	50,050	50,050
Buildings	115,520	116,797	72,619	69,989	188,139	186,786
Improvements other than buildings	6,368	6,838	394	467	6,762	7,305
Equipment	13,330	14,245	826	869	14,156	15,114
Fleet	4,041	3,473	276	335	4,317	3,808
Intangibles	897	717	84	113	981	830
Infrastructure	35,957	37,152	215,829	211,810	251,786	248,962
Construction in progress	5,981	4,807	36,276	33,699	42,257	38,506
Total	<u>\$ 226,493</u>	<u>\$ 228,428</u>	<u>\$ 331,955</u>	<u>\$ 322,933</u>	<u>\$ 558,448</u>	<u>\$ 551,361</u>

*As restated

Major capital asset events during the fiscal year included:

- The City implemented GASB Statement No. 51 during the current fiscal year. As a result, a prior period adjustment was made for intangible assets of \$717 for governmental activities and \$112 for business-type activities.
- Total capital assets in the governmental activities had a net decrease of \$1.9 million dollars due to depreciation and minimal current year additions.
- Total capital assets in the business-type activities had a net increase of \$9.0 million due to increased building renovations, a variety of utility infrastructure additions and additional stormwater reuse construction.

Additional information can be found in Note 7 Capital Assets on pages 60-62.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Debt Administration

As of year-end, the City had \$185.2 million in debt (bonds, notes, etc.) outstanding compared to \$188.6 million last year, a 1.8% decrease. No new debt was issued in the current fiscal year. The debt outstanding as of the end of fiscal year 2010 was secured by various revenue sources.

The debt position of the City is summarized below and is more fully explained in Note 9 Long-Term Obligations beginning on page 63.

CITY OF MIRAMAR
Bonded Debt and Notes Payable (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue bonds	\$ 98,130	\$ 98,380	\$ 58,940	\$ 59,570	\$ 157,070	\$ 157,950
Special assessment debt with government commitments	351	457	-	-	351	457
Notes payable	10,376	11,112	94	278	10,470	11,390
State Revolving Loan	-	-	15,680	16,515	15,680	16,515
Capital lease payable	1,527	2,209	92	115	1,619	2,324
Total	<u>\$ 110,384</u>	<u>\$ 112,158</u>	<u>\$ 74,806</u>	<u>\$ 76,478</u>	<u>\$ 185,190</u>	<u>\$ 188,636</u>

During fiscal year 2010, the City had the following debt activity:

- Total principal payments were \$1.8 million for the debt of the governmental activities.
- Total principal payments were \$1.7 million for the debt of the business-type activities.

Under Florida Statutes, no debt limit margin is placed on local governments.

City of Miramar, Florida
Management's Discussion and Analysis
(Unaudited)
For the year ended September 30, 2010

Economic Factors and Next Year's Budgets and Rates

The City Commission and City staff share a dedication to the safety and security of Miramar's citizens and businesses. The City's mission has been to continuously improve the quality of life and economic prosperity of the residents. Each year the City's business plan is updated to ensure that the budget strategically links the goals, objectives, core businesses, and existing obligations of the City.

- Property values in the City declined an additional 16.2% for fiscal year 2010 - 2011 from \$8.03 billion to \$6.7 billion, the same taxable value as in 2005. This large decline in the property values is due to the housing market downturn, the nationwide recession, the increase in home foreclosures and Amendment 1 to Florida's Constitution (approved by voters on January 29, 2008).
- As the recession continues within the State of Florida and worldwide, the City is challenged with providing the same level of service at a much lower cost. Residents over the years have enjoyed a high level of service and expect this to continue. In addition, the City has increased the number of facilities and programs offered to its residents, which has also increased the cost of operations.
- Though the economic indicators show growth in the overall economy of the United States, little improvement has been realized in Florida. Unemployment within the City, as well as the State of Florida, remains very high and well above the national average. The number of homes in foreclosure continues to be significant further contributing to the decline in the taxable property values and the reduction in tax revenues to the City.
- The Water and Sewer operations are also affected by the economic recession as residents are finding it extremely difficult to pay their utility bills. This has resulted in a decrease in collections and a reduction in water sales as residents conserve water beyond the levels in the past.
- The Florida legislature is again considering various proposals relating to caps on growth of state and local government revenues and expenditures. Potential legislation may have a significant impact on local government's ability to maintain and improve service to residents. The City is prepared to deal with the challenges ahead and is committed to ensure the safety and security of our citizens.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Office of the Finance Director, City of Miramar, 2nd Floor of City Hall, 2300 Civic Center Place, Miramar, Florida 33025. A copy of this report will also be available on the City's website, www.ci.miramar.fl.us.

BASIC FINANCIAL STATEMENTS

City of Miramar, Florida
Statement of Net Assets
September 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled cash and cash equivalents	\$ 21,483,584	\$ 3,909,682	\$ 25,393,266
Investments	55,031,599	3,633,311	58,664,910
Receivables, net	3,718,586	5,212,890	8,931,476
Due from other governments	6,926,907	13,038	6,939,945
Internal balances	312,283	(312,283)	-
Inventories	288,287	-	288,287
Prepaid items	1,615,601	36,649	1,652,250
Assets held for resale	2,398,264	-	2,398,264
Deferred charges	1,069,552	838,030	1,907,582
Net pension asset	1,683,726	-	1,683,726
Restricted assets:			
Pooled cash and cash equivalents	-	11,568,479	11,568,479
Cash with fiscal agent	793,047	35,555	828,602
Investments	-	14,749,406	14,749,406
Capital assets, not being depreciated	50,379,778	41,927,587	92,307,365
Capital assets, being depreciated, net	176,113,126	290,027,673	466,140,799
TOTAL ASSETS	321,814,340	371,640,017	693,454,357
LIABILITIES			
Accounts payable	3,895,446	303,979	4,199,425
Accrued liabilities	3,051,004	49,451	3,100,455
Due to other governments	820,838	-	820,838
Unearned revenue	1,534,700	-	1,534,700
Liabilities payable from restricted assets	828,512	6,578,780	7,407,292
Noncurrent liabilities:			
Amount due in one year	4,267,293	1,446,105	5,713,398
Amount due in more than one year	127,265,099	75,699,162	202,964,261
Net pension obligation	644,698	-	644,698
TOTAL LIABILITIES	142,307,590	84,077,477	226,385,067
NET ASSETS			
Invested in capital assets, net of related debt	122,562,280	265,089,533	387,651,813
Restricted for:			
Law enforcement	1,501,232	-	1,501,232
Debt service	6,004,460	7,544,531	13,548,991
Capital improvement	3,399,038	3,371,737	6,770,775
Renewal and replacement	-	2,980,000	2,980,000
Restricted for other purposes	5,521,167	-	5,521,167
Unrestricted	40,518,573	8,576,739	49,095,312
TOTAL NET ASSETS	\$ 179,506,750	\$ 287,562,540	\$ 467,069,290

See notes to basic financial statements.

City of Miramar, Florida
Statement of Activities
For the year ended September 30, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
General government	\$ 17,250,750	\$ 6,436,360	\$ 299,380	\$ -	\$(10,515,010)	\$ -	\$(10,515,010)
Public safety	68,207,113	13,401,461	10,594,783	-	(44,210,869)	-	(44,210,869)
Physical environment	10,898,331	2,307,910	177,922	388,100	(8,024,399)	-	(8,024,399)
Community services	13,874,164	1,474,598	6,673,204	993,900	(4,732,462)	-	(4,732,462)
Social services	2,931,522	-	286,351	8,254	(2,636,917)	-	(2,636,917)
Interest on long-term debt	4,970,554	-	-	-	(4,970,554)	-	(4,970,554)
Total governmental activities	118,132,434	23,620,329	18,031,640	1,390,254	(75,090,211)	-	(75,090,211)
Business-Type Activities							
Utility	36,228,485	31,933,348	-	3,191,838	-	(1,103,299)	(1,103,299)
Cultural Arts	2,349,711	242,373	-	-	-	(2,107,338)	(2,107,338)
Early Childhood	2,164,028	1,790,464	-	-	-	(373,564)	(373,564)
Total Business-Type Activities	40,742,224	33,966,185	-	3,191,838	-	(3,584,201)	(3,584,201)
Total Primary Government	\$ 158,874,658	\$ 57,586,514	\$ 18,031,640	\$ 4,582,092	(75,090,211)	(3,584,201)	(78,674,412)
General revenues:							
Property taxes					49,849,714	-	49,849,714
Utility taxes					7,689,557	-	7,689,557
Communication service tax					5,379,831	-	5,379,831
Franchise fees based on gross receipts					8,486,169	-	8,486,169
Unrestricted intergovernmental revenues					9,943,753	-	9,943,753
Unrestricted investment earnings					1,826,287	384,037	2,210,324
Miscellaneous					715,277	8,640	723,917
Transfers					(2,133,400)	2,133,400	0
Total general revenues					81,757,188	2,526,077	84,283,265
Change in Net Assets					6,666,977	(1,058,124)	5,608,853
Net assets - beginning of year, as restated					172,839,773	288,620,664	461,460,437
Net assets - end of year					\$ 179,506,750	\$ 287,562,540	\$ 467,069,290

See notes to basic financial statements.

City of Miramar, Florida
Balance Sheet
Governmental Funds
September 30, 2010

	Major Fund		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and cash equivalents	\$ 11,450,253	\$ 9,007,170	\$ 20,457,423
Investments	33,551,092	12,602,171	46,153,263
Receivables, net	3,102,782	486,035	3,588,817
Due from other funds	2,828,841	-	2,828,841
Due from other governments	2,856,648	4,070,259	6,926,907
Advances to other funds	1,842,699	-	1,842,699
Inventories	288,287	-	288,287
Prepaid items	240,480	-	240,480
Assets held for resale	-	2,398,264	2,398,264
Cash with fiscal agent	793,047	-	793,047
TOTAL ASSETS	\$ 56,954,129	\$ 28,563,899	\$ 85,518,028
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,817,892	\$ 996,817	\$ 3,814,709
Accrued liabilities	605,510	2,458	607,968
Due to other governments	75,942	744,896	820,838
Due to other funds	-	2,516,558	2,516,558
Advances from other funds	-	1,842,699	1,842,699
Deferred revenue	254,974	497,421	752,395
Unearned revenue	1,415,930	118,770	1,534,700
Amounts payable from restricted assets	828,512	-	828,512
TOTAL LIABILITIES	5,998,760	6,719,619	12,718,379
FUND BALANCES			
Non-spendable:			
Inventories	288,287	-	288,287
Prepaid items	240,480	-	240,480
Assets held for resale	-	2,398,264	2,398,264
Long term receivables	610,666	208,482	819,148
Advances to other funds	1,842,699	-	1,842,699
Restricted for:			
Housing	-	1,486,215	1,486,215
Law enforcement	-	1,501,232	1,501,232
Street construction and maintenance	-	1,636,688	1,636,688
Capital improvement	-	10,810,082	10,810,082
Debt service	-	6,004,460	6,004,460
Committed to: Stabilization fund	12,675,000	-	12,675,000
Assigned to:			
Capital improvement	10,000,000	-	10,000,000
Emergency preparedness	2,000,000	-	2,000,000
Subsequent years budget	5,286,200	-	5,286,200
Unassigned:			
General fund	18,012,037	-	18,012,037
Special revenue funds	-	(358,444)	(358,444)
Capital projects funds	-	(1,842,699)	(1,842,699)
TOTAL FUND BALANCES	50,955,369	21,844,280	72,799,649
TOTAL LIABILITIES AND FUND BALANCES	\$ 56,954,129	\$ 28,563,899	\$ 85,518,028

See notes to basic financial statements.

City of Miramar, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
September 30, 2010

Fund balances - total governmental funds \$ 72,799,649

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

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

Governmental capital assets	\$ 289,637,189	
Less accumulated depreciation/amortization	<u>(63,264,657)</u>	226,372,532

Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.

Special assessments not collected	347,459	
Communication service tax revenues	254,974	
Grant revenues	<u>149,962</u>	752,395

Net pension assets or obligations result from overfunding or underfunding of pension plans.

Net pension asset		1,683,726
Net pension obligation		<u>(644,698)</u>

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

Governmental revenue bonds payable	(98,130,000)	
Special assessment debt	(350,764)	
Notes payable	(10,376,000)	
Capital leases	(1,526,726)	
Accrued interest on long-term debt	(2,443,036)	
Compensated absences	(10,687,402)	
Other post-employment benefit obligation	(3,548,537)	
Premium on debt	(1,181,227)	
Bond issuance costs	<u>1,069,552</u>	(127,174,140)

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

5,717,286

Net assets of governmental activities \$ 179,506,750

See notes to basic financial statements.

City of Miramar, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2010

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
REVENUES			
Taxes	\$ 71,585,542	\$ -	\$ 71,585,542
Special assessments	10,177,338	139,431	10,316,769
Licenses and permits	3,907,031	-	3,907,031
Intergovernmental	9,329,718	17,948,951	27,278,669
Charges for services	7,810,114	903,529	8,713,643
Fines and forfeitures	545,199	190,369	735,568
Impact fees	-	249,253	249,253
Interest	1,511,944	188,283	1,700,227
Miscellaneous	2,484,266	23,413	2,507,679
TOTAL REVENUES	107,351,152	19,643,229	126,994,381
EXPENDITURES			
Current:			
General government	10,108,917	2,875	10,111,792
Public safety	57,702,684	1,394,001	59,096,685
Physical environment	7,566,064	-	7,566,064
Community services	11,001,336	303,859	11,305,195
Social services	1,342,877	-	1,342,877
Non-departmental	5,368,777	-	5,368,777
Grants/aid	-	11,908,622	11,908,622
Capital outlay	2,632,731	2,995,982	5,628,713
Debt service:			
Principal	682,392	1,092,373	1,774,765
Interest	68,067	4,908,506	4,976,573
Fiscal charges	-	978	978
TOTAL EXPENDITURES	96,473,845	22,607,196	119,081,041
Excess (deficiency) of revenues over expenditures	10,877,307	(2,963,967)	7,913,340
OTHER FINANCING SOURCES (USES)			
Transfers in	2,317,008	5,839,500	8,156,508
Transfers out	(7,972,900)	(2,317,008)	(10,289,908)
TOTAL OTHER FINANCING SOURCES (USES)	(5,655,892)	3,522,492	(2,133,400)
Net changes in fund balances	5,221,415	558,525	5,779,940
Fund balances, beginning, as restated	45,733,954	21,285,755	67,019,709
Fund balances, ending	\$ 50,955,369	\$ 21,844,280	\$ 72,799,649
See notes to basic financial statements.			

City of Miramar, 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, 2010

\$ 5,779,940

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay	\$ 5,124,395	
Less current year depreciation/ amortization	(7,051,487)	
The net effect of miscellaneous transactions involving capital assets	35,070	(1,892,022)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments	(139,432)	
Communication service tax revenues	(179,982)	
Grant revenues	149,962	(169,452)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums and discounts and similar items when debt is first issued, whereas those amounts are deferred and amortized in the Statement of Activities.

Bonds, loans and notes principal payments	1,092,373	
Capital lease principal payments	682,392	
Amortization of debt premium and bond issuance costs	4,476	1,779,241

Pension contributions are reported as expenditures in the governmental funds and are recorded as net pension assets or net pension obligations in the Statement of Activities.

Net pension asset		32,080
Net pension obligation		112,686

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

Accrued interest payable	6,019	
Compensated absences	23,324	
Other post-employment benefit obligations	(1,781,000)	(1,751,657)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.

2,776,161

Change in net assets of governmental activities \$ 6,666,977

See notes to basic financial statements.

City of Miramar, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds				Activities
	Utility Fund	Cultural Arts Fund	Early Childhood Fund	Total	Internal Service Funds
ASSETS					
Current assets:					
Pooled cash and cash equivalents	\$ 3,843,820	\$ 65,862	\$ -	\$ 3,909,682	\$ 1,026,161
Investments	3,133,088	500,223	-	3,633,311	8,878,336
Receivables, net	5,140,162	20,525	52,203	5,212,890	129,769
Due from other governments	13,038	-	-	13,038	-
Prepaid items	35,724	925	-	36,649	1,375,121
Deferred charges	838,030	-	-	838,030	-
Restricted assets:					
Pooled cash and cash equivalents	11,568,479	-	-	11,568,479	-
Cash with fiscal agent	35,555	-	-	35,555	-
Investments	11,999,586	-	-	11,999,586	-
Total current assets	36,607,482	587,535	52,203	37,247,220	11,409,387
Non-current assets:					
Restricted investments	2,749,820	-	-	2,749,820	-
Capital assets, not being depreciated	41,927,587	-	-	41,927,587	-
Capital assets, being depreciated, net	268,391,785	21,635,888	-	290,027,673	120,372
Total non-current assets	313,069,192	21,635,888	-	334,705,080	120,372
TOTAL ASSETS	349,676,674	22,223,423	52,203	371,952,300	11,529,759
LIABILITIES					
Current liabilities:					
Accounts payable	225,549	63,613	14,817	303,979	80,737
Accrued liabilities	43,528	1,527	4,396	49,451	-
Current portion of long-term debt	1,431,472	1,533	13,100	1,446,105	1,758,527
Due to other funds	-	-	312,283	312,283	-
Liabilities payable from restricted assets	3,828,960	-	-	3,828,960	-
Total current liabilities	5,529,509	66,673	344,596	5,940,778	1,839,264
Non-current liabilities:					
Bonds payable	58,615,000	-	-	58,615,000	-
Less unamortized bond discount	(169,743)	-	-	(169,743)	-
State revolving loans	14,826,264	-	-	14,826,264	-
Capital leases	68,561	-	-	68,561	-
Compensated absences	1,218,452	13,800	117,904	1,350,156	108,048
Other post employment benefits obligation	798,709	24,752	185,463	1,008,924	35,942
Self-insurance claims	-	-	-	-	3,829,219
Liabilities payable from restricted assets	2,749,820	-	-	2,749,820	-
Total non-current liabilities	78,107,063	38,552	303,367	78,448,982	3,973,209
TOTAL LIABILITIES	83,636,572	105,225	647,963	84,389,760	5,812,473
NET ASSETS					
Investment in capital assets, net of related debt	243,453,645	21,635,888	-	265,089,533	120,372
Restricted for debt service	7,544,531	-	-	7,544,531	-
Restricted for capital improvement	3,371,737	-	-	3,371,737	-
Restricted for renewal and replacement	2,980,000	-	-	2,980,000	-
Unrestricted	8,690,189	482,310	(595,760)	8,576,739	5,596,914
TOTAL NET ASSETS	266,040,102	\$ 22,118,198	\$ (595,760)	287,562,540	\$ 5,717,286

See notes to basic financial statements.

City of Miramar, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended September 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds				Activities
	Utility Fund	Cultural Arts Fund	Early Childhood Fund	Total	Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 10,874,304	\$ -	\$ -	\$ 10,874,304	\$ -
Wastewater service	18,629,697	-	-	18,629,697	-
Service charges	2,429,347	242,373	1,790,464	4,462,184	-
Intergovernmental	220,448	-	-	220,448	-
Charges for services	-	-	-	-	17,730,989
TOTAL OPERATING REVENUES	32,153,796	242,373	1,790,464	34,186,633	17,730,989
OPERATING EXPENSES					
General and administrative	7,807,945	1,891,027	2,164,028	11,863,000	15,030,138
Water plant operations	8,645,442	-	-	8,645,442	-
Wastewater plant operations	9,182,441	-	-	9,182,441	-
Field maintenance operations	1,754,781	-	-	1,754,781	-
Non-departmental	201,418	-	-	201,418	-
TOTAL OPERATING EXPENSES	27,592,027	1,891,027	2,164,028	31,647,082	15,030,138
Operating income (loss) before depreciation	4,561,769	(1,648,654)	(373,564)	2,539,551	2,700,851
Depreciation	7,368,849	458,684	-	7,827,533	17,765
Operating income (loss)	(2,807,080)	(2,107,338)	(373,564)	(5,287,982)	2,683,086
NONOPERATING REVENUES (EXPENSES)					
Interest income	380,396	3,641	-	384,037	126,060
Interest expense	(1,267,609)	-	-	(1,267,609)	-
Miscellaneous income	8,640	-	-	8,640	-
Miscellaneous expense	-	-	-	-	(32,985)
TOTAL NONOPERATING REVENUES	(878,573)	3,641	-	(874,932)	93,075
Income (loss) before transfers and capital contributions	(3,685,653)	(2,103,697)	(373,564)	(6,162,914)	2,776,161
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Transfers in	-	2,133,400	-	2,133,400	-
Capital contributions	2,971,390	-	-	2,971,390	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	2,971,390	2,133,400	-	5,104,790	-
Change in net assets	(714,263)	29,703	(373,564)	(1,058,124)	2,776,161
Net assets, beginning, as restated	266,754,365	22,088,495	(222,196)	288,620,664	2,941,125
Net assets, ending	266,040,102	\$ 22,118,198	\$ (595,760)	287,562,540	\$ 5,717,286

See notes to basic financial statements.

City of Miramar, Florida
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2010

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total
	Utility Fund	Cultural Arts Fund	Early Childhood Fund	
Cash flows from operating activities:				
Cash received from to customers, governments and other funds	\$ 29,353,007	\$ -	\$ 2,088,437	\$ 31,441,444
Cash paid to suppliers	(20,083,728)	(1,865,758)	(645,874)	(22,595,360)
Cash paid to employees	(12,334,380)	(335,599)	(1,442,563)	(14,112,542)
Miscellaneous income	8,640	-	-	8,640
Net cash provided (used) by operating activities	<u>(3,056,461)</u>	<u>(2,201,357)</u>	<u>-</u>	<u>(5,257,818)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	2,133,400	-	2,133,400
Net cash provided by noncapital financing activities	<u>-</u>	<u>2,133,400</u>	<u>-</u>	<u>2,133,400</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(13,877,940)	-	-	(13,877,940)
Principal paid on long-term debt	(1,672,030)	-	-	(1,672,030)
Interest paid on long-term debt	(1,229,020)	-	-	(1,229,020)
Net cash used by capital and related financing activities	<u>(16,778,990)</u>	<u>-</u>	<u>-</u>	<u>(16,778,990)</u>
Cash flows from investing activities:				
Purchases of investments	(16,663,056)	(494,822)	-	(17,157,878)
Sales of investments	43,459,803	500,000	-	43,959,803
Interest earnings	348,566	3,641	-	352,207
Net cash provided (used) by investing activities	<u>27,145,313</u>	<u>8,819</u>	<u>-</u>	<u>27,154,132</u>
Net increase (decrease) in pooled cash and cash equivalents	7,309,862	(59,138)	-	7,250,724
Pooled cash and cash equivalents, beginning	8,137,992	125,000	-	8,262,992
Pooled cash and cash equivalents, ending	<u>\$ 15,447,854</u>	<u>\$ 65,862</u>	<u>\$ -</u>	<u>\$ 15,513,716</u>
Pooled cash and cash equivalents per statement of net assets:				
Unrestricted	\$ 3,879,375	\$ 65,862	\$ -	\$ 3,945,237
Restricted	11,568,479	-	-	11,568,479
Net pooled cash and cash equivalents per statement of net assets	<u>\$ 15,447,854</u>	<u>\$ 65,862</u>	<u>\$ -</u>	<u>\$ 15,513,716</u>

See notes to basic financial statements.

Governmental
Activities

Internal Service
Funds

\$ 17,562,616
(13,671,384)
(972,621)
-
2,918,611

-
-

(7,845)
-
-
(7,845)

(11,258,967)
7,350,697
126,060
(3,782,210)

(871,444)
1,897,605
\$ 1,026,161

\$ 1,026,161
-

\$ 1,026,161

City of Miramar, Florida
Statement of Cash Flows (continued)
Proprietary Funds
For the year ended September 30, 2010

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total
	Utility Fund	Cultural Arts Fund	Early Childhood Fund	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (2,807,080)	\$ (2,107,338)	\$ (373,564)	\$ (5,287,982)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	7,368,849	458,684	-	7,827,533
Miscellaneous income	8,640	-	-	8,640
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(103,243)	49,243	73,358	19,358
(Increase) decrease in due from other governments	1,517,410	-	-	1,517,410
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	16,356	9,858	825	27,039
(Increase) decrease in deferred charges	31,830	-	-	31,830
Increase (decrease) in accounts payable	(3,816,186)	(226,821)	(45,064)	(4,088,071)
Increase (decrease) in accrued liabilities	(1,369,020)	1,527	4,395	(1,363,098)
Increase (decrease) in due to other funds	-	(419,194)	224,615	(194,579)
Increase (decrease) in liabilities payable from restricted assets	(4,246,786)	-	-	(4,246,786)
Increase (decrease) in compensated absences	(53,835)	15,333	22,481	(16,021)
Increase (decrease) in other post employment benefits obligation	396,604	17,351	92,954	506,909
Net cash provided (used) by operating activities	\$ (3,056,461)	\$ (2,201,357)	\$ 0	\$ (5,257,818)
Noncash investing, capital and financing activities:				
Contributions of capital assets from developers	\$ 2,971,390	\$ -	\$ -	\$ 2,971,390
Increase in fair value of investments	37,344	-	-	37,344
Total noncash investing, capital and financing activities	\$ 3,008,734	\$ -	\$ -	\$ 2,971,390

See notes to basic financial statements.

	Governmental Activities
	Internal Service Funds
\$	2,683,086
	17,765
	-
	(129,769)
	-
	240,577
	34,402
	-
	(44,842)
	-
	(38,604)
	-
	120,054
	<u>35,942</u>
\$	<u>2,918,611</u>
\$	-
	<u>70,436</u>
\$	<u><u>70,436</u></u>

City of Miramar, Florida
Statement of Fiduciary Fund Net Assets
Fiduciary Funds
September 30, 2010

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 12,892,925	\$ 409,194
Investments:		
U.S. Government obligations	17,928,157	-
Corporate obligations	18,654,100	-
Common stock	95,938,870	-
Mutual funds	5,263,477	-
Fixed income funds	5,533,618	-
Real estate funds	3,182,714	-
International equity funds	11,542,171	-
Alternative investments	1,202,733	-
Due from broker	12,326,150	-
Accounts receivable	2,723	2,290,731
Accrued interest and dividends receivable	399,423	-
TOTAL ASSETS	<u>184,867,061</u>	<u>2,699,925</u>
LIABILITIES		
Accounts payable	693,538	2,699,925
Due to broker	12,564,289	-
Deferred retirement option plan payable (DROP)	14,323,642	-
TOTAL LIABILITIES	<u>27,581,469</u>	<u>2,699,925</u>
NET ASSETS		
Net assets held in trust for pension benefits	<u>\$ 157,285,592</u>	<u>\$ -</u>
See notes to basic financial statements.		

City of Miramar, Florida
Statement of Changes in Fiduciary Net Assets
For the year ended September 30, 2010

ADDITIONS	
Contributions:	
City	\$ 13,535,649
Employees	4,459,280
State	1,717,845
Employee buybacks	280,462
Total contributions	<u>19,993,236</u>
Interest and dividends	3,041,634
Net depreciation in fair value of investments	9,685,776
Less investment expenses	(992,702)
Less DROP participant's earnings	(884,480)
Net investment loss	<u>10,850,228</u>
Total additions	<u>30,843,464</u>
DEDUCTIONS	
Pension benefits	9,213,481
Refund of employee contributions	223,181
Administrative expenses	480,015
Total deductions	<u>9,916,677</u>
Net increase	20,926,787
Net assets held in trust for pension benefits:	
Beginning of year	<u>136,358,805</u>
End of year	<u>\$ 157,285,592</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miramar (the City) was incorporated in 1955. It is located in the southwestern portion of Broward County, Florida, comprises approximately 34 square miles of land, and has a population of approximately 112,600 residents. The City operates under a Commission-Manager form of government and provides the following services as authorized by its Charter: general government, public safety, physical environment, community services, social services and public facilities. The City also operates water and wastewater, cultural arts and early childhood enterprise funds.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

a. Financial Reporting Entity

The financial statements were prepared in accordance with government accounting standards, which establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

The non-profit Miramar Cultural Trust does not meet the established criteria for inclusion as a component unit and, therefore, is excluded from this report.

b. Government-Wide and Fund Financial Statements

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

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 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 operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period; if collected within six months of the end of the current fiscal period for grant revenues. 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, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

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

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The City reports the following major proprietary funds:

The *utility fund* is used to account for operations that are financed and operated in a manner similar to a commercial enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City accounts for the operations of providing water and wastewater services in its enterprise fund.

The *cultural arts fund* is used to account for the administration of art and cultural programs and activities offering diverse cultural experiences for the City's residents and its guests at the City's Cultural Center/ArtsPark.

Additionally, the City reports the following fund types:

The *internal service funds* are used to account for the financing of self-insurance activities and fleet maintenance services provided to other funds of the City on a cost reimbursement basis.

The *pension trust funds* account for the activities of the Retirement Plan for General Employees; Police Officers' Retirement Plan, the Firefighters' Retirement Plan and the Management Retirement Plan, which accumulate resources for pension benefits to qualified employees.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets the City holds for its sanitation service provider.

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

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

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service 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. Unrestricted resources include committed, assigned and unassigned amounts which are available and can be used for the intended purpose.

d. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents include cash on hand, pooled cash, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All investments, except the Florida PRIME and State Board of Administration (SBA) Fund B Surplus Funds Trust Fund (Fund B), are reported at fair value, which is based on quoted market prices. The Florida PRIME is recorded at the value of the pool shares (2A-7 Pool) which is fair value. SBA Fund B is a fluctuating net asset value (NAV) pool and is reported based on the fair value factor.

The City maintains a pooled cash and investment system that is available for use by all funds to facilitate the investment process. Each fund's portion of pooled cash and investments are included on the statement of net assets as "Pooled cash and cash equivalents" and "Investments," respectively. In addition, investments are separately held by the pension trust funds. Interest earnings are allocated to each fund based upon their average proportionate equity.

2. Receivables and Payables

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

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Advances between funds, as reported in the fund financial statements, are considered nonspendable fund balances of the respective governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Broward County handles the collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties. Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made.

All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historic bad debt experience.

Water and wastewater charges to customers are based on actual water consumption. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30 of each year.

3. Inventories

Inventories in the general fund, consisting of fuel and oil are recorded at cost, using the first-in, first-out method. The initial cost is recorded as an asset at the time the individual inventory items are purchased and are charged against operations in the period when used (i.e., the consumption method).

4. Prepaid Items

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

5. Capital Assets

Capital assets, which include property, plant, equipment, intangibles and certain infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for all capital assets other than intangibles, which are \$15,000 for software and \$25,000 for easements, and an estimated useful life in excess of one year. Capital 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.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. The total interest expense incurred by the business-type activities during the year ended September 30, 2010, was \$3,031,606. Of this amount, \$1,795,827 was included in as part of the cost of capital assets under construction in connection with various construction projects.

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

	<u>Estimated Useful Lives (Years)</u>
Buildings	50
Improvements other than buildings	20
Machinery & equipment	3-20
Fleet	8
Intangibles	15-25
Infrastructure	16-70

6. Unearned Revenues

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

7. Compensated Absences

The City's policy is to permit employees to accumulate earned but unused sick and vacation pay benefits, limited to certain maximums, based on length of service. For certain employees, the City also grants compensatory time. All vacation, sick and compensatory pay is 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. For the governmental funds, compensated absences are liquidated by the general fund.

8. Long-Term Obligations

In the government-wide financial statements, and the 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 straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

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

9. Capital Contributions

Contributions from private developers representing "water and wastewater impact fees" for the future acquisition or expansion of capital improvements of City operated water and wastewater systems are recorded as capital contributions in the major enterprise fund. Also recorded as a capital contribution are special assessments for the construction of utility facilities.

10. Net Assets

Net assets of the government-wide activities and proprietary funds are categorized as invested in capital assets, net of related debt; restricted or unrestricted. Invested in capital assets, net of related debt, is that portion of net assets that relates to the City's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire it, construct or improve those assets, excluding unexpended proceeds.

Restricted net assets is that portion of net assets that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

11. Nature and Purpose of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Commission direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Early implementation of GASB Statement No. 54 is further explained in Note 2 under Section c, *New Accounting Pronouncements*.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

12. Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, pension and post retirement obligations, and useful lives and impairment of tangible assets, among others. Actual results could differ from these estimates.

13. Fund Balance Stabilization Policy

The City's policy is to maintain an adequate General Fund fund balance to ensure that the City has sufficient working capital for the interim period from the start of the fiscal year on October 1 and the first receipts of Ad Valorem tax revenue in late November. The City Commission adopted a resolution establishing a committed fund balance reserve equal to 12% of the General Fund budget. The use or disbursement of the committed funds shall be authorized by a resolution of the City Commission following use of assigned and unassigned fund balances.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Prior Period Adjustments

During the fiscal year ended September 20, 2010, it was determined that the following prior period adjustments were required:

Governmental Activities:

Net assets as reported, September 30, 2009	\$ 171,564,494
Adjustment for state shared revenues applicable to fiscal year 2009	928,432
Adjustment for accumulated depreciation resulting from the correction of capital asset classifications	(369,661)
Adjustment for intangible assets, net of accumulated amortization, resulting from the implementation of GASB Statement No. 51	<u>716,508</u>
Net assets as restated, September 30, 2009	<u>\$ 172,839,773</u>

Business-Type Activities:

Net assets as reported, September 30, 2009	\$ 288,508,085
Adjustment for intangible assets, net of accumulated amortization, resulting from the implementation of GASB Statement No. 51	<u>112,579</u>
Net assets as restated, September 30, 2009	<u>\$ 288,620,664</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Governmental Funds:

Major Fund:

General Fund:

Fund balance as reported, September 30, 2009	\$ 43,960,390
Adjustment for state shared revenues applicable to fiscal year 2009	805,597
Adjustment for the discontinuation of separate reporting of the Economic Development Fund resulting from the implementation of GASB Statement No. 54	967,967
Fund balance as restated, September 30, 2009	<u>\$ 45,733,954</u>

Non-Major Funds:

Street Construction and Maintenance Fund:

Fund balance as reported, September 30, 2009	\$ 651,334
Adjustment for state shared revenues applicable to fiscal year 2009	122,835
Fund balance as restated, September 30, 2009	<u>\$ 774,169</u>

Economic Development Fund:

Fund balance as reported, September 30, 2009	\$ 967,967
Adjustment for the discontinuation of separate reporting of the Economic Development Fund resulting from the implementation of GASB Statement No. 54	(967,967)
Fund balance as restated, September 30, 2009	<u>\$ -</u>

Debt Service Fund:

Fund balance as reported, September 30, 2009	\$ 2,918,326
Adjustment resulting from the change in policy regarding the recognition of expenditures for principal and interest on long-term debt	3,063,055
Fund balance as restated, September 30, 2009	<u>\$ 5,981,381</u>

Enterprise Funds:

Major Fund:

Utility Fund:

Net assets as reported, September 30, 2009	\$ 266,641,786
Adjustment for intangible assets, net of accumulated amortization, resulting from the implementation of GASB Statement No. 51	112,579
Net assets as restated, September 30, 2009	<u>\$ 266,754,365</u>

b. Fund Deficits

As of September 30, 2010, the Park Development and Urban Area Securities Initiative Special Revenue Funds and the Early Childhood Enterprise Fund had fund deficits. The Park Development Fund had a fund deficit of \$1,842,699. This deficit is being fully funded by an advance from the General Fund that is being repaid as fees are collected in the Park Development Fund. The Urban Areas Securities Initiative Fund had a fund deficit of \$149,962. This deficit will be funded by grant revenues received in the subsequent fiscal year. The Early Childhood Fund had a deficit of \$595,760. This, along with deficits in the near future, will be funded by transfers from the General Fund until the fund is fully operational.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

c. New Accounting Pronouncements

In fiscal year 2010, the City adopted the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement provides additional guidance to state and local governments to determine whether and when intangible assets should be considered capital assets for financial reporting purposes. The statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. The statement establishes guidance on recognizing internally generated computer software as an intangible asset, as well as guidance specific to intangible assets related to amortization. It also provides guidance on determining the useful life of intangible assets when the length of their life is limited by contractual or legal provisions. See Note 2a-*Prior Period Adjustments* for the effect the implementation of this statement had on the City's financial statements.

In fiscal year 2010, the City early implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. As a result of the implementation of this statement, the Economic Development Fund previously reported as a special revenue fund is now reported as a part of the General Fund. Changes to the government fund type fund balance reporting are reflected in the financial statements and related disclosures are included in Note 1 under Section 10, *Nature and Purpose of Fund Equity* and Section 13, *Fund Balance Stabilization Policy*. See Note 2a-*Prior Period Adjustments* for the effect the implementation of this statement had on the City's financial statements. Possible fund balance classifications are:

- Nonspendable Fund Balance - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.
- Assigned Fund Balance - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance - amounts that have not been assigned to other funds that have not been restricted, committed or assigned to specific purposes within the General Fund.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

d. Excess of Expenditures Over Appropriations

The following expenditures exceeded appropriations by the amounts indicated:

General Fund:		
Debt service:		
Principal	\$	281,792
Interest	\$	68,067
Transfers out	\$	726,800
 CDBG Fund:		
Community services	\$	25,180
 Debt Service Fund:		
Interest	\$	17,006

NOTE 3. PROPERTY TAXES

Property taxes are assessed as of January 1st each year and are first billed (levied) and due the following November 1st.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the Broward County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the year ended September 30, 2010 was 6.4654 mills.

The tax levy of the City is established by the Commission prior to October 1st of each year, and the Broward County Property Appraiser incorporates the millage into the local tax levy, which includes Broward County, Broward County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1st of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

All real and tangible personal property taxes are due and payable on November 1st each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. Due to the immaterial amount of any additional property taxes received after the 60 day period, no additional accrual is made in the government-wide financial statements, or in the fund financial statements.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under the Act, all qualified public depositories are required to pledge eligible collateral with the treasurer or another banking institution. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all deposits are considered insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the State Board of Administration (SBA) Investment Pool, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The SBA administers the Florida PRIME Fund, formerly known as the Local Government Surplus Funds Trust Fund (LGIP), and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a- fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2010, the fair value factor for Fund B was \$.707058094 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are affected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by the FDIC or any other governmental agency.

City of Miramar

As of September 30, 2010, the City of Miramar had the following investments:

	Fair Value	Ratings	Maturity	% of Distribution
SBA Florida PRIME	\$ 28,585,989	AAAm	52 days	39.06%
SBA Fund B	227,756	Not rated	7.49 years	0.31%
U.S. Government Sponsored Agencies:				
Federal Farm Credit Bank (FFCB)	7,181,785	AAA	10/15/2013 - 08/20/2015	9.81%
Federal Home Loan Bank (FHLB)	21,420,938	AAA	01/20/2012 - 06/30/2014	29.28%
Federal Home Loan Mortgage Corporation (FHLMC)	2,530,802	AAA	02/04/2013 - 08/15/2016	3.46%
Federal National Mortgage Association (FNMA)	13,234,951	AAA	01/30/2012 - 09/09/2016	18.08%
	<u>\$ 73,182,221</u>			<u>100.00%</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. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution. In addition, the City's investment policy limits the maturities to five years from the date of purchase, unless matched to a specific cash flow requirement. The City's investment in government agency securities with callable, and step-up interest rate terms, allows the City to address the rising interest rate risk environment.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The City's investment policy limits investments to the highest ratings issued by a NRSRO. The ratings of the investments are shown in the above table.

Concentration of Credit Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The policy of the City of Miramar is to diversify its investment portfolio. Assets held are usually diversified to reduce the risk from over concentration. The diversification risk strategies may be reviewed periodically. The percentages of the City's investments in the portfolio are show in the above table.

GASB Statement No. 40 requires disclosure when the investment percentage concentration is 5% or more for any one issuer. Given the quality of these investments and the guarantee and assurance by the U.S. Treasury (November 2008) on U.S. Government sponsored Agency obligations, the temporary over concentration is not viewed as an additional risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held either by the counterparty or the counterparty's trust department or agent but not in the City's name. All securities are required to be deposited as an asset of the City, in the City's name and held by a third party custodial institution chartered by the U.S. Government or the State of Florida (and restrict withdrawals only to the persons on the resolution). This reduces the risk due to the failure of the counterparty to deliver the securities purchased by or pledged by the City.

All investment transactions are conducted through delivery versus payment (DVP) basis at the third party custodian to ensure that there is independence of the entities (seller and custodian).

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

General Employees' Retirement Plan

a. Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

b. Types of Investments

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic Equities	60%
Fixed income	40%

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

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2010.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. treasuries	\$ 4,141,883	\$ -	\$ 657,802	\$ 3,141,576	\$ 342,505
U.S. agencies	4,963,833	-	319,382	401,413	4,243,038
Corporate bonds and notes	6,852,829	-	3,392,955	2,976,553	483,321
Total	\$ 15,958,545	\$ -	\$ 4,370,139	\$ 6,519,542	\$ 5,068,864

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

d. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

	Fair Value	% of Portfolio
U.S. Government guaranteed*	\$ 9,105,716	57.06%
Quality rating of credit risk debt securities:		
AAA	3,141,045	19.68%
AA	408,721	2.56%
AA-	429,353	2.69%
A+	655,162	4.11%
A	566,079	3.55%
A-	742,539	4.65%
BBB+	481,147	3.01%
BBB	336,478	2.11%
B	92,305	0.58%
Total credit risk debt securities	6,852,829	42.94%
Total fixed income securities	\$ 15,958,545	100.00%

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

e. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2010.

f. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

All of the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

City of Miramar, Florida
Notes to Basic Financial Statements
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Police Officer's Retirement Plan

a. Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan's assets and earns an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically included, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 75% (at market) of the Plan's total asset value with no more than 5% at cost value of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies shall be limited to 10% of the value of the portfolio at the time of purchase. No more than 25% of the equity securities are to be invested in small or mid-cap stocks and shares of stock in those corporations whose stock has been publicly traded for less than one year are limited to 15% of the equity portfolio.

The average credit quality of the bond portfolio shall be "A" or higher and the duration of the fixed income portfolio should be less than 135% of the duration of the market index defined as the Barclays Capital U.S. Intermediate Aggregate Bond Index bench mark. The fixed income portfolio rated below "BBB" shall not exceed 15% of the entire fixed income portfolio. Real estate and absolute return investments shall not exceed 10% and 20% of the market value of the portfolio, respectively.

b. Types of Investments

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equities	45%
Fixed income	30%
International equities	10%
Real estate	5%
Absolute return	10%

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

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

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2010.

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 6,160,506	\$ 4	\$ 1,220,352	\$ 60,973	\$ 4,879,177
U.S. agencies	156,810	156,810	-	-	-
Corporate bonds	9,839,134	25,810	802,594	8,684,554	326,176
Total	\$ 16,156,450	\$ 182,624	\$ 2,022,946	\$ 8,745,527	\$ 5,205,353

d. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

	Fair Value	% of Portfolio
U.S. Government guaranteed*	\$ 6,317,316	39.10%
Quality rating of credit risk debt securities:		
AA+	793,636	4.91%
AA-	489,765	3.03%
A+	1,647,734	10.20%
A	2,504,036	15.50%
A-	3,100,294	19.19%
BBB	1,259,963	7.80%
BBB-	31,654	0.20%
BB+	5,044	0.03%
B+	7,008	0.04%
Total credit risk debt securities	9,839,134	60.90%
Total fixed income securities	\$ 16,156,450	100.00%

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

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

e. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2010.

f. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

Firefighters' Retirement Plan

a. Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan's assets and earns an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically included, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. International investments shall not exceed 10% of the Plan's assets.

b. Types of Investments

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

Authorized Investments	Target % of Portfolio
Domestic small/mid cap	40%
Domestic large cap	30%
Fixed income	10%
International equities	10%
Real estate	10%

City of Miramar, Florida
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c. 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. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution' of the Plan's investments by maturity at September 30, 2010.

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Government Fund	\$ <u>5,533,618</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,533,618</u>	\$ <u>-</u>

d. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

	Fair Value	% of Portfolio
U.S. Government guaranteed* (within fixed income fund)	\$ <u>5,533,618</u>	<u>100%</u>

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

e. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2010.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

f. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and are registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

Management Retirement Plan

a. Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

Investments in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 65% (at market) of the Plan's total asset value with no more than 5% investment in the common stock of any one issuing company.

The fixed income portfolio shall be comprised of securities rated "Baa" and "BBB" or higher by Moody's or Standard & Poor's rating services with no more than 5% invested in the securities of any single corporate user.

b. Types of Investments

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

Authorized Investments	Target % of Portfolio
Equity	60%
Fixed income	40%

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

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

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2010.

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 1,050,988	\$ -	\$ 192,804	\$ 762,732	\$ 95,452
U.S. agencies	1,454,137	-	92,266	290,318	1,071,553
Corporate bonds and notes	1,962,137	4,023	973,507	748,372	236,235
Total	\$ 4,467,262	\$ 4,023	\$ 1,258,577	\$ 1,801,422	\$ 1,403,240

d. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

	Fair Value	% of Portfolio
U.S. Government guaranteed*	\$ 2,505,125	56.08%
Quality rating of credit risk debt securities:		
AAA	838,887	18.78%
AA+	70,390	1.58%
AA	123,923	2.77%
AA-	100,897	2.26%
A+	237,243	5.31%
A	158,502	3.55%
A-	117,883	2.64%
BBB+	183,134	4.10%
BBB	104,130	2.33%
BBB-	27,148	0.60%
Total credit risk debt securities	1,962,137	43.92%
Total fixed income securities	\$ 4,467,262	100.00%

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

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

e. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2010.

f. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name. Consistent with the Plan's investment policy the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

Risks and Uncertainties - Pension Plans

The Plans have investments in a variety of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in risk in the near term would materially affect balances and amounts reported in the Statement of Plan Net Assets and the Statements of Changes in Plan Net Assets.

Contributions to the Plans and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

NOTE 5. RECEIVABLES

Receivables at September 30, 2010 were as follows:

	<u>General</u>	<u>Other Governmental</u>	<u>Internal Service Funds</u>	<u>Total</u>
Governmental Activities				
Taxes	\$ 664,328	\$ -	\$ -	\$ 664,328
Franchise fees	1,476,923	-	-	1,476,923
Assessment fees	-	347,459	-	347,459
Accounts	352,911	-	-	352,911
Cost recovery	649,703	-	-	649,703
Other	617,049	138,576	129,769	885,394
Allowance for uncollectible	(658,132)	-	-	(658,132)
Total Governmental Activities	<u>\$ 3,102,782</u>	<u>\$ 486,035</u>	<u>\$ 129,769</u>	<u>\$ 3,718,586</u>
	<u>Utility</u>	<u>Cultural Arts</u>	<u>Early Childhood</u>	<u>Total</u>
Business-Type Activities				
Accounts	\$ 6,234,773	\$ -	\$ -	\$ 6,234,773
Assessment fees	4,050,342	-	-	4,050,342
Other	-	20,525	52,203	72,728
Allowance for uncollectible	(5,144,953)	-	-	(5,144,953)
Total Business-Type Activities	<u>\$ 5,140,162</u>	<u>\$ 20,525</u>	<u>\$ 52,203</u>	<u>\$ 5,212,890</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Business tax (general fund)	\$ -	\$ 1,262,774
Communication Service Tax revenues not yet received (general fund)	254,974	-
Other revenues not yet earned (general fund)	-	153,156
Grants not yet received (other governmental funds)	149,962	-
Grants not yet earned (other governmental funds)	-	118,770
Special assessments not collected (other governmental funds)	347,459	-
Total deferred/unearned revenue for governmental funds	<u>\$ 752,395</u>	<u>\$ 1,534,700</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

NOTE 6. RESTRICTED ASSETS

Restricted assets and liabilities of the Utility Fund at September 30, 2010, represent debt proceeds designated for construction, and other monies required to be restricted for debt service, maintenance and improvements, under the terms of the 2004 Utility System Refunding and Improvement Revenue Bonds, the 2007 Utility System Improvement Revenue Bond, and customer deposits.

Assets of the Sinking Fund and Reserve Fund are restricted for the current and future payment of Revenue and Assessment Bond indebtedness and interest. All of the restricted assets in connection with the bond issues were funded through bond proceeds. Net assets are restricted in connection with these assets. The following is a summary of restricted assets and related liabilities at September 30, 2010.

	Restricted Assets	Liabilities Payable from Restricted Assets
2004 Utility System Series:		
Sinking Fund	\$ 1,164,949	\$ 900,529
Reserve Fund	180,000	-
2007 Utility System Improvement Revenue Bond Series:		
Sinking Fund	1,643,882	1,041,911
Construction Fund	12,559,033	1,420,738
Reserve Fund	510,640	-
State Revolving Loan: Reserve Fund	730,901	-
Capital Lease: Escrow cash with fiscal agent	35,555	-
Contributions in aid of construction	6,473,125	160,247
Customer deposits	3,055,355	3,055,355
	<u>\$ 26,353,440</u>	<u>\$ 6,578,780</u>

	Current	Long-Term	Total
Liabilities payable from restricted assets consist of:			
Accounts payable	\$ 1,476,776	\$ -	\$ 1,476,776
Retainage payable	934,380	-	934,380
Accrued interest payable	1,112,269	-	1,112,269
Deposits payable	305,535	2,749,820	3,055,355
	<u>\$ 3,828,960</u>	<u>\$ 2,749,820</u>	<u>\$ 6,578,780</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance, as Restated*	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 44,399,026	\$ -	\$ -	\$ 44,399,026
Construction in progress	4,805,898	2,738,327	1,563,473	5,980,752
Total capital assets not being depreciated	<u>49,204,924</u>	<u>2,738,327</u>	<u>1,563,473</u>	<u>50,379,778</u>
Capital assets being depreciated/amortized:				
Buildings	125,005,838	1,563,473	1,865,500	124,703,811
Improvements other than buildings	10,675,034	7,845	73,300	10,609,579
Machinery and equipment	18,416,205	216,464	45,377	18,587,292
Fleet	15,215,858	1,663,113	1,386,750	15,492,221
Intangible	1,510,624	506,491	-	2,017,115
Infrastructure	67,543,343	450,873	-	67,994,216
Total capital assets being depreciated/amortized	<u>238,366,902</u>	<u>4,408,259</u>	<u>3,370,927</u>	<u>239,404,234</u>
Less accumulated depreciation/amortization for:				
Buildings	8,208,610	2,529,346	1,553,760	9,184,196
Improvements other than buildings	3,836,756	464,753	59,890	4,241,619
Machinery and equipment	4,170,541	1,107,445	20,889	5,257,097
Fleet	11,743,193	995,840	1,287,900	11,451,133
Intangible	794,116	325,902	-	1,120,018
Infrastructure	30,391,079	1,645,966	-	32,037,045
Total accumulated depreciation/amortization	<u>59,144,295</u>	<u>7,069,252</u>	<u>2,922,439</u>	<u>63,291,108</u>
Net capital assets being depreciated/amortized, net	<u>179,222,607</u>	<u>(2,660,993)</u>	<u>448,488</u>	<u>176,113,126</u>
Governmental activities capital assets, net	<u>\$ 228,427,531</u>	<u>\$ 77,334</u>	<u>\$ 2,011,961</u>	<u>\$ 226,492,904</u>

*Restatement of \$346,847 due to the implementation of GASB Statement No. 51 and correction of accumulated depreciation. See Note 2a. There was also a reclassification from Construction in progress to Buildings of \$22,579,546 and Infrastructure of \$4,249,717.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

	Beginning Balance, as Restated*	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,651,351	\$ -	\$ -	\$ 5,651,351
Construction in progress	33,699,125	13,782,278	11,205,167	36,276,236
Total capital assets not being depreciated	<u>39,350,476</u>	<u>13,782,278</u>	<u>11,205,167</u>	<u>41,927,587</u>
Capital assets, being depreciated/amortized:				
Buildings	87,320,474	4,433,760	-	91,754,234
Improvements other than buildings	831,685	-	-	831,685
Machinery and equipment	1,539,005	137,123	-	1,676,128
Fleet	2,499,255	33,850	152,822	2,380,283
Intangible	575,460	-	-	575,460
Infrastructure	271,278,446	9,667,485	-	280,945,931
Total capital assets being depreciated/amortized	<u>364,044,325</u>	<u>14,272,218</u>	<u>152,822</u>	<u>378,163,721</u>
Less accumulated depreciation/amortization for:				
Buildings	17,331,462	1,803,776	-	19,135,238
Improvements other than buildings	365,164	72,569	-	437,733
Machinery and equipment	670,324	179,658	-	849,982
Fleet	2,163,577	93,561	152,822	2,104,316
Intangible	462,881	28,740	-	491,621
Infrastructure	59,467,929	5,649,229	-	65,117,158
Total accumulated depreciation/amortization	<u>80,461,337</u>	<u>7,827,533</u>	<u>152,822</u>	<u>88,136,048</u>
Net capital assets being depreciated/amortized, net	<u>283,582,988</u>	<u>6,444,685</u>	<u>-</u>	<u>290,027,673</u>
Business-type activities capital assets, net	<u>\$ 322,933,464</u>	<u>\$ 20,226,963</u>	<u>\$ 11,205,167</u>	<u>\$ 331,955,260</u>

*Restatement of \$112,579 due to the implementation of GASB Statement No. 51. See Note 2a.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

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

Governmental activities:	
General government	\$ 2,564,319
Public safety	1,407,417
Physical environment	1,561,042
Community services	1,303,465
Social services	233,009
Total depreciation/amortization expense - governmental activities	<u>\$ 7,069,252</u>
Business-type activities:	
Utility	\$ 7,368,849
Cultural arts	458,684
Total depreciation/amortization expense - business type activities	<u>\$ 7,827,533</u>

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2010 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 2,516,558
General	Nonmajor enterprise	312,283
		<u>\$ 2,828,841</u>

Advances for the year ended September 30, 2010 consisted of the following:

<u>Advance to Other Fund</u>	<u>Advance from Other Fund</u>	<u>Amount</u>
General	Park Development Fund	\$ 1,842,699

The Park Development Fund had an unassigned fund deficit of \$1,842,699. This deficit is being fully funded by an advance from the General Fund that will be repaid as fees are collected in the Park Development Fund.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Interfund transfers for the year ended September 30, 2010 consisted of the following:

	Transfers In:			
	<u>General</u>	Nonmajor Governmental: <u>Debt Service</u>	<u>Cultural Arts</u>	<u>Total</u>
Transfers Out:				
General	\$ -	\$ 5,839,500	\$ 2,133,400	\$ 7,972,900
Nonmajor Governmental:				
Special Revenue	2,317,008	-	-	2,317,008
	<u>\$ 2,317,008</u>	<u>\$ 5,839,500</u>	<u>\$ 2,133,400</u>	<u>\$ 10,289,908</u>

Transfers are used to 1) transfer revenues from the fund that the budget requires to collect them to the fund the budget requires to expend them, 2) transfer receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to cover costs in other funds in accordance with budgetary authorizations. The above transfers are explained on the following page:

1. Transfers in to the General Fund consist of transfers from the Street Maintenance Fund to cover the cost of street capital improvements and maintenance costs, and reimbursements from the various grant funds for covered expenditures.
2. Transfers in to the Debt Service Fund are to cover the debt service obligations.
3. The Cultural Arts Fund transfer represents a subsidy by the General Fund for operating expenses.

NOTE 9. LONG-TERM OBLIGATIONS

A. Enterprise Fund Revenue Bonds

In December 2004, the City issued the Utility System Refunding and Improvement Revenue Bonds Series 2004 to refinance a bank note and to fund utility improvements. The bonds are secured by the net revenues of the system and water connection fees. Principal and interest are due semi-annually on April 1 and October 1, through October 1, 2034.

In December 2007, the City issued the Utility System Improvement Revenue Bonds, Series 2007 to acquire equipment and construct certain capital improvements to the City's utility system. The Series 2007 Bonds are payable solely from and secured by a lien upon the pledge of net revenues and connection fees derived from the operation of the System. Principal and interest are due semi-annually on April 1 and October 1, through October 1, 2037.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

B. Governmental Activities Revenue Bonds

In December 2003, the City issued the 2003 Public Service Tax Revenue Bonds, for the acquisition of the new City Hall, with pledges of City revenues from the service tax on electricity, sales tax and communication service tax. Principal and interest are paid semi-annually on April 1 and October 1, through October 1, 2024.

In September 2005, the City issued the Capital Improvement Revenue Bonds, Series 2005, for various capital projects, with pledges of City revenue from the sales tax and communication service tax. Principal and interest are paid semi-annually April 1 and October 1, through October 2035.

C. Special Assessment Debt

The City issued special assessment debt where both the principal and interest are payable from pledged funds, which consist of special assessment tax liens and collections on certain properties in the Flamingo Estates residential development. Principal and interest are paid semi-annually on June 1 and December 1, through June 2013.

D. Revenue Notes Payable

In December 2003, the City issued a \$4,418,250 Franchise Fee Refunding Note. The proceeds of this note were a refund of a prior debt issue that was used to build various buildings and facilities in the City. The note bears interest at 3.82% per annum. Interest is due semi-annually on April 1 and October 1, commencing April 1, 2003. Interest will accrue and be payable on a 30/360 day count basis. Principal is due semi-annually commencing on April 1, 2004 through maturity on October 1, 2010. The City's obligation to repay the note is secured by pledged franchise fees.

In October 2008, the City issued a \$10,000,000 Capital Improvement Revenue Note, Series 2008. The proceeds of the note are to be used for the design and development of Vizcaya Park and other park facilities. The note bears interest at 5.20% per annum. Interest is due semi-annually on April 1 and October 1, commencing April 1, 2009. Interest will accrue and be payable on a 30/360 day basis. Principal is due annually commencing on October 1, 2001, through maturity on October 1, 2023. The City's obligation to repay the note is secured by impact fees and the City's covenant to budget and appropriate legally available non-ad valorem revenues.

E. Enterprise Fund Loan Payable

In 2005, the City began to participate in the Revolving Loan Fund Program administered by the State of Florida. This program allows local governments to enter into loan agreements with the Department of Environmental Protection under the State Revolving Loan Fund, for the construction of Storm-water and Wastewater management facilities. These loans have repayment terms of 10 and 20 years with fixed interest rates of 3.16% and 2.09%, respectively. Principal and interest payments are due semi-annually on January 15 and July 15, and commenced on July 15, 2007.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

F. Compensated Absences

For the governmental activities, compensated absences are generally liquidated by the General Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities.

Governmental activities bonds and notes outstanding at September 30, 2010, consist of the following:

<u>Governmental Activities</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
Revenue bonds:					
Series 2003 Public Service Tax	Acquisition of new City Hall	\$ 6,450,000	\$ 4,995,000	2.00-4.50%	\$ 457,461
Series 2005 Capital Improvement	Various capital projects	93,135,000	<u>93,135,000</u>	3.20-5.00%	6,324,613
			<u>98,130,000</u>		
Revenue notes:					
Series 2003 Franchise Fees note	Refunding Revenue Bonds	4,418,250	376,000	3.82%	383,176
Series 2008 Capital Improvement note	Park Improvements	10,000,000	<u>10,000,000</u>	5.20%	1,077,415
			<u>10,376,000</u>		
Special assessment bonds:					
Flamingo Estate	Development of District	2,000,000	<u>350,764</u>	4.75%	63,421
Total governmental activities			<u>\$ 108,856,764</u>		

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Business-type activities bonds, notes and loans outstanding at September 30, 2010, consist of the following:

<u>Business-Type Activities</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
Revenue Bonds:					
2004 Utility System revenue bond	Various infrastructure projects	\$ 13,830,000	\$ 12,900,000	3.00-4.625%	\$ 897,613
2007 Utility System revenue bond	Various infrastructure projects	46,040,000	<u>46,040,000</u>	4.00-4.50%	3,908,113
			<u>58,940,000</u>		
Revenue Notes:					
Series 2003 Franchise fee note	Refunding revenue bonds	1,104,563	<u>94,000</u>	3.82%	95,794
			<u>94,000</u>		
State revolving loan:					
Wastewater	Wastewater Mgmt Project	361,167	247,414	3.16%	21,203
Stormwater	Stormwater Mgmt Project	431,232	295,412	3.16%	25,316
Eastern Miramar infrastructure	Rehabilitation of infrastructure	18,024,237	<u>15,136,984</u>	2.09%	1,182,424
			<u>15,679,810</u>		
Total business-type activities			<u>\$ 74,713,810</u>		

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Changes in Long-Term Obligations

Long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
Revenue bonds	\$ 98,380,000	\$ -	\$ 250,000	\$ 98,130,000	\$ 255,000
Revenue notes	11,112,000	-	736,000	10,376,000	376,000
Special assessment debt with government commitment	457,137	-	106,373	350,764	111,485
Capital leases	2,209,118	-	682,392	1,526,726	697,541
Deferred costs - premium	1,228,476	-	47,249	1,181,227	-
Total bonds and notes payable	<u>113,386,731</u>	<u>-</u>	<u>1,822,014</u>	<u>111,564,717</u>	<u>1,440,026</u>
Other liabilities:					
Self-insurance	5,575,740	2,263,985	2,263,985	5,575,740	1,746,521
Compensated absences	10,710,726	758,527	661,797	10,807,456	1,080,746
Other post-employment benefit obligation	1,767,537	2,275,729	458,787	3,584,479	-
Total other liabilities	<u>18,054,003</u>	<u>5,298,241</u>	<u>3,384,569</u>	<u>19,967,675</u>	<u>2,827,267</u>
Governmental activities long- term liabilities	<u>\$ 131,440,734</u>	<u>\$ 5,298,241</u>	<u>\$ 5,206,583</u>	<u>\$ 131,532,392</u>	<u>\$ 4,267,293</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds and notes payable:					
Revenue bonds	\$ 59,570,000	\$ -	\$ 630,000	\$ 58,940,000	\$ 325,000
Revenue notes	278,000	-	184,000	94,000	94,000
State revolving loans	16,515,006	-	835,196	15,679,810	853,546
Capital leases	114,937	-	22,834	92,103	23,542
Deferred amounts - discount	(176,502)	-	(6,759)	(169,743)	-
Total bonds and notes payable	<u>76,301,441</u>	<u>-</u>	<u>1,665,271</u>	<u>74,636,170</u>	<u>1,296,088</u>
Other liabilities:					
Compensated absences	1,516,194	370,304	386,325	1,500,173	150,017
Other post-employment benefit obligation	502,015	634,906	127,997	1,008,924	-
Total other liabilities	<u>2,018,209</u>	<u>1,005,210</u>	<u>514,322</u>	<u>2,509,097</u>	<u>150,017</u>
Business-type activities long-term liabilities	<u>\$ 78,319,650</u>	<u>\$ 1,005,210</u>	<u>\$ 2,179,593</u>	<u>\$ 77,145,267</u>	<u>\$ 1,446,105</u>

G. Summary of Annual Debt Service Requirements

Governmental Activities	Revenue Bonds		Revenue Notes Payable		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Year Ended						
September 30:						
2011	\$ 255,000	\$ 4,325,779	\$ 376,000	\$ 527,176	\$ 111,485	\$ 15,357
2012	2,455,000	4,282,965	557,414	505,507	116,820	10,022
2013	2,530,000	4,202,537	586,400	475,768	122,459	4,383
2014	2,615,000	4,115,597	616,893	444,482	-	-
2015	2,705,000	4,016,384	648,971	411,570	-	-
2016-2020	15,145,000	18,454,419	3,787,547	1,501,049	-	-
2021-2025	18,705,000	14,714,289	3,802,775	408,010	-	-
2026-2030	21,130,000	9,983,752	-	-	-	-
2031-2035	26,540,000	4,459,025	-	-	-	-
2036-2038	6,050,000	136,125	-	-	-	-
	<u>\$ 98,130,000</u>	<u>\$ 68,690,872</u>	<u>\$ 10,376,000</u>	<u>\$ 4,273,562</u>	<u>\$ 350,764</u>	<u>\$ 29,762</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Business-Type Activities	<u>Revenue Bonds</u>		<u>Revenue Note Payable</u>		<u>Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ended September 30:						
2011	\$ 325,000	\$ 2,647,170	\$ 94,000	\$ 1,794	\$ 853,546	\$ 328,878
2012	1,270,000	2,616,033	-	-	872,308	310,116
2013	1,320,000	2,563,758	-	-	891,489	290,934
2014	1,375,000	2,509,433	-	-	911,102	271,322
2015	1,430,000	2,453,639	-	-	931,154	251,269
2016-2020	8,075,000	11,317,750	-	-	4,631,206	955,280
2021-2025	9,935,000	9,417,531	-	-	4,988,493	458,437
2026-2030	12,360,000	6,958,728	-	-	1,600,512	33,567
2031-2035	14,610,000	3,750,956	-	-	-	-
2036-2038	8,240,000	599,213	-	-	-	-
	<u>\$ 58,940,000</u>	<u>\$ 44,834,211</u>	<u>\$ 94,000</u>	<u>\$ 1,794</u>	<u>\$ 15,679,810</u>	<u>\$ 2,899,803</u>

H. Capital Leases

The City utilizes pay-as-you-go financing to finance the acquisition of equipment and vehicles. This pay-as-you-go financing is done through lease financing.

The principal balances on the Governmental Activities lease liabilities at September 30, 2010, are listed in the table below.

Governmental Activities

Five (5) year capital lease, payable in quarterly installments of \$115,811, interest at 3.38% per annum. The lease is collateralized by equipment and vehicles.	\$ 562,876
Five (5) year capital lease, payable in quarterly installments of \$66,544, interest at 3.069% per annum. The lease is collateralized by equipment and vehicles.	939,493
Four (4) year capital lease, payable in quarterly installments of \$2,650, interest at 6.25% per annum. The lease is collateralized by computer equipment.	24,357
	<u>\$ 1,526,726</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010 were as follows:

	Governmental Activities
Year ending September 30:	
2011	\$ 740,019
2012	392,588
2013	271,478
2014	199,653
Total minimum lease payments	1,603,738
Less amount representing interest	77,012
Present value of minimum lease payments	\$ <u>1,526,726</u>

The assets acquired through capital leases outstanding as of September 30, 2010 are as follows:

Assets:	
Machinery and equipment	\$ 142,762
Fleet	3,736,363
Less accumulated depreciation	(1,617,452)
Total	\$ <u>2,261,673</u>

Business-type Activities

The principal balances on the Business-Type Activities lease liabilities at September 30, 2010, are listed in the table below.

Five (5) year capital lease, payable in quarterly installments of \$6,525, interest at 3.069% per annum. The lease is collateralized by equipment and vehicles.	\$ <u>92,103</u>
---	------------------

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010 were as follows:

	Business-type Activities
Year ending September 30:	
2011	\$ 26,100
2012	26,100
2013	26,101
2014	19,557
Total minimum lease payments	97,858
Less amount representing interest	5,755
Present value of minimum lease payments	\$ <u>92,103</u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The assets acquired through capital leases outstanding as of September 30, 2010 are as follows:

Assets:	
Fleet	116,037
Less accumulated depreciation	(11,604)
Total	\$ <u>104,433</u>

I. Pledged Revenues

The City issued bonds, notes and loans that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds as of September 30, 2010 are as follows:

Source of Revenue Pledged	Governmental Activities		
	Revenue Bonds	Revenue Notes	Special Assessment
Current revenue pledged	\$ 6,391,527	\$ 4,835,961	\$ 139,723
Current debt service	\$ 451,070	\$ 771,498	\$ 126,842
Total future revenue pledged	\$ 6,721,303	\$ 383,176	\$ 380,526
Description of debt	Public Service Tax Revenue Refunding Bonds, Series 2003	SunTrust Bank Note, 2003 Franchise Fees	Flamingo Estate
Purpose of debt	Acquisition of New City Hall	Refunding Revenue Bonds	Development of District
Terms of commitment	2003-2024	2003-2010	2001-2013
Percentage of debt to pledged revenues (current year)	7.06%	15.95%	90.78%
Current revenue pledged	\$ 11,249,104	\$ 520,000	
Current debt service	\$ 4,131,468	\$ 520,000	
Total future revenue pledged	\$ 160,099,569	\$ 14,266,386	
Description of debt	Capital Improvement Bonds, Series 2005	Capital Improvement Revenue Note, Series 2008	
Purpose of debt	Various Capital Projects	Park Improvement (Viscaya Park and Other Park Facilities)	
Terms of commitment	2005-2035	2008-2023	
Percentage of debt to pledged revenues (current year)	36.73%	100.00%	

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

	Business-type Activities	
Current revenue pledged	\$ 31,907,708	\$ 1,208,990
Current debt service	\$ 4,762,489	\$ 192,875
Total future revenue pledged	\$ 122,353,824	\$ 95,794
Description of debt	Utility System Revenue Bond, Notes and Water and Sewer State Revolving Loans, issued 2004-2037	SunTrust Bank Note, 2003 Franchise Fee
Purpose of debt	Various Infrastructure, Wastewater and Stormwater Management Projects	Refunding Revenue Bonds
Terms of commitment	2004-2037	2003-2010
Percentage of debt to pledged revenues (current year)	14.93%	15.95%

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City maintains four separate defined benefit single-employer pension plans (General Employees' Retirement Plan, Police Officers' Retirement Plan, Firefighters' Retirement Plan, and Management Retirement Plan) which cover substantially all of its full-time employees. The City accounts for these plans as pension trust funds.

The City of Miramar pension plans are presented in accordance with GASB Statements No. 25, "Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans," No. 27, "Accounting for Pensions by State and Local Governmental Employers," and No. 50, "Pension Disclosures." The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local government employers.

Summary of Significant Accounting Policies

Basis of Accounting

The pension plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Investments

Plan investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. The market values for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that value. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings.

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

Plan Membership Information

Membership of each Plan consisted of the following:

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters</u>	<u>Senior Management</u>
As of October 1, 2009, the last actuarial valuation:				
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>127</u>	<u>76</u>	<u>39</u>	<u>17</u>
Active employees:				
Fully vested	181	63	59	40
Non-vested	187	108	52	15
	<u>368</u>	<u>171</u>	<u>111</u>	<u>55</u>

A. DEFINED BENEFIT SINGLE-EMPLOYER PLANS

1. General Employees' Retirement Plan

Plan Description

The General Employees' Retirement Plan (the Plan) is a single-employer defined benefit pension plan that covers all City employees, except for police, firefighters, and certain appointed employees and elected officials. The Plan was established pursuant to City Ordinance No. 81-12 (as amended). The Plan is also governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing the Plan.

City of Miramar Pension Trust for General Employee's
 3810 Inverrary Boulevard, Suite 208
 Lauderhill, Florida 33319

Funding Policy

Plan members are required to contribute 7.36% of their annual covered salary. The City is required to contribute at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Employer contributions for the year ended September 30, 2010, determined using the actuarial valuation dated October 1, 2008, were 24.08% of covered payroll.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the current year are as follows:

Annual required contribution	\$ 3,918,143
Interest on net pension obligation	2,246
Adjustments to annual required contribution	(2,932)
Annual pension cost	<u>3,917,457</u>
Contributions made	<u>3,918,143</u>
Decrease in net pension obligation	(686)
Net pension obligation, beginning	<u>29,943</u>
Net pension obligation, ending	<u><u>\$ 29,257</u></u>

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$ 3,499,694	100.0%	\$ 36,807
9/30/2009	3,602,744	100.2%	29,943
9/30/2010	3,917,457	100.0%	29,257

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2009 (date of the latest actuarial valuation), is as follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2009*	\$ 40,321	\$ 64,891	\$ 24,750	62.10%	\$ 16,445	149.40%

*Actuarial accrued liability is calculated using the entry age normal cost method.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 2009
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay closed
Remaining amortization period	30 years
Asset valuation method	The difference between expected actuarial value of assets and actual market value is recognized over five years

Actuarial assumptions:

Investment rate of return*	7.50%
Projected salary increases*	6.5-8.0%
Cost of living adjustments	2% per year for 15 years of the City Manager's benefit

*Included inflation at 3.0%

2. Police Officers' Retirement Plan and Trust

Plan Description

The Police Officers' Retirement Plan and Trust (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the City's certified police officers. The Plan was established pursuant to City Ordinance No. 80-21 (as amended). The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing the Plan.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

City of Miramar Police Officers' Retirement Plan and Trust
6941 SW 196th Avenue, Suite 27
Fort Lauderdale, Florida 33332

In June 2008, pursuant to Ordinance No. 08-20, the City Commission approved a second tier for the Plan. Tier One members include all officers hired prior to June 20, 2008, and Tier Two members are those hired after such date. Tier One members may retire the earlier of the date on which they obtain 20 years of credit service or age 55 and completion of 10 years of credit service. Normal retirement benefits are 3.25% of average monthly earnings times credited service up to a maximum benefit for participants retiring on or after October 1, 1994.

Tier Two members may retire the earlier of the date on which they obtain 25 years of credited service or age 55 and completion of 10 year of credit service. Normal retirement benefits are 3.00% of average monthly earnings times credited service subject to a maximum accrual of 75% of average monthly earnings.

Funding Policy

Both Tier One and Tier Two Plan members are required to contribute 13.4% of their basic annual compensation on a pick-up basis. Pursuant to Florida Statutes Chapter 185, premium taxes on casualty insurance contracts are collected by the State and are remitted to the Plan. This amount totaled \$764,456 for the year ended September 30, 2010. This amount was recognized as an expenditure and revenue in the General Fund. The City is expected to contribute after offset by the allowable State contribution, such additional amounts as are necessary on an actuarial basis to fund the Plan's current service costs and to fund the unfunded accrued past service liability. Employer contributions for the year ended September 30, 2010, determined using the actuarial valuation dated October 1, 2008, were 42.04% of covered payroll.

Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset for the current year are as follows:

Annual required contribution	\$ 6,091,171
Interest on net pension asset	(6,232)
Adjustments to annual required contribution	11,297
Annual pension cost	<u>6,096,236</u>
Contributions made	<u>6,091,171</u>
Decrease in net pension asset	5,065
Net pension asset, beginning	(77,903)
Net pension asset, ending	<u><u>\$ (72,838)</u></u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
9/30/2008	\$ 4,512,727	99.9%	\$ (83,320)
9/30/2009	5,110,761	99.9%	(77,903)
9/30/2010	6,096,236	99.9%	(72,838)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2009 (date of the latest actuarial valuation), is as follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2009*	\$ 54,831	\$ 97,512	\$ 42,681	56.20%	\$ 13,631	313.10%

*Actuarial accrued liability is calculated using the entry age normal cost method.

The schedule of funding progress, presented as required supplementary Information (RSI) following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2009
Actuarial cost method	Entry age normal
Amortization method	Layered amortization
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market

Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	6.25%
Cost of living adjustments	2% with five year delay

*Included inflation at 4.0%

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

3. Firefighters' Retirement Plan

Plan Description

The Firefighters' Retirement Plan (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the City's certified firefighters. The Plan was established pursuant to City Ordinance No. 81-32 (as amended) which became effective July 7, 1981. The Plan is also governed by certain provisions of Chapter 175, Florida Statutes. The Plan is administered by the Board of Trustees for the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing the Plan.

City of Miramar Firefighters' Retirement Plan
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, Florida 33410

Funding Policy

Plan members are required to contribute 8.47% of their base salaries or wages on a monthly basis. If a member terminates their employment before accumulating time of 10 years toward retirement, the accumulated contributions will be returned to the members with 5.5% interest. Pursuant to Florida Statutes, Chapter 175, contributions from the State of Florida Department of Insurance consist of a 1.85% excise tax imposed by the City upon certain property insurance companies on the gross amount of premiums from policy holders on all premiums collected on property insurance policies covering property within the City. This amount totaled \$953,388 for the year ended September 30, 2010. This amount was recognized as an expenditure and revenue in the General Fund. The City is required to make annual contributions in the amount of the difference between allowable State contributions and the total cost for the plan year as shown by an actuarial valuation report. The total cost is equal to the normal cost plus the amount required to amortize unfunded actuarial liabilities over 30 years as a level percentage of payroll. Employer contributions for the year ended September 30, 2010, determined using the actuarial valuation dated October 1, 2008, were 27.20% of covered payroll.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset for the current year are as follows:

Annual required contribution	\$ 3,067,711
Interest on net pension asset	(108,730)
Adjustments to annual required contribution	153,293
Annual pension cost	<u>3,112,274</u>
Contributions made	3,067,711
Decrease in net pension asset	<u>44,563</u>
Net pension asset, beginning	(1,279,182)
Net pension asset, ending	<u><u>\$ (1,234,619)</u></u>

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost	Percentage of APC	Net Pension Asset
	(APC)	Contributed	
9/30/2008	\$ 3,143,938	98.7%	\$ (1,049,479)
9/30/2009	3,196,207	107.2%	(1,279,182)
9/30/2010	3,112,274	98.6%	(1,234,619)

The funded status of the Plan as of October 1, 2009 (date of the latest actuarial valuation), is as follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2009*	\$ 45,781	\$ 80,499	\$ 34,718	57%	\$ 9,830	353%

*Actuarial accrued liability is calculated using the entry age normal cost method.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 2009
Actuarial cost method	Aggregate entry age normal
Amortization method	Percentage of payroll
Remaining amortization period	20 years
Asset valuation method	Market value less unrecognized investment gains or losses phased in over a closed five-year period
Actuarial assumptions:	
Investment rate of return*	8.50%
Projected salary increases*	10.22% per year (6.75% merit and longevity increase compounded with 3.25% inflation) for the first six years of service and 4.54% (1.25% merit and longevity increase compounded with 3.25% inflation) per year thereafter
Cost of living adjustments	3%

*Included inflation at 3.25%

4. Management Retirement Plan

Plan Description

The City established, under Ordinance No. 02-18, the Management Retirement Plan and Trust Fund effective date of October 1, 2002. The Plan is a single employer defined benefit plan that covers regular full time senior management or management positions designated by the City Manager, and effective July 6, 2005, includes all FSLA exempt and Civil Service exempt positions. The Plan is also governed by certain provisions of Chapter 112, Florida Statutes.

The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing the Plan.

City of Miramar Management Retirement Plan
6941 SW 196th Avenue, Suite 27
Fort Lauderdale, Florida 33332

Funding Policy

The Plan provides that the City shall pick-up, rather than deduct from each member's pay, beginning with the date of covered employment, 13.515% of the member's compensation. For members also contributing to the City of Miramar Pension Trust for General Employees', the contribution to the Plan shall be reduced by the amount contributed to the General Employees' Plan. The City contributes an amount which when combined with member contributions and investment return, will be sufficient to maintain the Plan on a sound actuarial basis. Employer contributions for the year ended September 30, 2010, determined using the actuarial valuation dated October 1, 2008, were 18.71% of covered payroll.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Members with covered service prior to active membership in this Plan may purchase some or all of that service at the rate of 12.5% of compensation in effect at the time the service was rendered, together with interest at the rate of 6.0% per annum, compounded annually. Members must complete any prior service purchase within one year of the start of their active membership in the Plan. Members electing not to purchase prior covered service will be deemed to have commenced credited service on the date of active membership in the Plan.

Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset for the current year are as follows:

Annual required contribution	\$ 1,042,064
Interest on net pension asset	(22,092)
Adjustments to annual required contribution	38,870
Annual pension cost	<u>1,058,842</u>
Contributions made	1,140,550
Decrease in net pension asset	<u>(81,708)</u>
Net pension asset, beginning	(294,561)
Net pension asset, ending	<u><u>\$ (376,269)</u></u>

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
9/30/2008	\$ 544,960	142%	\$ (314,124)
9/30/2009	1,089,419	98%	(294,561)
9/30/2010	1,058,842	107.7%	(376,269)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2009 (date of the latest actuarial valuation), is as follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2009*	\$ 9,749	\$ 20,478	\$ 10,729	47.60%	\$ 5,913	181.40%

*Actuarial accrued liability is calculated using the entry age normal cost method.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 2009
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	30 years
Asset valuation method	Market value

Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	4.50%

*Includes inflation at 3.5%

B. DEFINED CONTRIBUTION PLAN

Plan Description

The City provides pension benefits for certain appointed employees through a money purchase plan (a defined contribution plan). The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. The Plan is administered by International City Managers Association (ICMA). The ICMA contribution plan was established pursuant to Resolution No. 88-104 adopted May 16, 1988 by the City Commission.

Benefit Provisions and Contribution Rates

Plan benefits depend solely on amounts contributed to the Plan, plus investment earnings, less administrative expenses. The City's contribution for these employees is 11% of covered payroll and vesting in the Plan is immediate. There are no unfunded liabilities of this Plan at the end of the year, as all contributions are remitted monthly to ICMA. During 2010, the City contributed \$593,514 to the Plan. The City's contributions were calculated using a covered base payroll of \$5,395,582 for the fiscal year. At September 30, 2010, there were 71 participants in the Plan.

C. CITY OF MIRAMAR EXCESS BENEFIT PLAN

Plan Description

The City established, under Ordinance No. 01-43, effective date September 5, 2001, the Excess Benefit Plan as a separate plan to be a separate, unfunded, nonqualified excess benefit plan, containing the terms and provisions set forth in the subpart (Sec. 15-341) and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Excess Benefit Participants

Any member whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Code.

Benefits Provided

An employee benefit participant shall be eligible to receive benefits from the excess benefit plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of all qualified plans of the City, that otherwise would have been paid in the absence of IRS Code Section 415 limits.

Funding Policy

The City cannot advance fund assets, or any benefit currently payable under the Plan, and any assets held by the plan during any period can only pay benefits coming due or the expenses of the plan during the period. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the Excess Plan Liabilities. The City has recorded a Liability in the amount of \$615,441 in the government-wide financial statements that represents the Net Pension Obligation of the Plan as of September 30, 2010. The City has elected to present this Net Pension Obligation because of the nature of the Excess Benefit Plan. The City cannot restrict any assets, including cash for the purpose of providing funding for these benefits. However, the City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan. A schedule of funding progress has not been provided since no funding has been provided to the Plan.

Annual Pension Cost and Net Pension Obligation

As of September 30, 2010 (date of the latest actuarial valuation), the City's annual pension cost and net pension obligation are as follows:

Annual required contribution	\$ (36,741)
Interest on net pension obligation	29,086
Adjustments to annual required contribution	-
Annual pension cost	<u>(7,655)</u>
Contributions made	<u>104,045</u>
Decrease in net pension obligation	<u>(111,700)</u>
Net pension obligation, beginning	<u>727,141</u>
Net pension obligation, ending	<u><u>\$ 615,441</u></u>

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Fiscal Year Ending	Three Year Trend Information*		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$ 782,934	7.10%	\$ 727,141
9/30/2010	(7,655)	N/A	615,441

*The Plan commenced in fiscal year 2009.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	September 30, 2010
Actuarial cost method	Entry age normal
Amortization method	Immediate recognition
Remaining amortization period	1 year
Asset valuation method	Unfunded

Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	N/A
Payroll growth assumptions	N/A

*Includes inflation at 4%

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City of Miramar is a single-employer provider with multiple defined benefit healthcare plans. The City provides medical and dental insurance benefits for retirees and their spouses. The Plans have no assets and do not issue separate financial statements. The benefits provided vary according to the category of employees as follows:

1. General Employees

For this group of employees, retirees are eligible for a monthly stipend in the amount of \$10 for each year of credited service to a maximum of \$250 per month. The stipend is paid to retirees covered under the City's medical plan and ceases at age 62 at which time the City begins paying the full premiums for the retiree (not dependents) coverage until attaining age 65. During this period, each retiree has the option, at their (own) expense, to carry dependent group coverage at the City's group rates. After attaining age 65 the retirees and their dependents are permitted to remain covered under the City's respective medical plans as long as they pay a full premium applicable to the coverage elected at the same group rates charged to the City's active employees. This conforms to the minimum required of Florida government employers per Ch. 112.0801, *Florida Statutes*. Other than the coverage provisions mandated by the State, the provisions of this plan may be amended through negotiations between the City and the general employees' bargaining unit.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

2. Unrepresented Employees

For each two years of service with the City, these retirees would receive a year of health insurance at no cost for the retiree's coverage and with a 50% discount for dependent coverage. To be eligible for this benefit, a retiree needs to have accrued at least three years of service with the City and be covered by the City's plan at the time of retirement and have retired between October 1, 2003 and June 30, 2008. A cash equivalent in lieu of the free/discounted coverage is also available with proof of other coverage. After expiration of this benefit, but not beyond the 65th birthday, a retiree will be eligible for a monthly stipend of \$10 for each year of credited service to a maximum of \$250 per month. Upon retirement the health coverage benefit earned is utilized first. Should the retiree wish to continue coverage under the City's plan, all future costs are paid by the retiree at the City's subsidized group rate. The City of Miramar has the ability to change the provisions of this plan on a prospective basis.

3. Police

Retirees are eligible for a monthly stipend in the amount of \$20 for each year of credited service to a maximum of \$400 per month. The provisions of this plan may be amended through negotiations between the City and the employee bargaining unit.

4. Firefighters

Retirees are eligible for a monthly health insurance stipend which is paid by the Firefighters Pension Fund. The provisions of this plan may be amended through negotiations between the City and the employee bargaining unit.

Funding Policy

OPEB is a contractual obligation of the City and is funded each year in the City's operating budget on a pay-as-you-go basis. The health insurance coverage was established pursuant to Resolution No. 90-27 adopted October 16, 1989 by the City Commission. In fiscal year 2010, 17 employees resulted in a total cost to the City of approximately \$175,052. Retirees/spouse premiums collected were \$320,323 or approximately 65% of the total premiums paid as of September 30, 2010.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution:		
Normal cost	\$	1,848,234
Amortization		963,340
Interest on normal cost and amortization		83,932
Annual Required Contribution (ARC)		<u>2,895,506</u>
Increase in net OPEB obligation		90,782
Adjustment to ARC		<u>(75,653)</u>
Annual OPEB Cost (Expense)		2,910,635
Contributions made		<u>(586,784)</u>
Increase in net OPEB obligation		2,323,851
Net OPEB obligation, beginning of year		<u>2,269,552</u>
Net OPEB obligation, end of year	\$	<u><u>4,593,403</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Fiscal year ended		9/30/2010		9/30/2009
Annual OPEB cost	\$	2,910,635	\$	2,772,660
Percentage of OPEB cost contributed		20.16%		18.15%
Net OPEB obligation	\$	4,593,403	\$	2,269,552

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2008 (date of the latest actuarial valuation) was as follows:

Actuarial accrued liability	\$	27,248,969
Actuarial value of plan assets	\$	-
Unfunded actuarial accrued liability (UAAL)	\$	27,248,969
Funded ratio		-
Covered payroll	\$	42,505,228
UAAL as a percentage of covered payroll		64.11%

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Actuarial valuations on an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. However, the City has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

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

The actuarial methods and assumptions used are as follows:

Contribution rate	1.30%
Valuation date	January 1, 2008
Annual OPEB cost	\$ 2,910,636
Contributions made	\$ 586,784
Actuarial cost method	Entry age
Amortization method	Level percent, closed
Remaining amortization period	29 years
Asset valuation method	Unfunded

Actuarial assumptions:

Investment rate of return*	4.00%
Projected salary increases*	2.0% - 8.0%
Payroll growth assumptions	4%
Initial trend rate	0%
Ultimate trend rate	5%

*Includes general inflation at 3.0%

The actuarial assumptions include a 4 percent investment rate of return. This rate is based on the City's investment returns which are based on the use of short-term fixed income instruments. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. 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 City is also exposed to risk of loss related to employees' dental health. The City has a comprehensive risk management program to account for and finance its uninsured risk of loss. Under the program, the self-insurance internal service fund provides coverage for up to a maximum of \$500,000 for each workers' compensation claim, \$100,000 for each general liability claim, \$75,000 for each property claim, and \$50,000 per person for dental health claims.

The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risk of loss. There were no significant changes in insurance coverage from coverage in prior years. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Changes in the Fund's claims liability amount in fiscal 2010, 2009 and 2008 for these two programs were:

	Balance Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance End of Year
General:				
2009-2010	\$ 5,500,000	\$ 1,842,815	\$ 1,842,815	\$ 5,500,000
2008-2009	6,060,319	1,640,619	2,200,938	5,500,000
2007-2008	6,060,319	1,955,976	1,955,976	6,060,319
Health:				
2009-2010	\$ 75,740	\$ 421,170	\$ 421,170	\$ 75,740
2008-2009	75,739	361,482	361,481	75,740
2007-2008	75,739	344,091	344,091	75,739

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

In 1974, the City entered into the "Large User Wastewater Agreement" with the City of Hollywood, Florida ("Hollywood"). The agreement provides for the connection of the City's collection system to Hollywood's treatment and disposal facility for a period of 40 years, at which time it will be extended to the maturity date of any bond issues or other indebtedness incurred by Hollywood subsequent to the date of this agreement if the proceeds from such bonds or other indebtedness incurred are used to improve existing service or provide new service to the City. The City is being charged based on average daily wastewater flow. The charges to operations of the Utility Fund under this agreement were \$1,078,508 during the year ended September 30, 2010, and are included in wastewater plant operations expense on the Statement of Revenues, Expenses and Changes in Fund Net Assets.

City of Miramar, Florida
Notes to Basic Financial Statements
For the year ended September 30, 2010

Construction and Purchase Commitments

The City's active construction projects as of September 30, 2010, include water and wastewater expansion, construction and equipping of park facilities and construction at the Ansin Sports Complex. In addition, the City has outstanding purchase commitments for engineering and design services. At year end, the City's outstanding commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Ansin Sports Complex	\$ 14,491,941	\$ 88,570
Cultural Arts Center	22,348,112	35,237
Vizcaya Park	2,182,609	120,404
Fairway Park	797,812	5,199
Stormwater Reuse	1,660,468	130,185
Building L Renovations	371,556	72,609
	\$ 41,852,498	\$ 452,204

The projects listed above have been financed through the issuance of revenue bonds, revenue notes and from existing City resources.

Contingencies

Various claims and lawsuits incidental to the City's operations are pending against the City. Although the outcome of these claims and lawsuits are not presently determinable, in the opinion of the City's counsel and management, any claims or lawsuits not covered by insurance would not have a material adverse effect on the financial condition of the City.

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Miramar, Florida
Budgetary Comparison Schedule
General Fund
For the year ended September 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 70,695,200	\$ 71,181,500	\$ 71,585,542	\$ 404,042
Special assessments	10,744,000	10,744,000	10,177,338	(566,662)
Licenses and permits	4,551,600	4,551,600	3,907,031	(644,569)
Intergovernmental	8,218,500	7,611,400	9,329,718	1,718,318
Charges for services	7,368,500	7,945,000	7,810,114	(134,886)
Fines and forfeitures	497,000	497,000	545,199	48,199
Interest	468,000	621,300	1,511,944	890,644
Miscellaneous	418,700	418,700	2,484,266	2,065,566
TOTAL REVENUES	<u>102,961,500</u>	<u>103,570,500</u>	<u>107,351,152</u>	<u>3,780,652</u>
EXPENDITURES				
Current:				
General government:				
City Commission	606,400	606,400	506,583	99,817
Administration	244,500	437,039	267,512	169,527
City Manager	454,900	463,856	462,346	1,510
Human Resource	1,327,900	1,401,460	1,357,519	43,941
Legal	747,500	847,500	841,031	6,469
City Clerk	565,500	565,500	514,259	51,241
Financial Services	4,079,300	4,039,300	3,893,896	145,404
Procurement	586,400	586,400	485,806	100,594
Management Information System	1,408,000	1,408,000	1,284,106	123,894
Economic Development and Revitalization	689,200	688,705	495,859	192,846
Total general government	<u>10,709,600</u>	<u>11,044,160</u>	<u>10,108,917</u>	<u>935,243</u>
Public safety:				
Police	35,684,400	35,784,519	35,117,852	666,667
Fire Rescue	23,587,700	23,991,212	22,584,832	1,406,380
Total public safety	<u>59,272,100</u>	<u>59,775,731</u>	<u>57,702,684</u>	<u>2,073,047</u>
Physical environment:				
Public Works	8,665,300	8,665,200	7,566,064	1,099,136
Total physical environment	<u>8,665,300</u>	<u>8,665,200</u>	<u>7,566,064</u>	<u>1,099,136</u>
Community services:				
Community Development	4,054,700	4,054,700	3,872,920	181,780
Community services	7,407,500	7,848,747	7,128,416	720,331
Total community services	<u>11,462,200</u>	<u>11,903,447</u>	<u>11,001,336</u>	<u>902,111</u>
Social Services	1,525,800	1,525,800	1,342,877	182,923
Non-Departmental	13,699,100	15,340,607	5,368,777	9,971,830
Capital outlay	2,135,200	5,429,745	2,632,731	2,797,014
Debt service:				
Principal	395,200	395,200	682,392	(287,192)
Interest	-	-	68,067	(68,067)
TOTAL EXPENDITURES	<u>107,864,500</u>	<u>114,079,890</u>	<u>96,473,845</u>	<u>17,606,045</u>
Excess (deficiency) of revenues over expenditures	<u>(4,903,000)</u>	<u>(10,509,390)</u>	<u>10,877,307</u>	<u>21,386,697</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,907,100	3,142,112	2,317,008	(825,104)
Transfers out	(8,958,100)	(7,246,100)	(7,972,900)	(726,800)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,051,000)</u>	<u>(4,103,988)</u>	<u>(5,655,892)</u>	<u>(1,551,904)</u>
Net change in fund balance	<u>\$ (10,954,000)</u>	<u>\$ (14,613,378)</u>	<u>5,221,415</u>	<u>\$ 19,834,793</u>
Fund balance, beginning			45,733,954	
Fund balance, ending			<u>\$ 50,955,369</u>	

City of Miramar, Florida
Note to Budgetary Comparison Schedule
For the year ended September 30, 2010

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for the General, Special Revenue, Capital Projects and Debt Service Funds on a basis consistent with accounting principles generally accepted in the United States of America.

1. Prior to July 10, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings as required by State statute are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an Ordinance.
4. All budget amendments require approval by the City Commission when operating expenditures exceed budgeted appropriations at the department level, which is the legal level of control. In addition, a budget amendment approved by the City Commission is required when capital outlay expenditures exceed budgeted appropriations at the department level.
5. Appropriations lapse at year-end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year.
6. Budgets are prepared on the same basis of accounting as required for governmental fund types and are presented in the financial statements inclusive of all amendments to the original appropriation as approved by the City Commission during the fiscal year. Budget amendments for the fiscal year ended September 30, 2010, totaled a net increase of \$4,503,390 for the General Fund, which were authorized by the original budget ordinance.

City of Miramar, Florida
Required Supplementary Information
Schedule of Funding Progress - Pension Funds
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
General Employees' Retirement Plan:						
10/1/2007	\$ 31,746	\$ 53,419	\$ 21,673	59.40%	\$ 14,536	149.10%
10/1/2008	35,825	59,569	23,744	60.10%	15,496	153.20%
10/1/2009	40,321	64,891	24,570	62.10%	16,445	149.40%
Police Officers' Retirement Plan:						
10/1/2007	\$ 45,048	\$ 72,004	\$ 26,956	62.60%	\$ 11,595	232.50%
10/1/2008	50,322	87,443	37,121	57.50%	12,710	292.10%
10/1/2009	54,831	97,512	42,681	56.20%	13,631	313.10%
Firefighters' Retirement Plan:						
10/1/2007	\$ 39,021	\$ 68,871	\$ 29,850	56.70%	\$ 9,763	305.80%
10/1/2008	43,451	75,587	32,136	57%	9,784	328%
10/1/2009	45,781	80,499	34,718	57%	9,830	353%
Management Retirement Plan:						
10/1/2007	\$ 6,988	\$ 13,745	\$ 6,757	50.80%	\$ 4,659	145%
10/1/2008	7,553	18,340	10,787	41.20%	5,567	193.80%
10/1/2009	9,749	20,478	10,729	47.60%	5,913	181.40%

City of Miramar, Florida
Required Supplementary Information
Schedule of Employer Contributions - Pension Plans

Fiscal Year		Annual Required Contribution	Percentage Contributed
General Employees' Retirement Plan:			
2008	\$	3,500,405	100%
2009		3,603,503	100%
2010		3,918,143	100%
Police Officers' Retirement Plan:			
2008	\$	4,508,456	100%
2009		5,105,344	100%
2010		6,091,171	100%
Firefighters' Retirement Plan:			
2008	\$	3,103,469	100%
2009		3,158,881	100%
2010		3,067,711	100%
Management Retirement Plan:			
2008	\$	538,370	143%
2009		1,069,856	100%
2010		1,042,064	100%

City of Miramar, Florida
Required Supplementary Information
Schedule of Funding Progress - Other Post-Employment Benefit Obligation
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
1/1/2008	\$ -	\$ 27,249	\$ 27,249	0.00%	\$ 42,505	64.11%

The year ended September 30, 2009, was the first year of implementation of GASB Statement No. 45. Information presented above reflects that of the latest actuarial valuation available at September 30, 2010. The date of the next actuarial valuation is January 1, 2011.

COMBINING AND INDIVIDUAL FUND STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

State Grant Fund -This fund was established to account for revenues and expenditures associated with funding from State granting agencies.

Street Construction and Maintenance Fund -In accordance with State Statute 336.59, this fund was established to account for the City's proportional share of state revenue sharing and local option gas tax funds. Funds are limited in use to the purchase of transportation facilities and the improvement and maintenance of roads and streets within the City.

Police Education Fund -This fund was established to pay certain training costs of law enforcement officers.

Federal Grant Fund -This fund was established to account for revenues and expenditures associated with funding from Federal granting agencies.

Recovery Grants Fund -This fund was established to account for revenues and expenditures associated with funding from the American Recovery and Reinvestment Act of 2009.

Neighborhood Stabilization Program Fund -This fund was established to account for revenues and expenditures associated with Neighborhood Stabilization Program in order to develop viable urban communities by providing decent housing and a suitable living environment.

Public Safety Outside Service Fund -This fund was established to account for revenues and expenditures associated with services provided by off-duty police officers in private customer details to the various businesses and homeowner associations.

Law Enforcement Trust Fund -This fund was established to account for revenues generated by police department confiscations.

Urban Areas Security Initiative -This fund was established to account for Urban Areas Security Initiative grant revenues to be used for the development and maintenance of City protection programs against terrorism.

Community Development Block Grant (CDBG) Fund -This fund was established to award money to eligible applicants for minor home repair/ weatherization, commercial rehabilitation and to provide for the cost of equipment and renovations for community parks.

State Housing Initiatives Partnership (S.H.I.P.) Program -This fund was established to award money for deferred loan grants to eligible applicants for minor home repair/ weatherization and for purchase assistance programs.

DEBT SERVICE FUND

Debt Service Fund -This fund was established to account for the servicing of general long-term debt not being financed in proprietary funds.

CAPITAL PROJECTS FUNDS

Public Safety Capital Improvement Fund -This fund was established to collect police and fire impact fees to be used for the acquisition and development of police and fire facilities.

Park Development Fund -This fund was established to account for the collections of park and recreation impact fees to be used for the acquisition and development of park and recreational facilities and sites.

Capital Projects Fund - This fund was established to account for financial resources used for the acquisition and/or construction of major capital assets within the City, except for those financed by proprietary funds.

City of Miramar, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2010

	Special Revenue		
		Street Construction and Maintenance Fund	Police Education Fund
	State Grant Fund		
ASSETS			
Pooled cash and cash equivalents	\$ -	\$ 799,433	\$ 22,875
Investments	-	507,303	-
Receivables, net	-	-	-
Due from other governments	38,683	329,952	1,712
Assets held for resale	-	-	-
TOTAL ASSETS	\$ 38,683	\$ 1,636,688	\$ 24,587
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 12,500	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	24,410	-	-
Advances from other funds	-	-	-
Deferred revenue	-	-	-
Unearned revenue	1,773	-	-
TOTAL LIABILITIES	38,683	-	-
FUND BALANCES (DEFICITS)			
Non-spendable:			
Assets held for resale	-	-	-
Long term receivables	-	-	-
Restricted for:			
Housing	-	-	-
Law enforcement	-	-	24,587
Street construction and maintenance	-	1,636,688	-
Capital improvement	-	-	-
Debt service	-	-	-
Unassigned			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	1,636,688	24,587
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,683	\$ 1,636,688	\$ 24,587

Special Revenue

Federal Grant Fund	Recovery Grants Fund	Neighborhood Stabilization Program Fund	Public Safety Outside Service Fund	Law Enforcement Trust Fund	Urban Areas Security Initiative	CDBG Fund
\$ -	\$ -	\$ -	\$ 17,040	\$ 235,217	\$ -	\$ -
-	-	-	-	1,085,870	-	-
-	-	-	138,576	-	-	-
249,877	234,455	1,676,084	-	-	1,438,225	96,014
-	-	2,398,264	-	-	-	-
<u>\$ 249,877</u>	<u>\$ 234,455</u>	<u>\$ 4,074,348</u>	<u>\$ 155,616</u>	<u>\$ 1,321,087</u>	<u>\$ 1,438,225</u>	<u>\$ 96,014</u>
\$ 27,083	\$ 16,185	\$ 341,528	\$ -	\$ 58	\$ 9,003	\$ 7,100
-	1,948	-	-	-	376	134
-	-	-	-	-	744,896	-
221,866	162,996	1,334,556	-	-	683,950	88,780
-	-	-	-	-	-	-
-	-	-	-	-	149,962	-
928	53,326	-	-	-	-	-
<u>249,877</u>	<u>234,455</u>	<u>1,676,084</u>	<u>-</u>	<u>58</u>	<u>1,588,187</u>	<u>96,014</u>
-	-	2,398,264	-	-	-	-
-	-	-	-	-	208,482	-
-	-	-	-	-	-	-
-	-	-	155,616	1,321,029	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(358,444)	-
-	-	-	-	-	-	-
-	-	2,398,264	155,616	1,321,029	(149,962)	-
<u>\$ 249,877</u>	<u>\$ 234,455</u>	<u>\$ 4,074,348</u>	<u>\$ 155,616</u>	<u>\$ 1,321,087</u>	<u>\$ 1,438,225</u>	<u>\$ 96,014</u>

(Continued)

City of Miramar, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2010

	Special Revenue	Debt Service	Capital Projects
	SHIP Program Fund	Debt Service	Public Safety Capital Improvement Fund
ASSETS			
Pooled cash and cash equivalents	\$ 230,911	\$ 5,430,073	\$ 147,041
Investments	1,320,113	574,387	2,280,381
Receivables, net	-	347,459	-
Due from other governments	-	-	-
Assets held for resale	-	-	-
TOTAL ASSETS	\$ 1,551,024	\$ 6,351,919	\$ 2,427,422
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,066	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Deferred revenue	-	347,459	-
Unearned revenue	62,743	-	-
TOTAL LIABILITIES	64,809	347,459	-
FUND BALANCES (DEFICITS)			
Non-spendable:			
Assets held for resale	-	-	-
Long term receivables	-	-	-
Restricted for:			
Housing	1,486,215	-	-
Law enforcement	-	-	-
Street construction and maintenance	-	-	-
Capital improvement	-	-	2,427,422
Debt service	-	6,004,460	-
Unassigned			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,486,215	6,004,460	2,427,422
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,551,024	\$ 6,351,919	\$ 2,427,422

Capital Projects

Park Development Fund	Capital Projects Fund	Total Non-Major Governmental Funds
\$ -	\$ 2,124,580	\$ 9,007,170
-	6,834,117	12,602,171
-	-	486,035
-	5,257	4,070,259
-	-	2,398,264
<u>\$ -</u>	<u>\$ 8,963,954</u>	<u>\$ 28,563,899</u>
\$ -	\$ 581,294	\$ 996,817
-	-	2,458
-	-	744,896
-	-	2,516,558
1,842,699	-	1,842,699
-	-	497,421
-	-	118,770
<u>1,842,699</u>	<u>581,294</u>	<u>6,719,619</u>
-	-	2,398,264
-	-	208,482
-	-	1,486,215
-	-	1,501,232
-	-	1,636,688
-	8,382,660	10,810,082
-	-	6,004,460
-	-	(358,444)
<u>(1,842,699)</u>	<u>-</u>	<u>(1,842,699)</u>
<u>(1,842,699)</u>	<u>8,382,660</u>	<u>21,844,280</u>
<u>\$ -</u>	<u>\$ 8,963,954</u>	<u>\$ 28,563,899</u>

City of Miramar, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2010

	Special Revenue		
	State Grant Fund	Street Construction and Maintenance Fund	Police Education Fund
REVENUES			
Special assessments	\$ -	\$ -	\$ -
Intergovernmental	284,260	2,500,821	-
Charges for services	-	-	-
Fines and forfeitures	-	-	22,689
Impact fees	-	-	-
Interest	-	2,911	-
Miscellaneous	-	-	-
TOTAL REVENUES	<u>284,260</u>	<u>2,503,732</u>	<u>22,689</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	2,742
Community services	30,200	-	-
Grants/aid	-	-	-
Capital outlay	26,736	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>56,936</u>	<u>-</u>	<u>2,742</u>
Excess (deficiency) of revenues over expenditures	<u>227,324</u>	<u>2,503,732</u>	<u>19,947</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(227,324)	(1,641,213)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(227,324)</u>	<u>(1,641,213)</u>	<u>-</u>
Net changes in fund balances	-	862,519	19,947
Fund balances, beginning, as restated	-	774,169	4,640
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ 1,636,688</u>	<u>\$ 24,587</u>

Special Revenue

Federal Grant Fund	Recovery Grants Fund	Neighborhood Stabilization Program Fund	Public Safety Outside Service Fund	Law Enforcement Trust Fund	Urban Areas Security Initiative	CDBG Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
536,204	467,163	5,513,680	-	-	7,701,221	628,232
-	-	-	903,529	-	-	-
-	-	-	-	167,680	-	-
-	-	-	-	-	-	-
-	-	-	-	3,709	-	-
-	-	-	-	912	-	22,501
<u>536,204</u>	<u>467,163</u>	<u>5,513,680</u>	<u>903,529</u>	<u>172,301</u>	<u>7,701,221</u>	<u>650,733</u>
-	-	-	-	-	-	-
-	-	-	1,145,906	61,253	184,100	-
3,239	-	-	-	-	-	268,780
215,446	400,441	3,056,829	-	-	7,615,301	381,953
14,845	26,574	-	-	52,095	4,720	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>233,530</u>	<u>427,015</u>	<u>3,056,829</u>	<u>1,145,906</u>	<u>113,348</u>	<u>7,804,121</u>	<u>650,733</u>
<u>302,674</u>	<u>40,148</u>	<u>2,456,851</u>	<u>(242,377)</u>	<u>58,953</u>	<u>(102,900)</u>	<u>-</u>
-	-	-	-	-	-	-
(302,674)	(40,148)	(58,587)	-	-	(47,062)	-
<u>(302,674)</u>	<u>(40,148)</u>	<u>(58,587)</u>	<u>-</u>	<u>-</u>	<u>(47,062)</u>	<u>-</u>
-	-	2,398,264	(242,377)	58,953	(149,962)	-
-	-	-	397,993	1,262,076	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,264</u>	<u>\$ 155,616</u>	<u>\$ 1,321,029</u>	<u>\$ (149,962)</u>	<u>\$ -</u>

(Continued)

City of Miramar, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the year ended September 30, 2010

	Special Revenue	Debt Service	Capital Projects
	SHIP Program Fund	Debt Service	Public Safety Capital Improvement Fund
REVENUES			
Special assessments	\$ -	\$ 139,431	\$ -
Intergovernmental	24,800	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Impact fees	-	-	71,251
Interest	5,544	48,880	17,780
Miscellaneous	-	-	-
TOTAL REVENUES	30,344	188,311	89,031
EXPENDITURES			
Current:			
General government	-	2,875	-
Public safety	-	-	-
Community services	800	-	-
Grants/aid	238,652	-	-
Capital outlay	-	-	549
Debt service:			
Principal	-	1,092,373	-
Interest	-	4,908,506	-
Fiscal charges	-	978	-
TOTAL EXPENDITURES	239,452	6,004,732	549
Excess (deficiency) of revenues over expenditures	(209,108)	(5,816,421)	88,482
OTHER FINANCING SOURCES (USES)			
Transfers in	-	5,839,500	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	5,839,500	-
Net changes in fund balances	(209,108)	23,079	88,482
Fund balances, beginning, as restated	1,695,323	5,981,381	2,338,940
Fund balances (deficits), ending	\$ 1,486,215	\$ 6,004,460	\$ 2,427,422

Capital Projects

Park Development Fund	Capital Projects Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 139,431
-	292,570	17,948,951
-	-	903,529
-	-	190,369
178,002	-	249,253
-	109,459	188,283
-	-	23,413
<u>178,002</u>	<u>402,029</u>	<u>19,643,229</u>
-	-	2,875
-	-	1,394,001
840	-	303,859
-	-	11,908,622
7,500	2,862,963	2,995,982
-	-	1,092,373
-	-	4,908,506
-	-	978
<u>8,340</u>	<u>2,862,963</u>	<u>22,607,196</u>
<u>169,662</u>	<u>(2,460,934)</u>	<u>(2,963,967)</u>
-	-	5,839,500
-	-	(2,317,008)
-	-	3,522,492
169,662	(2,460,934)	558,525
<u>(2,012,361)</u>	<u>10,843,594</u>	<u>21,285,755</u>
<u>\$ (1,842,699)</u>	<u>\$ 8,382,660</u>	<u>\$ 21,844,280</u>

City of Miramar, Florida
Budgetary Comparison Schedule
State Grant Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 434,615	\$ 284,260	\$ (150,355)
TOTAL REVENUES	<u>-</u>	<u>434,615</u>	<u>284,260</u>	<u>(150,355)</u>
EXPENDITURES				
Current:				
Community services	-	48,200	30,200	18,000
Capital outlay	350,000	153,972	26,736	127,236
TOTAL EXPENDITURES	<u>350,000</u>	<u>202,172</u>	<u>56,936</u>	<u>145,236</u>
Excess (deficiency) of revenues over expenditures	<u>(350,000)</u>	<u>232,443</u>	<u>227,324</u>	<u>(5,119)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	-	-	-
Transfers out	-	(232,443)	(227,324)	5,119
TOTAL OTHER FINANCING SOURCES (USES)	<u>350,000</u>	<u>(232,443)</u>	<u>(227,324)</u>	<u>5,119</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Street Construction and Maintenance Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 2,300,000	\$ 2,253,300	\$ 2,500,821	\$ 247,521
Interest	15,000	15,000	2,911	(12,089)
TOTAL REVENUES	<u>2,315,000</u>	<u>2,268,300</u>	<u>2,503,732</u>	<u>235,432</u>
EXPENDITURES				
Capital outlay	31,400	840,387	-	840,387
TOTAL EXPENDITURES	<u>31,400</u>	<u>840,387</u>	<u>-</u>	<u>840,387</u>
Excess (deficiency) of revenues over expenditures	<u>2,283,600</u>	<u>1,427,913</u>	<u>2,503,732</u>	<u>1,075,819</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,283,600)</u>	<u>(1,641,213)</u>	<u>(1,641,213)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,283,600)</u>	<u>(1,641,213)</u>	<u>(1,641,213)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (213,300)</u>	862,519	<u>\$ 1,075,819</u>
Fund balance, beginning, as restated			<u>774,169</u>	
Fund balance, ending			<u>\$ 1,636,688</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Police Education Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fines and forfeitures	\$ 23,500	\$ 23,500	\$ 22,689	\$ (811)
TOTAL REVENUES	<u>23,500</u>	<u>23,500</u>	<u>22,689</u>	<u>(811)</u>
EXPENDITURES				
Current:				
Public safety	<u>23,500</u>	<u>23,500</u>	<u>2,742</u>	<u>20,758</u>
TOTAL EXPENDITURES	<u>23,500</u>	<u>23,500</u>	<u>2,742</u>	<u>20,758</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	19,947	<u>\$ 19,947</u>
Fund balance, beginning			<u>4,640</u>	
Fund balance, ending			<u>\$ 24,587</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Federal Grant Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,007,059	\$ 536,204	\$ (470,855)
TOTAL REVENUES	-	1,007,059	536,204	(470,855)
EXPENDITURES				
Current:				
Community services	-	3,239	3,239	-
Grants/aid	-	566,787	215,446	351,341
Capital outlay	-	69,123	14,845	54,278
TOTAL EXPENDITURES	-	639,149	233,530	405,619
Excess (deficiency) of revenues over expenditures	-	367,910	302,674	(65,236)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(367,910)	(302,674)	65,236
TOTAL OTHER FINANCING SOURCES (USES)	-	(367,910)	(302,674)	65,236
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Recovery Grants Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 3,861,180	\$ 467,163	\$ (3,394,017)
TOTAL REVENUES	<u>-</u>	<u>3,861,180</u>	<u>467,163</u>	<u>(3,394,017)</u>
EXPENDITURES				
Current:				
Grants/aid	-	2,599,499	400,441	2,199,058
Capital outlay	-	1,190,161	26,574	1,163,587
TOTAL EXPENDITURES	<u>-</u>	<u>3,789,660</u>	<u>427,015</u>	<u>3,362,645</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>71,520</u>	<u>40,148</u>	<u>(31,372)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(71,520)	(40,148)	31,372
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(71,520)</u>	<u>(40,148)</u>	<u>31,372</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Neighborhood Stabilization Program Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 8,944,183	\$ 5,513,680	\$ (3,430,503)
TOTAL REVENUES	<u>-</u>	<u>8,944,183</u>	<u>5,513,680</u>	<u>(3,430,503)</u>
EXPENDITURES				
Current:				
Grants/aid	-	8,832,888	3,056,829	5,776,059
TOTAL EXPENDITURES	<u>-</u>	<u>8,832,888</u>	<u>3,056,829</u>	<u>5,776,059</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>111,295</u>	<u>2,456,851</u>	<u>2,345,556</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(111,295)	(58,587)	52,708
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(111,295)</u>	<u>(58,587)</u>	<u>52,708</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,398,264	<u>\$ 2,398,264</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 2,398,264</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Public Safety Outside Service Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Charges for services	<u>\$ 1,002,600</u>	<u>\$ 1,162,600</u>	<u>\$ 903,529</u>	<u>\$ (259,071)</u>
TOTAL REVENUES	<u>1,002,600</u>	<u>1,162,600</u>	<u>903,529</u>	<u>(259,071)</u>
EXPENDITURES				
Current:				
Public safety	<u>1,002,600</u>	<u>1,162,600</u>	<u>1,145,906</u>	<u>16,694</u>
TOTAL EXPENDITURES	<u>1,002,600</u>	<u>1,162,600</u>	<u>1,145,906</u>	<u>16,694</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(242,377)</u>	<u>\$ (242,377)</u>
Fund balance, beginning			<u>397,993</u>	
Fund balance, ending			<u>\$ 155,616</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Law Enforcement Trust Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fines and forfeitures	\$ 180,500	\$ 180,500	\$ 167,680	\$ (12,820)
Interest	50,000	50,000	3,709	(46,291)
Miscellaneous	-	-	912	912
TOTAL REVENUES	<u>230,500</u>	<u>230,500</u>	<u>172,301</u>	<u>(58,199)</u>
EXPENDITURES				
Current:				
Public safety	130,500	130,500	61,253	69,247
Capital outlay	100,000	175,000	52,095	122,905
TOTAL EXPENDITURES	<u>230,500</u>	<u>305,500</u>	<u>113,348</u>	<u>192,152</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (75,000)</u>	58,953	<u>\$ 133,953</u>
Fund balance, beginning			<u>1,262,076</u>	
Fund balance, ending			<u>\$ 1,321,029</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Urban Areas Security Initiative
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 7,539,100	\$ 13,583,319	\$ 7,701,221	\$ (5,882,098)
TOTAL REVENUES	<u>7,539,100</u>	<u>13,583,319</u>	<u>7,701,221</u>	<u>(5,882,098)</u>
EXPENDITURES				
Current:				
Public safety	996,900	1,002,645	184,100	818,545
Grants/aid	6,412,200	12,502,289	7,615,301	4,886,988
Capital outlay	-	6,196	4,720	1,476
TOTAL EXPENDITURES	<u>7,409,100</u>	<u>13,511,130</u>	<u>7,804,121</u>	<u>5,707,009</u>
Excess (deficiency) of revenues over expenditures	<u>130,000</u>	<u>72,189</u>	<u>(102,900)</u>	<u>(175,089)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(130,000)</u>	<u>(72,189)</u>	<u>(47,062)</u>	<u>25,127</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(130,000)</u>	<u>(72,189)</u>	<u>(47,062)</u>	<u>25,127</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(149,962)	<u>\$ (149,962)</u>
Fund balance, beginning			<u>-</u>	
Fund balance (deficit), ending			<u>\$ (149,962)</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
CDBG Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 780,200	\$ 780,200	\$ 628,232	\$ (151,968)
Interest	100	100	-	(100)
Miscellaneous	-	-	22,501	22,501
TOTAL REVENUES	<u>780,300</u>	<u>780,300</u>	<u>650,733</u>	<u>(129,567)</u>
EXPENDITURES				
Current:				
Community services	243,600	243,600	268,780	(25,180)
Grants/aid	808,400	808,400	381,953	426,447
TOTAL EXPENDITURES	<u>1,052,000</u>	<u>1,052,000</u>	<u>650,733</u>	<u>401,267</u>
Excess (deficiency) of revenues over expenditures	<u>(271,700)</u>	<u>(271,700)</u>	<u>-</u>	<u>271,700</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	271,700	271,700	-	(271,700)
TOTAL OTHER FINANCING SOURCES (USES)	<u>271,700</u>	<u>271,700</u>	<u>-</u>	<u>(271,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
SHIP Program Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 87,500	\$ 928,235	\$ 24,800	\$ (903,435)
Interest	9,000	10,124	5,544	(4,580)
TOTAL REVENUES	<u>96,500</u>	<u>938,359</u>	<u>30,344</u>	<u>(908,015)</u>
EXPENDITURES				
Current:				
Community services	8,900	68,850	800	68,050
Grants/aid	87,600	1,389,439	238,652	1,150,787
TOTAL EXPENDITURES	<u>96,500</u>	<u>1,458,289</u>	<u>239,452</u>	<u>1,218,837</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (519,930)</u>	(209,108)	<u>\$ 310,822</u>
Fund balance, beginning			<u>1,695,323</u>	
Fund balance, ending			<u>\$ 1,486,215</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Debt Service
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Special assessments	\$ 126,900	\$ 126,900	\$ 139,431	\$ 12,531
Interest	40,000	40,000	48,880	8,880
TOTAL REVENUES	<u>166,900</u>	<u>166,900</u>	<u>188,311</u>	<u>21,411</u>
EXPENDITURES				
Current:				
General government	4,500	4,500	2,875	1,625
Debt service:				
Principal	1,109,400	1,109,400	1,092,373	17,027
Interest	4,891,500	4,891,500	4,908,506	(17,006)
Fiscal charges	1,000	1,000	978	22
TOTAL EXPENDITURES	<u>6,006,400</u>	<u>6,006,400</u>	<u>6,004,732</u>	<u>1,668</u>
Excess (deficiency) of revenues over expenditures	<u>(5,839,500)</u>	<u>(5,839,500)</u>	<u>(5,816,421)</u>	<u>23,079</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,839,500</u>	<u>5,839,500</u>	<u>5,839,500</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,839,500</u>	<u>5,839,500</u>	<u>5,839,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	23,079	<u>\$ 23,079</u>
Fund balance, beginning, as restated			<u>5,981,381</u>	
Fund balance, ending			<u>\$ 6,004,460</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Public Safety Capital Improvement Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Impact fees	\$ 325,000	\$ 325,000	\$ 71,251	\$ (253,749)
Interest	75,000	75,000	17,780	(57,220)
TOTAL REVENUES	<u>400,000</u>	<u>400,000</u>	<u>89,031</u>	<u>(310,969)</u>
EXPENDITURES				
Capital outlay	400,000	412,300	549	411,751
TOTAL EXPENDITURES	<u>400,000</u>	<u>412,300</u>	<u>549</u>	<u>411,751</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (12,300)</u>	88,482	<u>\$ 100,782</u>
Fund balance, beginning			<u>2,338,940</u>	
Fund balance, ending			<u>\$ 2,427,422</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Park Development Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Impact fees	\$ 1,150,000	\$ 1,150,000	\$ 178,002	\$ (971,998)
Interest	1,000	1,000	-	(1,000)
TOTAL REVENUES	<u>1,151,000</u>	<u>1,151,000</u>	<u>178,002</u>	<u>(972,998)</u>
EXPENDITURES				
Current:				
Community services	-	900	840	60
Capital outlay	1,151,000	1,158,500	7,500	1,151,000
TOTAL EXPENDITURES	<u>1,151,000</u>	<u>1,159,400</u>	<u>8,340</u>	<u>1,151,060</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (8,400)</u>	169,662	<u>\$ 178,062</u>
Fund balance (deficit), beginning			<u>(2,012,361)</u>	
Fund balance (deficit), ending			<u>\$ (1,842,699)</u>	

City of Miramar, Florida
Budgetary Comparison Schedule
Capital Projects Fund
For the year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 350,000	\$ 292,570	\$ (57,430)
Interest	-	4,500	109,459	104,959
TOTAL REVENUES	<u>-</u>	<u>354,500</u>	<u>402,029</u>	<u>47,529</u>
EXPENDITURES				
Capital outlay	-	13,812,237	2,862,963	10,949,274
TOTAL EXPENDITURES	<u>-</u>	<u>13,812,237</u>	<u>2,862,963</u>	<u>10,949,274</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(13,457,737)</u>	<u>(2,460,934)</u>	<u>10,996,803</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(152,000)	-	152,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(152,000)</u>	<u>-</u>	<u>152,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (13,609,737)</u>	<u>(2,460,934)</u>	<u>\$ 11,148,803</u>
Fund balance, beginning			<u>10,843,594</u>	
Fund balance, ending			<u>\$ 8,382,660</u>	

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Insurance Fund -To account for the City's health and dental plans and self-funded insurance program for automobile liability, general liability, worker's compensation and property coverage.

Fleet Maintenance Fund -To account for the revenues and expenses of the City's maintenance garage facility used to maintain the City's various vehicle fleets.

City of Miramar, Florida
Combining Statement of Net Assets
Internal Service Funds
September 30, 2010

	Insurance Fund	Fleet Maintenance Fund	Total
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 817,983	\$ 208,178	\$ 1,026,161
Investments	8,878,336	-	8,878,336
Receivables, net	-	129,769	129,769
Prepaid items	1,375,121	-	1,375,121
Total current assets	<u>11,071,440</u>	<u>337,947</u>	<u>11,409,387</u>
Non-current assets:			
Capital assets, being depreciated, net	-	120,372	120,372
Total non-current assets	<u>-</u>	<u>120,372</u>	<u>120,372</u>
TOTAL ASSETS	<u>11,071,440</u>	<u>458,319</u>	<u>11,529,759</u>
LIABILITIES			
Current liabilities:			
Accounts payable	32,950	47,787	80,737
Current portion of long-term debt	1,748,488	10,039	1,758,527
Total current liabilities	<u>1,781,438</u>	<u>57,826</u>	<u>1,839,264</u>
Non-current liabilities:			
Compensated absences	17,701	90,347	108,048
Other post employment benefits obligation	6,197	29,745	35,942
Self-insurance claims	3,829,219	-	3,829,219
Total non-current liabilities	<u>3,853,117</u>	<u>120,092</u>	<u>3,973,209</u>
TOTAL LIABILITIES	<u>5,634,555</u>	<u>177,918</u>	<u>5,812,473</u>
NET ASSETS			
Investment in capital assets	-	120,372	120,372
Unrestricted	5,436,885	160,029	5,596,914
TOTAL NET ASSETS	<u>\$ 5,436,885</u>	<u>\$ 280,401</u>	<u>\$ 5,717,286</u>

City of Miramar, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the year ended September 30, 2010

	Insurance Fund	Fleet Maintenance Fund	Total
OPERATING REVENUES			
Charges for services	\$ 16,153,959	\$ 1,577,030	\$ 17,730,989
TOTAL OPERATING REVENUES	<u>16,153,959</u>	<u>1,577,030</u>	<u>17,730,989</u>
OPERATING EXPENSES			
General and administrative	13,458,020	1,572,118	15,030,138
Depreciation	-	17,765	17,765
TOTAL OPERATING EXPENSES	<u>13,458,020</u>	<u>1,589,883</u>	<u>15,047,903</u>
OPERATING INCOME (LOSS)	<u>2,695,939</u>	<u>(12,853)</u>	<u>2,683,086</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	126,060	-	126,060
Miscellaneous expense	(32,985)	-	(32,985)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>93,075</u>	<u>-</u>	<u>93,075</u>
Changes in net assets	2,789,014	(12,853)	2,776,161
Net assets, beginning	<u>2,647,871</u>	<u>293,254</u>	<u>2,941,125</u>
Net assets, ending	<u>\$ 5,436,885</u>	<u>\$ 280,401</u>	<u>\$ 5,717,286</u>

City of Miramar, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2010

	Insurance Fund	Fleet Maintenance Fund	Total
Cash flows from operating activities:			
Cash received from customers, governments and other funds	\$ 16,153,959	\$ 1,408,657	\$ 17,562,616
Cash paid to suppliers	(13,212,977)	(458,407)	(13,671,384)
Cash paid to employees	(229,549)	(743,072)	(972,621)
Net cash provided (used) by operating activities	<u>2,711,433</u>	<u>207,178</u>	<u>2,918,611</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(7,845)	(7,845)
Net cash used by capital and related financing activities	<u>-</u>	<u>(7,845)</u>	<u>(7,845)</u>
Cash flows from investing activities:			
Purchases of investments	(11,258,967)	-	(11,258,967)
Sales of investments	7,350,697	-	7,350,697
Interest earnings	126,060	-	126,060
Net cash used by investing activities	<u>(3,782,210)</u>	<u>-</u>	<u>(3,782,210)</u>
Net increase (decrease) in pooled cash and cash equivalents	(1,070,777)	199,333	(871,444)
Pooled cash and cash equivalents, beginning	1,888,760	8,845	1,897,605
Pooled cash and cash equivalents, ending	<u>\$ 817,983</u>	<u>\$ 208,178</u>	<u>\$ 1,026,161</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 2,695,939	\$ (12,853)	\$ 2,683,086
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	17,765	17,765
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	-	(129,769)	(129,769)
(Increase) decrease in inventories	-	240,577	240,577
(Increase) decrease in prepaid items	34,402	-	34,402
Increase (decrease) in accounts payable	(44,773)	(69)	(44,842)
Increase (decrease) in due to other funds	-	(38,604)	(38,604)
Increase (decrease) in compensated absences	19,668	100,386	120,054
Increase (decrease) in other post employment benefit obligation	6,197	29,745	35,942
Net cash provided (used) by operating activities	<u>\$ 2,711,433</u>	<u>\$ 207,178</u>	<u>\$ 2,918,611</u>
Noncash investing, capital and related financing activities:			
Increase in fair value of investments	<u>\$ 70,436</u>	<u>\$ -</u>	<u>\$ 70,436</u>

PENSION TRUST FUNDS / AGENCY FUND

PENSION TRUST FUNDS / AGENCY FUND

PENSION TRUST FUNDS

Firefighters' Retirement Plan -This fund was established to collect City, employee, and State of Florida pension contributions and disburse them to firefighters.

Police Officers' Retirement Plan -This fund was established to collect City, employee, and State of Florida pension contributions and disburse them to police officers.

General Employees' Retirement Plan -This fund was established to collect City and employee pension contributions and disburse them to general employees.

Management Retirement Plan -This fund was established to collect City and employee pension contributions and disburse them to senior management employees.

AGENCY FUND

Sanitation Fund -This fund was established to account for the billing, collection and remittance of funds for sanitation services (residential and commercial) provided by an independent contractor.

City of Miramar, Florida
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
September 30, 2010

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	Senior Management Retirement Plan	Total
ASSETS					
Cash and cash equivalents	\$ 1,990,862	\$ 6,367,311	\$ 4,079,847	\$ 454,905	\$ 12,892,925
Investments:					
U.S. Government obligations	9,105,716	6,317,316	-	2,505,125	17,928,157
Corporate obligations	6,852,829	9,839,134	-	1,962,137	18,654,100
Common stock	25,175,274	26,950,501	37,050,654	6,762,441	95,938,870
Mutual funds	1,111,498	4,151,979	-	-	5,263,477
Fixed income funds	-	-	5,533,618	-	5,533,618
Real estate funds	-	-	3,182,714	-	3,182,714
International equity funds	-	7,471,711	4,070,460	-	11,542,171
Alternative investments	-	1,202,733	-	-	1,202,733
Due from broker	-	14,957	12,311,193	-	12,326,150
Accounts receivable	2,118	605	-	-	2,723
Accrued interest and dividends receivable	138,189	202,008	20,414	38,812	399,423
TOTAL ASSETS	44,376,486	62,518,255	66,248,900	11,723,420	184,867,061
LIABILITIES					
Accounts payable	132,893	97,500	434,079	29,066	693,538
Due to broker	-	30,611	12,533,678	-	12,564,289
Deferred retirement option plan payable (DROP)	1,385,305	7,650,507	5,287,830	-	14,323,642
TOTAL LIABILITIES	1,518,198	7,778,618	18,255,587	29,066	27,581,469
NET ASSETS					
Net assets held in trust for pension benefits	\$ 42,858,288	\$ 54,739,637	\$ 47,993,313	\$ 11,694,354	\$ 157,285,592

City of Miramar, Florida
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the year ended September 30, 2010

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	Management Retirement Plan	Total
ADDITIONS					
Contributions:					
City	\$ 3,918,143	\$ 5,615,572	\$ 2,861,384	\$ 1,140,550	\$ 13,535,649
Employees	1,191,759	1,789,950	814,789	662,782	4,459,280
State of Florida	-	764,456	953,389	-	1,717,845
Employee buybacks	84,833	42,925	-	152,704	280,462
Total contributions	<u>5,194,735</u>	<u>8,212,903</u>	<u>4,629,562</u>	<u>1,956,036</u>	<u>19,993,236</u>
Interest and dividends	1,091,247	1,361,715	303,215	285,457	3,041,634
Net appreciation in fair value of investments	2,315,734	2,307,505	4,418,112	644,425	9,685,776
Less investment expenses	(267,247)	(452,754)	(196,844)	(75,857)	(992,702)
Less DROP participant's earnings	(43,953)	(513,133)	(327,394)	-	(884,480)
Net investment income	<u>3,095,781</u>	<u>2,703,333</u>	<u>4,197,089</u>	<u>854,025</u>	<u>10,850,228</u>
Total additions	<u>8,290,516</u>	<u>10,916,236</u>	<u>8,826,651</u>	<u>2,810,061</u>	<u>30,843,464</u>
DEDUCTIONS					
Pension benefits	2,209,248	3,812,021	2,475,805	716,407	9,213,481
Refund of employee contributions	104,828	43,426	5,818	69,109	223,181
Administrative expenses	<u>117,368</u>	<u>163,271</u>	<u>120,119</u>	<u>79,257</u>	<u>480,015</u>
Total deductions	<u>2,431,444</u>	<u>4,018,718</u>	<u>2,601,742</u>	<u>864,773</u>	<u>9,916,677</u>
Net increase	5,859,072	6,897,518	6,224,909	1,945,288	20,926,787
Net assets held for pension benefits:					
Beginning	<u>36,999,216</u>	<u>47,842,119</u>	<u>41,768,404</u>	<u>9,749,066</u>	<u>136,358,805</u>
Ending	<u>\$ 42,858,288</u>	<u>\$ 54,739,637</u>	<u>\$ 47,993,313</u>	<u>\$ 11,694,354</u>	<u>\$ 157,285,592</u>

City of Miramar, Florida
Statement of Changes in Assets and Liabilities
Sanitation Agency Fund
For the year ended September 30, 2010

	Balance September 30, 2009	Additions	Reductions	Balance September 30, 2010
ASSETS				
Cash	\$ -	\$ 18,688,713	\$ 18,279,519	\$ 409,194
Accounts receivable	2,315,487	15,190,418	15,215,174	2,290,731
Total assets	<u>\$ 2,315,487</u>	<u>\$ 33,879,131</u>	<u>\$ 33,494,693</u>	<u>\$ 2,699,925</u>
LIABILITIES				
Accounts payable	\$ 2,315,487	\$ 17,745,569	\$ 17,361,131	\$ 2,699,925
Total liabilities	<u>\$ 2,315,487</u>	<u>\$ 17,745,569</u>	<u>\$ 17,361,131</u>	<u>\$ 2,699,925</u>

STATISTICAL SECTION

City of Miramar, Florida
Statistical Section

This part of the City of Miramar's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	124-133
Revenue Capacity	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	134-138
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	139-141
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	142-143
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	144-146

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

FINANCIAL TRENDS

FINANCIAL TRENDS

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

City of Miramar, Florida
Schedule 1 - Net Assets by Component
Last Ten Fiscal Years (1)
(Accrual Basis of Accounting)

(Amounts expressed in thousands)

	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 83,878	\$ 87,130	\$ 95,829	\$ 103,816	\$ 129,464
Restricted	10,112	9,695	13,899	19,108	10,617
Unrestricted	7,315	9,209	15,651	28,853	33,042
Total governmental activities net assets	<u>101,305</u>	<u>106,034</u>	<u>125,379</u>	<u>151,777</u>	<u>173,123</u>
Business-type activities:					
Invested in capital assets, net of related debt	183,094	203,397	212,759	232,395	231,281
Restricted	19,226	22,175	25,946	18,125	20,460
Unrestricted (deficit)	25,523	13,511	9,867	13,895	11,137
Total business-type activities	<u>227,843</u>	<u>239,083</u>	<u>248,572</u>	<u>264,415</u>	<u>262,878</u>
Primary government:					
Invested in capital assets, net of related debt	266,972	290,527	308,588	336,211	360,745
Restricted	29,338	31,870	39,845	37,233	31,077
Unrestricted	32,838	22,720	25,518	42,748	44,179
Total primary government net assets	<u>\$ 329,148</u>	<u>\$ 345,117</u>	<u>\$ 373,951</u>	<u>\$ 416,192</u>	<u>\$ 436,001</u>

(1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal years ended September 30, 2001 to 2002 is unavailable.

	<u>2008</u>		<u>2009</u>		<u>2010</u>
\$	139,120	\$	124,078	\$	122,562
	9,752		11,717		16,426
	<u>41,259</u>		<u>37,045</u>		<u>40,519</u>
	<u>190,131</u>		<u>172,840</u>		<u>179,507</u>
	250,427		263,487		265,090
	15,631		14,089		13,896
	<u>6,609</u>		<u>11,044</u>		<u>8,577</u>
	<u>272,667</u>		<u>288,620</u>		<u>287,563</u>
	389,547		387,565		387,652
	25,383		25,806		30,322
	<u>47,868</u>		<u>48,089</u>		<u>49,096</u>
\$	<u><u>462,798</u></u>	\$	<u><u>461,460</u></u>	\$	<u><u>467,070</u></u>

City of Miramar, Florida
Schedule 2 - Changes in Net Assets
Last Ten Fiscal Years (1)
(Accrual Basis of Accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 7,632	\$ 10,288	\$ 14,848	\$ 33,355	\$ 9,208
Public safety	43,457	46,184	50,900	60,410	61,851
Physical environment	9,672	4,873	16,115	8,635	15,606
Culture-recreation	3,644	11,952	1,247	6,799	14,637
Community services	-	-	-	-	-
Social services	-	-	-	-	-
Interest on long-term debt	1,914	2,084	1,851	5,073	4,544
Total governmental activities expenses	<u>\$ 66,319</u>	<u>\$ 75,381</u>	<u>\$ 84,961</u>	<u>\$ 114,272</u>	<u>\$ 105,846</u>
Business-type activities:					
Utility	\$ 22,655	\$ 25,293	\$ 26,058	\$ 26,227	\$ 26,673
Cultural Arts	-	-	-	-	-
Early Childhood	-	-	-	-	-
Total business-type activities	<u>22,655</u>	<u>25,293</u>	<u>26,058</u>	<u>26,227</u>	<u>26,673</u>
Total primary government expenses	<u>\$ 88,974</u>	<u>\$ 100,674</u>	<u>\$ 111,019</u>	<u>\$ 140,499</u>	<u>\$ 132,519</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 1,974	\$ 2,708	\$ 2,016	\$ 2,370	\$ 2,663
Public safety	1,894	2,191	2,451	2,280	2,474
Physical environment	6,933	8,192	4,782	5,771	5,973
Culture-recreation	1,329	2,036	2,080	2,263	2,381
Community services	-	-	-	-	-
Operating grants and contributions	7,638	7,451	7,928	8,953	10,082
Capital grants and contributions	17,632	553	8,948	18,715	4,237
Total governmental activities program revenues	<u>\$ 37,400</u>	<u>\$ 23,131</u>	<u>\$ 28,205</u>	<u>\$ 40,352</u>	<u>\$ 27,810</u>
Business-type activities:					
Charges for services:					
Utility	\$ 16,787	\$ 19,608	\$ 24,751	\$ 31,465	\$ 24,144
Cultural Arts	-	-	-	-	-
Early Childhood	-	-	-	-	-
Operating grants and contributions	-	-	-	171	-
Capital grants and contributions	5,671	17,348	10,968	10,143	8,323
Total business-type activities program revenues	<u>22,458</u>	<u>36,956</u>	<u>35,719</u>	<u>41,779</u>	<u>32,467</u>
Total primary government program revenues	<u>\$ 59,858</u>	<u>\$ 60,087</u>	<u>\$ 63,924</u>	<u>\$ 82,131</u>	<u>\$ 60,277</u>
Net (expense)/revenue					
Governmental activities	\$ (28,919)	\$ (52,250)	\$ (56,756)	\$ (73,920)	\$ (78,036)
Business-type activities	(197)	11,663	9,661	15,552	5,794
Total primary government net expenses	<u>\$ (29,116)</u>	<u>\$ (40,587)</u>	<u>\$ (47,095)</u>	<u>\$ (58,368)</u>	<u>\$ (72,242)</u>

(1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal years ended September 30, 2001 to 2002 is unavailable.

City of Miramar, Florida
Schedule 2 - Changes in Net Assets (continued)
Last Ten Fiscal Years (1)
(Accrual Basis of Accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007
General revenues and other changes in net assets					
Governmental activities:					
Taxes:					
Property taxes	\$ 24,877	\$ 30,929	\$ 41,053	\$ 48,603	\$ 58,162
Utility taxes	10,301	11,409	12,677	13,670	13,926
Communication service tax	3,660	4,299	4,814	5,344	5,400
Franchise fees based on gross receipts	1,458	1,581	1,626	2,624	2,750
Unrestricted intergovernmental revenues	6,122	6,918	8,166	9,564	10,110
Unrestricted investment earnings	904	1,069	1,493	4,827	5,891
Miscellaneous	468	1,882	1,921	3,022	1,731
Transfers	1,053	1,220	1,327	1,491	1,414
Sale of property	-	-	-	11,174	-
Total governmental activities	<u>\$ 48,843</u>	<u>\$ 59,307</u>	<u>\$ 73,077</u>	<u>\$ 100,319</u>	<u>\$ 99,384</u>
Business-type activities:					
Unrestricted investment earnings	\$ 477	\$ 493	\$ 681	\$ 1,001	\$ 1,082
Miscellaneous	485	279	474	781	1,380
Transfers	(1,053)	(1,220)	(1,327)	(1,491)	(1,414)
Total business-type activities	<u>(91)</u>	<u>(448)</u>	<u>(172)</u>	<u>291</u>	<u>1,048</u>
Total primary government	<u>\$ 48,752</u>	<u>\$ 58,859</u>	<u>\$ 72,905</u>	<u>\$ 100,610</u>	<u>\$ 100,432</u>
Changes in net assets					
Governmental activities	\$ 19,924	\$ 7,057	\$ 16,321	\$ 26,399	\$ 21,348
Business-type activities	(288)	11,215	9,489	15,843	6,842
Total primary government	<u>\$ 19,636</u>	<u>\$ 18,272</u>	<u>\$ 25,810</u>	<u>\$ 42,242</u>	<u>\$ 28,190</u>

(1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal years ended September 30, 2001 to 2002 is unavailable.

City of Miramar, Florida
Schedule 2 - Changes in Net Assets (continued)
Last Ten Fiscal Years (1)
(Accrual Basis of Accounting)

(amounts expressed in thousands)

	2008	2009	2010
Expenses:			
Governmental activities:			
General government	\$ 7,184	\$ 18,680	\$ 17,250
Public safety	68,626	62,044	68,207
Physical environment	27,791	12,610	10,898
Culture-recreation	1,785	-	-
Community services	-	11,088	13,874
Social services	-	2,386	2,932
Interest on long-term debt	4,435	4,857	4,971
Total governmental activities expenses	<u>\$ 109,821</u>	<u>\$ 111,665</u>	<u>\$ 118,132</u>
Business-type activities:			
Utility	\$ 33,852	\$ 36,384	\$ 36,228
Cultural Arts	-	2,379	2,349
Early Childhood	-	2,245	2,164
Total business-type activities	<u>33,852</u>	<u>41,1008</u>	<u>40,741</u>
Total primary government expenses	<u>\$ 143,673</u>	<u>\$ 153,391</u>	<u>\$ 158,873</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 5,048	\$ 6,247	\$ 6,436
Public safety	9,151	12,156	13,401
Physical environment	4,518	3,351	2,308
Culture-recreation	3,508	-	-
Community services	-	1,367	1,475
Operating grants and contributions	11,197	4,498	18,032
Capital grants and contributions	7,418	2,349	1,390
Total governmental activities program revenues	<u>\$ 40,840</u>	<u>\$ 29,968</u>	<u>\$ 43,042</u>
Business-type activities:			
Charges for services:			
Utility	\$ 29,394	\$ 27,092	\$ 31,933
Cultural Arts	-	209	242
Early Childhood	-	1,937	1,791
Operating grants and contributions	-	10	-
Capital grants and contributions	8,725	6,758	3,192
Total business-type activities program revenues	<u>38,119</u>	<u>36,006</u>	<u>37,158</u>
Total primary government program revenues	<u>\$ 78,959</u>	<u>\$ 65,974</u>	<u>\$ 80,200</u>
Net (expense)/revenue			
Governmental activities	\$ (68,981)	\$ (81,697)	\$ (75,090)
Business-type activities	4,267	(5,002)	(3,583)
Total primary government net expenses	<u>\$ (64,714)</u>	<u>\$ (86,699)</u>	<u>\$ (78,673)</u>

City of Miramar, Florida
Schedule 2 - Changes in Net Assets (continued)
Last Ten Fiscal Years (1)
(Accrual Basis of Accounting)

(amounts expressed in thousands)

	2008	2009	2010
General revenues and other changes in net assets			
Governmental activities:			
Taxes:			
Property taxes	\$ 55,718	\$ 50,433	\$ 49,849
Utility taxes	8,931	6,993	7,690
Communication service tax	6,711	5,961	5,380
Franchise fees based on gross receipts	2,305	8,810	8,486
Unrestricted Intergovernmental revenues	9,301	10,167	9,944
Unrestricted investment earnings	2,452	2,998	1,826
Miscellaneous	898	787	715
Transfers	(200)	(21,743)	(2,133)
Sale of property	-	-	-
Total governmental activities	<u>86,116</u>	<u>64,407</u>	<u>81,757</u>
Business-type activities:			
Unrestricted investment earnings	4,206	1,632	384
Miscellaneous	1,115	34	9
Transfers	200	21,743	2,133
Total business-type activities	<u>5,521</u>	<u>23,409</u>	<u>2,526</u>
Total primary government	<u>\$ 91,637</u>	<u>\$ 86,887</u>	<u>\$ 84,283</u>
Changes in net assets			
Governmental activities	\$ 17,134	\$ (17,290)	\$ 6,667
Business-type activities	9,790	18,407	(1,057)
Total primary government	<u>\$ 26,924</u>	<u>\$ 1,117</u>	<u>\$ 5,610</u>

City of Miramar, Florida
Schedule 3 - Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)
(Modified Accrual Basis of Accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 173	\$ 102	\$ 117	\$ 2,496	\$ 351
Unreserved	12,316	14,055	16,882	20,503	33,019
Non-spendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>12,489</u>	<u>14,157</u>	<u>16,999</u>	<u>22,999</u>	<u>33,370</u>
All other governmental funds					
Reserved	15,399	14,756	19,458	29,958	17,941
Unreserved, reported in:					
Special revenue funds	999	1,592	1,961	2,441	1,817
Capital projects funds	35,777	18,165	56,619	51,939	22,380
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>52,175</u>	<u>34,513</u>	<u>78,038</u>	<u>84,338</u>	<u>42,138</u>
Total governmental funds	<u>\$ 64,664</u>	<u>\$ 48,670</u>	<u>\$ 95,037</u>	<u>\$ 107,337</u>	<u>\$ 75,508</u>

1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal years ended September 30, 2001 to 2002 is unavailable.

2) The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 2010.

<u>2008</u>	<u>2009</u>	<u>2010 (2)</u>
\$ 436	\$ 2,463	\$ -
39,245	43,271	-
-	-	2,982
-	-	12,675
-	-	17,286
-	-	18,012
<u>39,681</u>	<u>45,374</u>	<u>50,955</u>
10,662	11,404	-
2,199	9	-
4,554	9,873	-
-	-	2,607
-	-	21,438
-	-	(358)
<u>-</u>	<u>-</u>	<u>(1,843)</u>
17,415	21,286	21,844
<u>\$ 57,096</u>	<u>\$ 67,020</u>	<u>\$ 72,799</u>

City of Miramar, Florida
Schedule 4- Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (1)
(Modified Accrual Basis of Accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007
Revenues					
Taxes	\$ 38,660	\$ 46,396	\$ 53,209	\$ 63,010	\$ 72,822
Special assessments	139	139	5,124	5,301	5,418
Licenses and permits	7,965	9,210	5,649	6,702	7,149
Intergovernmental revenues	11,084	12,171	22,997	33,815	22,836
Charges for services	3,455	5,114	5,106	5,206	5,427
Fines and forfeitures	723	704	667	874	973
Impact fees	4,969	4,531	3,784	5,244	3,487
Interest income	889	1,171	1,426	4,662	5,589
Sale of property	-	-	-	11,174	-
Miscellaneous revenues	1,371	907	1,208	2,409	1,333
Total revenues	<u>69,255</u>	<u>80,343</u>	<u>99,170</u>	<u>138,397</u>	<u>125,034</u>
Expenditures					
General government	6,617	6,992	7,615	8,093	9,735
Public safety	42,302	46,509	50,464	54,566	59,775
Physical environment	3,400	3,738	4,379	5,490	5,876
Community services	7,941	8,777	10,341	11,825	13,904
Social services	1,067	1,360	1,591	1,801	2,078
Non-departmental	408	1,682	3,018	18,686	3,072
Grants and aid	-	-	-	-	665
Capital outlay	17,054	23,668	18,873	15,493	54,502
Debt service:					
Principal	2,216	3,155	49,890	6,547	5,928
Interest	1,914	1,451	1,851	5,061	4,535
Fiscal charges	55	633	1,043	3	1
Total expenditures	<u>82,974</u>	<u>97,965</u>	<u>149,065</u>	<u>127,565</u>	<u>160,071</u>
Excess (deficiency) of revenues over expenditures	<u>(13,719)</u>	<u>(17,622)</u>	<u>(49,895)</u>	<u>10,832</u>	<u>(35,037)</u>
Other financing sources (uses):					
Transfers in	34,661	6,095	67,939	9,358	12,311
Transfers out	(33,608)	(4,876)	(66,952)	(8,199)	(10,897)
Lease issuance	35,348	11,026	719	308	1,792
Issuance of debt	-	-	93,135	-	-
Premium on issuance of debt	-	-	1,417	-	-
Payment to escrow agent	-	(10,601)	-	-	-
Total other financing sources (uses)	<u>36,401</u>	<u>1,644</u>	<u>96,258</u>	<u>1,467</u>	<u>3,206</u>
Net change in fund balances	<u>\$ 22,682</u>	<u>\$ (15,978)</u>	<u>\$ 46,363</u>	<u>\$ 12,299</u>	<u>\$ (31,831)</u>
Debt service as a percentage of non-capital expenditures	6.35%	7.05%	40.54%	10.36%	9.91%

1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal years ended September 30, 2001 to 2002 is unavailable.

	2008	2009	2010
\$	70,255	\$ 72,718	\$ 71,585
	6,088	7,753	10,316
	6,081	4,914	3,907
	26,852	16,144	27,279
	9,451	7,458	8,714
	863	683	736
	2,486	160	249
	3,119	2,804	1,700
	-	-	-
	518	2,057	2,508
	<u>125,713</u>	<u>114,691</u>	<u>126,994</u>
	9,351	10,477	10,112
	62,345	58,234	59,097
	5,558	7,556	7,566
	14,978	13,707	11,304
	2,257	2,386	1,343
	3,193	4,958	5,369
	2,651	1,761	11,908
	37,617	12,003	5,629
	1,517	917	1,775
	4,454	2,413	4,977
	3	57	1
	<u>143,924</u>	<u>114,468</u>	<u>119,081</u>
	<u>(18,211)</u>	<u>223</u>	<u>7,913</u>
	19,252	16,532	8,157
	(19,452)	(18,103)	(10,290)
	-	1,272	-
	-	10,000	-
	-	-	-
	-	-	-
	<u>(200)</u>	<u>9,701</u>	<u>(2,133)</u>
\$	<u>(18,411)</u>	<u>9,924</u>	<u>5,780</u>
	5.62%	3.42%	5.92%

REVENUE CAPACITY

REVENUE CAPACITY

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenues.

City of Miramar, Florida
Schedule 5 - Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value (1)
2001	\$ 3,595,327,630	\$ 180,433,921	\$ 1,332,655,358	\$ 2,443,106,193	6.9226	\$ -	-
2002	4,569,491,060	238,991,535	1,851,798,835	2,956,683,760	6.8700	-	-
2003	5,834,797,150	261,552,395	2,379,942,007	3,716,407,538	6.8700	-	-
2004	7,014,478,050	247,919,758	1,757,572,118	5,504,825,690	6.7700	-	-
2005	8,900,042,580	293,147,349	2,448,698,547	6,744,491,382	6.6500	-	-
2006	11,711,058,410	348,181,284	3,696,167,776	8,363,071,918	6.5500	8,485,975,490	98.55%
2007	13,679,810,530	320,121,617	4,478,415,287	9,521,516,860	6.5500	9,945,087,870	95.74%
2008	13,285,777,970	363,192,320	4,307,232,861	9,341,737,429	5.4797	9,287,138,240	100.59%
2009	10,742,827,900	351,867,691	3,066,761,857	8,027,933,734	5.4797	7,027,831,910	114.23%
2010	8,821,363,400	379,214,200	2,465,010,021	6,735,567,579	6.4654	5,475,635,190	123.01%

(1) Information for fiscal years ended September 30, 2001 to 2005 is unavailable.

Note: Property in Broward County is reassessed once every year, on average. The County assesses property at approximately 85-100 percent of actual value for commercial and industrial property and 85-100 percent for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are per \$1,000 of assessed value.

Source: Broward County Property Appraiser

City of Miramar, Florida
Schedule 6 - Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	City of Miramar (1)	Overlapping Rates					Total Direct & Overlapping Rates
		Broward County Operating	Broward County Debt	Broward County School District	South Broward Hospital District	Other	
2001	6.9226	7.4005	-	8.7541	1.8694	1.0410	25.9876
2002	6.8700	7.3650	-	8.8825	1.7336	1.0671	25.9182
2003	6.8700	7.1880	-	8.4176	1.7336	1.1275	25.3367
2004	6.7700	7.0230	-	8.2695	1.5761	1.1586	24.7972
2005	6.6500	6.7830	-	8.0623	1.4500	1.1586	24.1039
2006	6.5500	6.0661	-	7.8687	1.3300	1.1428	22.9576
2007	6.5500	5.2868	-	7.6484	1.1643	0.4541	21.1036
2008	5.4797	5.3145	-	7.4170	1.1913	0.4723	19.8748
2009	5.4797	4.8889	0.4256	7.4170	1.1913	1.0339	20.4364
2010	6.4654	4.8889	0.5000	7.4310	1.2732	1.0828	21.6413

(1) The City of Miramar's direct tax rate is only comprised of an operating millage.

Note: Property tax rates are based on each \$1,000 of net assessed value.

Source: Broward County, Florida Property Appraiser

City of Miramar, Florida
Schedule 7 - Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sunbeam Properties Inc.	\$ 102,773,700	1	1.27%	\$ 118,833,890	1	4.86%
Sunbeam Dev Corp 11700 Southwest 26 St. Apartment	94,635,670	2	1.17%			
Investors LLC	69,240,050	3	0.86%			
Metropolitan Life Ins Corp	59,410,860	4	0.74%			
Sunbeam Properties	59,016,840	5	0.73%			
Sunbeam Development Corp	53,794,310	6	0.67%			
Florida Power & Light	51,149,835	7	0.63%	26,163,122	2	1.07%
Liberty Property Ltd Prtnr	50,035,810	8	0.62%	25,692,600	3	1.05%
Windsor at Miramar I LLC	35,193,360	9	0.44%			
Morris Miramar Assoc. LLC	32,037,770	10	0.40%			
Lincoln Road Assoc. Ltd. Partnership				22,157,600	4	0.91%
First Security Bank Tr.				19,638,320	5	0.80%
Eastern Financial Federal Credit Union				19,245,028	6	0.79%
Minto Communities				18,145,990	7	0.74%
TRG Miramar Ltd.				17,491,310	8	0.72%
Wal-Mart Stores				17,319,440	9	0.71%
Pier Club Apartments				17,056,810	10	0.70%
	<u>\$ 607,288,205</u>		<u>7.53%</u>	<u>\$ 301,744,110</u>		<u>12.35%</u>

Source: Broward County, Florida, Department of Revenue

City of Miramar, Florida
Schedule 8 - Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount (1)	Percentage of Levy
2001	\$ 16,912,647	\$ 16,300,837	96.38%	\$ 32,876	\$ 16,406,637	97.01%
2002	20,467,939	19,874,445	97.10%	102,132	19,907,321	97.26%
2003	25,531,720	24,840,759	97.29%	123,856	24,942,891	97.69%
2004	31,893,682	30,666,513	96.15%	102,248	30,790,369	96.54%
2005	37,141,194	35,826,760	96.46%	69,126	35,929,008	96.74%
2006	44,650,815	43,232,774	96.82%	50,627	43,301,900	96.98%
2007	52,507,512	52,693,110	100.35%	112,911	52,743,737	100.45%
2008	49,323,242	49,052,805	99.45%	338,987	49,165,716	99.68%
2009	51,256,426	49,382,828	96.34%	308,746	49,721,815	97.01%
2010	51,655,608	49,599,612	96.02%		49,908,358	96.62%

(1) Collections do not include discount amounts.

City of Miramar, Florida
Schedule 9 - Special Assessment Billings and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessments Due</u>	<u>Assessments Collected</u>	<u>Ratio of Collections to Amounts Due (1)</u>	<u>Total Outstanding Assessments</u>
2001	\$ 6,754,464	\$ 15,425,698 (2)	228.40%	\$ 47,078,578
2002	5,291,332	14,558,271 (3)	275.10%	32,520,307
2003	3,852,119	9,996,917 (4)	259.50%	17,059,971
2004	1,953,105	6,408,167 (5)	328.10%	11,555,108
2005	1,338,245	1,874,149 (6)	140.00%	8,011,108
2006	951,208	1,932,867 (7)	203.20%	6,046,412
2007	539,131	1,592,847 (8)	295.40%	5,395,647
2008	538,560	893,768 (9)	166.00%	4,501,964
2009	454,049	523,929 (10)	116.00%	4,069,765
2010	19,423	19,423	100.00%	4,050,342 (11)

- (1) Ratio is shown net of prepayments.
- (2) Includes mandatory prepayments of \$12,498,735.
- (3) Includes mandatory prepayments of \$9,545,677.
- (4) Includes mandatory prepayments of \$6,013,678.
- (5) Includes mandatory prepayments of \$4,499,379.
- (6) Includes mandatory prepayments of \$536,149.
- (7) Includes mandatory prepayments of \$981,659.
- (8) Includes mandatory prepayments of \$953,008.
- (9) Includes mandatory prepayments of \$413,675.
- (10) Includes mandatory prepayments of \$70,146.
- (11) An allowance has been set up in the amount of \$3,643,365.

Source: City of Miramar, Florida Finance Department

DEBT CAPACITY

DEBT CAPACITY

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

City of Miramar, Florida
Schedule 10 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (1)
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-type Activities		
	Revenue Bonds	Special Assessments	Notes Payable	Capital Leases	Revenue Bonds	Special Assessments	Notes Payable
2001	\$ 11,951	\$ -	\$ 25,479	\$ 3,727	\$ 1,244	\$ 31,936	\$ -
2002	18,415	-	13,785	5,641	1,244	30,345	8,670
2003	11,199	1,000	54,800	4,494	1,236	19,125	8,670
2004	6,450	920	58,901	3,024	-	12,975	9,341
2005	99,330	836	10,604	2,546	-	9,425	14,706
2006	99,100	748	5,993	1,570	-	5,445	14,542
2007	98,865	655	2,512	1,902	-	4,245	14,458
2008	98,625	559	1,824	1,410	46,040	2,250	13,986
2009	98,380	457	11,112	1,509	59,570	-	278
2010	98,130	351	10,376	1,527	58,940	-	94

(1) See Schedule 12, Demographic and Economic Statistics, for personal income and population data. Personal income information for fiscal years 2001 to 2003 is unavailable.

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

Source: City of Miramar, Florida, Finance Development

<u>Business-type Activities</u>				Percentage of	
<u>Revolving Loan</u>	<u>Capital Leases</u>	<u>Total Primary</u>		<u>Personal</u>	<u>Per capita (2)</u>
\$	\$	\$		Income (2)	\$
-	642	74,979		-	935
-	668	78,768		-	900
-	460,046	560,570		-	5,844
709,236	325,473	1,126,320		55.39%	11,063
1,087	176,651	315,185		13.88%	2,908
7,482	64,025	198,905		8.42%	1,803
17,693	-	140,330		6.53%	1,254
17,410	-	182,104		6.77%	1,585
16,515	115	187,900		6.61%	1,625
15,680	92	185,190		6.84%	1,645

City of Miramar, Florida
Schedule 11 - Direct and Overlapping Governmental Activities Debt
September 30, 2010

Jurisdiction	Net Debt Outstanding September 30, 2009	Percentage Applicable to City of Miramar	Amount Applicable to City of Miramar
Debt repaid with property taxes:			
Broward County	\$ 446,330,000 (1)	5.17%	\$ 23,075,261
Broward School District Board	None (2)		
City of Miramar	None		
Total direct and overlapping debt			\$ 23,075,261

(1) Source: Broward County, Florida

(2) Source: School Board of Broward County, Florida

DEMOGRAPHIC/ECONOMIC

DEMOGRAPHIC/ECONOMIC

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

City of Miramar, Florida
Schedule 12 - Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Median Household Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2001	80,158	\$ -	\$ -	-	12,208	4.0%
2002	87,537	-	-	-	14,120	5.0%
2003	95,921	-	-	-	15,073	5.0%
2004	101,813	54,963	19,974	32	17,375	5.0%
2005	108,387	57,583	20,956	32	22,791	4.0%
2006	110,322	57,991	21,424	33	18,866	3.0%
2007	111,881	57,583	19,194	32	20,606	4.0%
2008	114,889	65,179	23,400	32	20,365	5.0%
2009	115,605	67,412	24,611	32	21,136	11.0%
2010	112,552	64,547	24,062	32	23,839	10.1%

(1) Source: U.S. Bureau of Census. Information for fiscal years ended September 30, 2001 to 2003 is unavailable.

(2) Source: School Board of Broward County

(3) Source: State of Florida Agency for Workforce Innovation

City of Miramar, Florida
Schedule 13 - Principal Employers
Current Year and Nine Years Ago (1)

Employer	Employees	Rank	Percentage of Total City Employment
City of Miramar, Florida	920	1	2.24%
Premier Beverage Corp, LLC	583	2	1.42%
Comcast of South Florida	570	3	1.39%
Humana Medical Plans, Inc	538	4	1.31%
Royal Caribbean Cruises, Ltd	479	5	1.16%
Quest Diagnostic Incorporated	469	6	1.14%
Carnival Corporation	463	7	1.13%
Caremark Miramar Pharmacy, LLC	450	8	1.09%
Southern Wine and Spirits	420	9	1.02%
Interactive Response Tech	375	10	0.91%
Totals	<u>5,267</u>		<u>12.81%</u>

Source: Business Tax Division

(1) Information for fiscal year ended September 30, 2001 is unavailable.

OPERATING INFORMATION

OPERATING INFORMATION

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

City of Miramar, Florida

Schedule 14 - Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years (1)

Function/Program	2006	2007	2008	2009	2010
City Commission	-	-	-	6	6
Mayor's Office	1	2	1	-	-
City Manager's Office	9	6	3	2	2
Administration	-	-	-	2	2
City Clerk's Office	5	6	4	5	5
Finance					
Administration	3	3	6	9	9
Accounting	19	19	24	30	30
Utility Billing	8	8	8	8	8.5
Procurement	5	5	-	-	-
Budget	3	3	3	3	3
Procurement	-	-	4	6	6.5
Human Resources	14	12	5	7	9.5
Risk Management	4	4	4	4	3.5
Cultural Arts	2	1	2	2	7
Community Development					
Administration	4	4	9	7	7
Planning and Zoning	14	13	10	10	9
Building	26	24	23	22	21
Economic Development & Revitalization	8	7	5	-	-
Media and Administration	-	-	-	3	6
Redevelopment and Housing	-	-	-	3	3
Business Development	-	-	-	2	2
Engineering	12	12	9	-	-
Development Management	-	-	-	9	9.5
Construction Management	6	6	6	6	5
MIS	9	9	11	14	13
Community Services					
Administration	8	8	7	7	9
Park Maintenance	21	25	6	-	-
Recreation	50	60	27	80	78
Special Events	-	-	-	3	2.5
Early Childhood	53	58	12	-	-
Social Services					
Administration	3	3	2	2	2
Transportation	24	24	7	16	6
Program Services	12	11	11	11	11.5
Community Outreach	-	-	-	2	2
Early Childhood	-	-	-	38	37.5
Public Works					
Administration	7	9	6	6	6
Fleet	13	15	10	12	12
Building Maintenance	13	14	10	12	11.5
Field Operations	-	-	-	18	18
Street Row Maintenance	13	15	21	-	-
Utilities					10
Administrations Operations	-	-	-	11	20.5
Utilities Administration	15	20	24	13	24.5
Stormwater Maintenance	9	10	22	25	28
Water	27	27	24	28	4
Electrical Support	3	4	4	4	34
Wastewater	34	36	33	34	8
Plant Maintenance	7	7	8	8	11
Transmission and Distribution	18	18	16	18	7
Police					
Police officers	206	204	168	189	199
Civilians	13	13	62	52	56
Community Standards	13	13	13	-	-
Code Compliance	-	-	-	13	13
Fire					
Firefighters	124	126	115	128	128
Civilians	34	35	36	32	31
Total	<u>872</u>	<u>899</u>	<u>781</u>	<u>922</u>	<u>937.5</u>

(1) Information for fiscal years ended September 30, 2001 to 2005 is unavailable.

Source: Budget Division

City of Miramar, Florida
Schedule 15 - Operating Indicators by Function/Program
Last Ten Fiscal Years (1)

Function/Program	2006	2007	2008	2009	2010
General Government					
Occupational licenses issued	2,024	2,147	2,348	2,458	1,995
New accounts occupational licenses	46	462	499	472	369
Number of passports processed	1,234	1,343	1,200	1,400	1,419
Public safety					
Police:					
Calls for service	78,738	76,637	78,740	75,893	76,055
Physical arrests	2,791	2,820	2,898	2,774	2,947
Parking violations	7,550	8,000	8,350	1,503	1,733
Traffic violations	20,565	20,937	21,046	22,322	22,147
Fire:					
Calls for service	10,089	10,352	10,475	10,939	10,602
Inspections	1,515	2,109	2,224	2,308	2,688
Number of fire alarms	1,000	1,053	987	1,025	775
Community development					
Residential permits issued	1,215	752	453	3,035	3,654
Commercial permits issued	208	326	264	1,745	1,411
Miscellaneous permits issued	11,282	7,071	5,950	379	436
Culture and recreation					
Athletic programs	15	8	4	4	8
Athletic program participants	4,041	4,750	4,050	4,050	4,930
Facility rentals	395	420	95	95	80
Recreation program	64	70	39	39	40
Recreation program participants	123,245	123,704	123,533	123,533	125,300
Summer camp participants	510	330	324	324	270
Water					
Meters installed	1,002	722	213	139	68
Total City meters	31,763	32,347	32,598	32,762	32,832
Water main breaks	123	393	356	24	44
Average daily consumption (millions of gallons)	10	11	10	10	10.6

(1) Information for fiscal years ended September 30, 2001 to 2005 is unavailable.

Source: City Departments

City of Miramar, Florida
Schedule 16 - Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (1)

Function/Program	2006	2007	2008	2009	2010
General government					
High schools	2	2	2	2	2
Middle schools	2	3	3	3	3
Elementary schools	10	10	11	11	11
Special education programs	1	1	1	1	1
Public safety					
Police:					
Police officers (patrol)	200	165	189	198	199
Police officers	-	-	-	84	-
Stations	3	3	3	2	2
Patrol units and motorcycle units	225	98	116	116	117
Fire:					
Firefighters	133	133	125	128	126
Fire civilians	27	33	29	31	29
Stations	4	4	4	4	4
Trucks	7	7	7	7	7
ALS Rescue Units	7	7	8	8	8
Streets					
Streets (miles)	380	356	394	402	394
Streetlights	-	-	-	3,701	3,704
Culture and recreation					
Baseball/softball diamonds	-	-	-	16	16
Basketball courts	-	-	-	20	20
Community centers	5	6	6	6	6
Libraries	-	-	-	1	1
Parks	37	34	36	47	40
Parks acreage	250	143	143	705	577
Pavilions	-	-	-	17	17
Playgrounds	-	-	-	20	21
Soccer/football fields	-	-	-	16	16
Swimming pools	2	2	2	2	2
Tennis courts	32	25	25	34	34
Water					
Water plants	2	2	2	2	2
Water mains (miles)	353	381	403	404	410
Water well sites	5	5	7	15	15
Water storage tanks	6	6	6	4	4
Fire hydrants	3,079	4,917	3,906	4,101	4,246
Storage capacity (thousands of gallons)	-	-	-	10	10
Wastewater					
Wastewater treatment plant	1	1	1	1	1
Sanitary sewers (miles)	221	239	244	248	251
Forcemain sewers (miles)	75	80	80	81	81
Sewer manholes	5,444	5,917	6,062	6,163	6,316
Booster stations	1	1	1	1	1
City lakes and canals (acres)	69	69	72	73	73
Treatment capacity (thousands of gallons)	-	-	-	10	10

(1) Information for fiscal years ended September 30, 2001 to 2005 is unavailable.

Source: City Departments

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, City Commission and City Manager
City of Miramar, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miramar, Florida (the City) as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of the Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness and one other deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 10-01 to be a material weakness.

A significant deficiency is a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 10-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of the City in the attached schedule of findings and questioned costs.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, City Commission, management, and regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
March 21, 2011

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor, City Commission and City Manager
City of Miramar, Florida

We have audited the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Miramar, Florida (the City) as of and for the fiscal year ended September 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2011. We did not audit the financial statements of the Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans, which represents 74.8% and 43.8%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions on the financial statements, insofar as they relate to the amounts included for the Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans are based solely upon the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 21, 2011 should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, our findings and recommendations are incorporated in the accompanying schedule of findings and questioned costs.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, our findings and recommendations are disclosed in the accompanying schedule of findings and questioned costs.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City has made these disclosures in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
March 21, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor, City Commission and City Manager
City of Miramar, Florida

Compliance

We have audited the City of Miramar, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect of each of the City's major federal programs for the year ended September 30, 2010. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material aspects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Marcum LLP

Fort Lauderdale, FL
March 21, 2011

CITY OF MIRAMAR, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Grant No.	Expenditures
<i>U. S. Department of Energy</i>			
Office of Energy Efficiency and Renewable Energy			
Energy Efficiency and Conservation Block Grant Program - Recovery Act	81.128	DE-SC0002188	\$ 24,532
<i>Total U.S. Department of Energy</i>			<u>24,532</u>
<i>U. S. Department of Health and Human Services</i>			
Pass-Through State of Florida Department of Health and Rehabilitative Services			
Special Program for the Aging, Title III, Part B			
Areawide Council on Aging of Broward County, Inc.			
Area Agency on Aging	93.044	JA009-05-2009	13,595
Area Agency on Aging	93.044	JA009-05-2010	250,698
Emergency Home Energy Program	93.568	JP009-05-2010	13,101
Emergency Home Energy Program	93.568	JP010-05-2011	1,857
<i>Total U.S. Department of Health and Human Services</i>			<u>279,250</u>
<i>U.S. Department of Homeland Security</i>			
Pass-through State of Florida Department of Emergency Management			
FY06 Urban Areas Security Initiative (UASI)	97.067	07DS5S111602259	3,917,131
FY07 Urban Areas Security Initiative (UASI)	97.067	08DS62111602296	2,592,191
FY08 Urban Areas Security Initiative (UASI)	97.067	09DS48111602448	1,341,861
<i>Total U.S. Department of Homeland Security</i>			<u>7,851,183</u>
<i>U.S. Department of Housing and Urban Development</i>			
Community Development Block Grant	14.218	B03MC120047	6,730
Community Development Block Grant	14.218	B04MC120047	48,075
Community Development Block Grant	14.218	B06MC120047	5,041
Community Development Block Grant	14.218	B08MC120047	331,238
Community Development Block Grant	14.218	B09MC120047	235,198
Neighborhood Stabilization Program I	14.218	B08MN120018	5,513,680
Community Development Block Grant - Recovery Act	14.253	B-09-MY-12-0047	44,511
<i>sub-total direct programs</i>			<u>6,184,473</u>
Pass-Through Broward County			
Disaster Recovery Initiative Phase I	14.218	07DB-3V-11-16-01-Z08	24,450
HOME Investment Partnerships Program	14.239	2005/2006	1,383
HOME Investment Partnerships Program	14.239	2006/2007	91,975
HOME Investment Partnerships Program	14.239	2007/2008	108,158
HOME Investment Partnerships Program	14.239	2008/2009	250
HOME Investment Partnerships Program	14.239	10-HFCDD-10	375
<i>sub-total indirect programs</i>			<u>226,592</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>6,411,065</u>
<i>U. S. Department of Justice</i>			
Equitable Sharing of Federally Forfeited Property	16.000	FL0062200	5,265
Public Safety Partnership and Community Policing Grant			
COPS Hiring Recovery Program - Recovery Act	16.710	2009RKWX0207	331,396
<i>sub-total direct programs</i>			<u>336,661</u>
Pass-Through Office of the Attorney General			
Victims of Crime Act 2009/2010	16.575	V09182	29,129
Pass-Through Florida Department of Law Enforcement			
Bulletproof Vest Partnership Grant 2008	16.607	BJA102908	2,126
Bulletproof Vest Partnership Grant 2009	16.607	BJA100609	7,599
Pass-Through Florida Department of Law Enforcement			
Broward County Sheriff's Office			
Edward Byrne Justice Assistance Grant 2007	16.738	07-DJ-BX-1390	2,235
Edward Byrne Justice Assistance Grant 2008	16.738	08-DJ-BX-0534	14,845
Edward Byrne Justice Assistance Grant 2009 - Recovery Act	16.804	09-SB-B9-3324	26,574
Pass-Through Florida Department of Law Enforcement			
(through) United Way of Broward County			
Edward Byrne Justice Assistance Grant 2009 - Recovery Act	16.803	2010-ARRC-BROW-10-W7-071	40,148
<i>sub-total indirect programs</i>			<u>122,657</u>
<i>Total U.S. Department of Justice</i>			<u>459,318</u>
<i>U. S. Department of Transportation</i>			
Federal Transit Administration			
Miramar Town Center Transit Hub	20.500	FL-04-0096-00	866,000
Pedestrian Improvements to Main Street/Canal Street	20.500	FL-55-0002-00/01	127,900
<i>Total U.S. Department of Transportation</i>			<u>993,900</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,019,247</u>

CITY OF MIRAMAR, FLORIDA

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the federal grant activity of the City for the year ended September 30, 2010 and is presented on the modified accrual basis of accounting. The City's reporting entity is described in Note 1 of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Urban Areas Security Initiative	97.067	<u>\$ 7,511,724</u>

CITY OF MIRAMAR, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2010

PRIOR YEAR COMMENTS AND STATUS

FINANCIAL STATEMENT FINDINGS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2009 schedule of findings:

Matters that are not repeated in the accompanying schedule of findings and questioned costs:

- 09-01 – Financial Records
- 09-02 – Capitalized Interest

FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

There were no federal awards or state projects findings and questioned costs reported in the fiscal year ended September 30, 2009 schedule of findings and questioned costs.

CITY OF MIRAMAR, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unqualified Opinion*
 Internal control over financial reporting:
 Material weakness(es) identified? X Yes No
 Significant deficiency(ies) identified not considered to be
 material weakness(es)? X Yes
 Non-compliance material to financial statements noted? Yes X No

Federal Awards Programs

Internal control over major federal awards programs and state
 financial assistance projects:
 Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified not considered to be
 material weakness(es)? Yes X None reported

Type of auditor's report issued on compliance for major
 Federal programs: *Unqualified Opinion*
 Any audit findings disclosed that are required to be reported
 in accordance with Circular A-133, Section .510(a) Yes X No

Identification of major federal awards programs:

<u>Federal Awards Programs/Cluster</u>	<u>Federal CFDA No.</u>
Cluster-Community Development Block	
Grant – Recovery Act	14.218; 14.253
Public Safety Partnership and Community	
Policing Grant – Recovery Act	16.710
Federal Transit Capital Investment Grants	20.500

Dollar threshold used to distinguish between Type A and
 Type B programs Federal \$480,577

Auditee qualified as low risk auditee? X Yes No

CITY OF MIRAMAR, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

10-01 Construction-in-Progress

Criteria

Construction-in-progress, a major category of capital assets, is used to record costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. When the capital asset construction is complete, the asset should be reclassified into the appropriate capital asset category, and depreciation should commence.

Condition

The current year schedule detailing the City's governmental activities construction-in progress reflected a balance of approximately \$32.8 million. We noted that approximately \$29.7 million of this amount had remained unchanged from the prior year. Based on our inquiries, City personnel determined that approximately \$27 million of the balance pertained to projects that were in fact completed, and as such, should have been transferred to the appropriate capital asset category and depreciated. Documentation to support the date of completion of these assets could not be provided, only a memo from the City engineer was provided to indicate the projects were completed in the 2009 fiscal year. A prior period adjustment of approximately \$370,000 was required to record the depreciation that should have been reflected in the 2009 fiscal year.

Cause

Finance Department personnel was not provided accurate information from other City departments and did not further investigate the status of each project that remained in construction in progress.

Effect

The effect is that construction-in-progress included significant completed projects that should have been reclassified to the appropriate capital asset category and depreciated.

Recommendation

We recommend that procedures be implemented to ensure that construction-in-progress, for both the governmental activities and the proprietary funds is carefully monitored and completed projects are transferred to the appropriate capital asset category when completed.

CITY OF MIRAMAR, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESS (CONTINUED)

10-01 Construction-in-Progress (continued)

View of Responsible Officials and Planned Corrective Actions

All capital costs associated with a construction project are accumulated and maintained in a spreadsheet titled Construction-In-Progress (CIP). At year end, these costs are totaled and a list of these projects is provided to the various City department personnel who are responsible for tracking capital projects in order to obtain a status on the project's completion. If the project is complete, it is removed from the CIP spreadsheet and entered as an asset in the City's fixed asset software system. If the project is not complete, it remains on the spreadsheet as well as the appropriate CIP account in the General Ledger.

At the end of fiscal year 2010, the procedure described above was followed, however the list provided to the other department personnel for review, only included the current year projects. Since the list presented was incomplete, the prior year projects were not available for review of their status and consequently not transferred to the fixed asset system.

The City developed a comprehensive fixed asset policy, including procedures for recording and capitalizing CIP. In addition, work papers prepared as part of the year-end and audit processes are subject to review and approval. These procedures will be reviewed and refined to ensure that they result in accurate accounting and recording of capital assets. In addition, review sign-off procedures will be reinforced.

SIGNIFICANT DEFICIENCY

10-02 Capital Asset Depreciation

Criteria

Depreciation is the systematic and rational distribution of the cost of a capital asset over its estimated useful life. Each year, a portion of the cost of a tangible capital asset should be allocated.

CITY OF MIRAMAR, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

10-02 Capital Asset Depreciation (continued)

Condition

The City's current capital asset and intangible asset software does not calculate current year and accumulated depreciation and amortization correctly. Accordingly, the City elected to use a manual process during the current year in order to calculate the correct amount of depreciation and amortization. During our testing of amortization and depreciation for both the governmental and business-type activities capital assets, we identified several adjustments as a result of the City's manual process. Adjustments to the City's accumulated amortization and depreciation totaled approximately \$1,240,000 and \$185,000 in the governmental and business type activities financial statements, respectively. Due to the significant amount of capital assets that require depreciation and amortization calculations, the City's manual process could lead to more adjustments in the future.

Cause

Due to the significant errors encountered in using the capital asset software maintained by the City, a manual process to calculate depreciation on capital assets was used.

Effect

The potential effect was that the financial statements could have been misstated.

Recommendation

We recommend the City convert to an adequate computerized system designed to accumulate asset costs, calculate the annual depreciation/amortization expense and accumulated depreciation/amortization. This will eliminate a significant amount of manual record-keeping duties, make operations more efficient, and provide more accurate information with which to make business decisions regarding capital assets.

View of Responsible Officials and Planned Corrective Actions

We concur with this comment. The City has issued a Request for Proposal for an Enterprise Resource Planning system, including an integrated capital asset software component. Review of vendor software is in process. Until such time as the new software system is purchased and implemented, staff will continue to require a manual work-around solution to calculate depreciation and amortization. However, a more thorough review and testing process will be implemented to ensure calculations are accurate and any errors detected.

CITY OF MIRAMAR, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

OTHER MATTERS - CONTROL DEFICIENCIES

10-03 Payroll

Criteria

An effective system of internal control provides for the distribution of duties among available personnel, so that no one employee controls all phases of a transaction without some independent verification by another employee.

Condition

The City has implemented procedures over the hiring of new employees through the approval of personnel action forms and the establishment of the employee in the City's payroll system by the City's human resource department. The forms and additions of new employees are approved by the payroll department. However, the payroll department also has access to establish new employees in the payroll system and change pay rates. In addition, on a bi-weekly basis, the City's payroll manager reviews the payroll status change report, however, the payroll department has change access. These factors are deemed to be lack of segregation of duty issues in the City's internal control over the initiation and review of the payroll process.

Cause

The City's payroll department has been provided too much control over the payroll process

Effect

The lack of segregation of duties significantly increases the chance of an error or irregularity going undetected.

Recommendation

We recommend the City restrict the payroll department from having access to change employee pay information other than hours worked in a week, which would strengthen the control over the initiation of employees and any pay information by the human resource department. In addition, we recommend that a member of management outside of the payroll department review and approve the change status reports on a bi-weekly basis. Better segregation of duties will enhance controls to detect errors and irregularities and provide for much greater safeguarding of assets.

CITY OF MIRAMAR, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

OTHER MATTERS - CONTROL DEFICIENCIES (CONTINUED)

10-03 Payroll (continued)

View of Responsible Officials and Planned Corrective Actions

We concur with this comment. The payroll department should not need to enter and or change any pay rates in the in the payroll system. Access to make changes has been granted, however, to allow for last minute changes to pay rates or entry of new employee information when those changes were not entered in sufficient time to meet the payroll and human resource software interface. Allowing these changes by payroll provides that employees are paid correctly and on a timely basis, a reduction in retroactive pay calculations and correction of other pay interface errors.

To mitigate this lack of segregation of duties, a formal, documented review and approval of any change status reports by a member of management outside the payroll department will be instituted.

10-04 IT Change Management

Criteria

Documentation demonstrating the successful testing of application and network changes ensure standardized activities and reduces the risk of errors and/or unauthorized activities.

Condition

While conducting a general review of the controls in place for the City's IT systems environment we noted that testing of changes is not documented or retained.

Cause

The lack of documented testing is due to the size of the IT organization. Being a small team, they rely on verbal communication and understanding of policies and procedures.

Effect

The lack of documented application and network testing creates the risk that processes and controls are not performed appropriately increasing the risk of errors.

CITY OF MIRAMAR, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

OTHER MATTERS - CONTROL DEFICIENCIES (CONTINUED)

10-04 IT Change Management (continued)

Recommendation

IT should implement formal procedures to document and retain test plans and results with user sign-offs.

View of Responsible Officials and Planned Corrective Actions

We concur with this comment. The MIS Department has developed a comprehensive IT Security Policy. A new sub-section, entitled "Change Control Policy" has been drafted and will be incorporated in the main policy to ensure regular updates and appropriate enforcement. This policy establishes change controls for new programs, program changes, and problem resolution.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.