

In the opinion of Co-Bond Counsel, assuming continuing compliance by the County with certain covenants in the herein described Resolution, under existing statutes, regulations and judicial decisions, interest on the Series 2007A Bonds will be excluded from gross income for Federal income tax purposes of the holders thereof and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX EXEMPTION" herein for a description of alternative minimum tax treatment and certain other tax consequences to holders of the Series 2007A Bonds.



\$86,690,000
BROWARD COUNTY, FLORIDA
General Obligation Refunding Bonds,
Series 2007A

Dated: Date of Delivery**Due:** January 1, as shown below

Broward County, Florida (the "County") is issuing its General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds"), only in fully registered form, without coupons, in denominations of \$5,000 or integral multiples thereof. The Series 2007A Bonds will bear interest at the fixed rates set forth below, payable semi-annually on each January 1 and July 1, commencing January 1, 2008. The Series 2007A Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2007A Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2007A Bonds will be paid from the sources described below by U.S. Bank National Association, Miami, Florida, as Paying Agent, directly to DTC as the registered owner thereof. Disbursement of such payments to the herein described DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants, as more fully described herein. Any purchaser as a beneficial owner of Series 2007A Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2007A Bonds. See "DESCRIPTION OF THE SERIES 2007A BONDS - Book-Entry Only System" herein.

The proceeds of the Series 2007A Bonds will be used, together with other legally available funds, to: (i) refund a portion of the County's outstanding General Obligation Bonds, Series 2001A (the "Series 2001A Bonds"); and (ii) pay costs of issuance of the Series 2007A Bonds. See "PURPOSE AND PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2007A Bonds are being issued by the County pursuant to the Constitution and laws of the State of Florida, including particularly Chapters 125 and 132, Florida Statutes, the Broward County Charter and Resolution No. 2007-285 adopted by the Board of County Commissioners of the County on May 8, 2007. The issuance of the Series 2001A Bonds was approved by a majority of the qualified electors of the County voting in a bond referendum held on March 9, 1999. The Series 2007A Bonds shall be issued simultaneously with the County's \$77,830,000 General Obligation Refunding Bonds, Series 2007B.

The Series 2007A Bonds are general obligation bonds of the County to which the full faith, credit and taxing power of the County are irrevocably pledged. The Series 2007A Bonds are payable from ad valorem taxes levied without limitation as to rate or amount on all taxable property within the County sufficient in amount to pay the principal of and interest on the Series 2007A Bonds. See "SECURITY FOR THE SERIES 2007A BONDS - Pledge Under Resolution" herein.

The Series 2007A Bonds are not subject to optional redemption prior to their stated maturities.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS
AND INITIAL CUSIP NUMBERS**

<u>Year</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP</u> <u>Number</u>
2013	\$ 3,010,000	4.00%	3.89%	114889VH8
2013	4,850,000	5.00	3.89	114889VJ4
2014	1,225,000	4.00	3.93	114889VK1
2014	7,015,000	5.00	3.93	114889VL9
2015	1,100,000	4.00	3.97	114889VM7
2015	7,550,000	5.00	3.97	114889VN5
2016	1,070,000	4.00	4.00	114889VP0
2016	8,010,000	5.00	4.00	114889VQ8
2017	9,540,000	5.00	4.04	114889VR6
2018	10,030,000	5.00	4.10	114889VS4
2019	10,545,000	5.00	4.14	114889VT2
2020	11,085,000	5.00	4.18	114889VU9
2021	11,660,000	5.00	4.21	114889VV7

This cover page contains certain information for quick reference only. It is not a summary of the Series 2007A Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2007A Bonds are offered in book-entry form when, as and if issued and received, subject to the approving legal opinions of Bryant Miller Olive P.A., Tampa, Florida and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the County by the County Attorney or an Assistant County Attorney, and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and the Law Offices of Gerald J. Lindor, P.A., Pembroke Pines, Florida, Co-Disclosure Counsel. Certain legal matters in connection with the Series 2007A Bonds will be passed upon for the Underwriters by Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida, Counsel to the Underwriters. Stifel, Nicolaus & Company, Inc., Winter Park, Florida is acting as Financial Advisor to the County. It is expected that the Series 2007A Bonds will be available for delivery through DTC, New York, New York on or about June 7, 2007.

BEAR, STEARNS & CO. INC.

RICE FINANCIAL PRODUCTS COMPANY
First Southwest Company
M.R. Beal & Company
RBC Capital Markets

Dated: May 31, 2007

UBS INVESTMENT BANK
Loop Capital Markets, LLC
Raymond James & Associates, Inc.
Siebert Brandford Shank & Co., LLC

BROWARD COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

Josephus Eggelletion, Jr., Mayor
Lois Wexler, Vice Mayor
Suzanne N. Gunzburger
Kristin D. Jacobs
Ken Keechl
Ilene Lieberman
Stacy Ritter
John E. Rodstrom, Jr.
Diana Wasserman-Rubin

COUNTY ADMINISTRATOR
Pamela Brangaccio

COUNTY ATTORNEY
Jeffrey J. Newton

**CHIEF FINANCIAL OFFICER & DIRECTOR OF THE FINANCE
AND ADMINISTRATIVE SERVICES DEPARTMENT**
Michael Geoghegan

CO-BOND COUNSEL
Bryant Miller Olive P.A.
Law Offices of Steve E. Bullock, P.A.

CO-DISCLOSURE COUNSEL
Nabors, Giblin & Nickerson, P.A.
Law Offices of Gerald J. Lindor, P.A.

FINANCIAL ADVISOR
Stifel, Nicolaus & Company, Inc.

This Official Statement does not constitute an offer to sell the Series 2007A Bonds to any person, or the solicitation of an offer from any person to buy the Series 2007A Bonds, in any jurisdiction where such offer or such solicitation of an offer to buy would be unlawful. The information set forth herein is provided by Broward County, Florida (the "County"), from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the County or the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any Series 2007A Bonds shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the issuance of the Series 2007A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Any statements made in this Official Statement involving matters of opinion, forecasts or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the forecasts or estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

The Series 2007A Bonds have not been registered under the Securities Act of 1933 nor has the Resolution (as defined herein) been qualified under the Trust Indenture Act of 1939, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2007A Bonds under the securities laws of the jurisdictions in which they have been registered or qualified, if any, shall not be regarded as a recommendation thereof. Neither these jurisdictions nor any of their agencies have passed upon the merits of the Series 2007A Bonds or the accuracy or completeness of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE SERIES 2007A BONDS ABOVE THE LEVELS WHICH WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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\$86,690,000
BROWARD COUNTY, FLORIDA
General Obligation Refunding Bonds,
Series 2007A

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices, is to provide information with respect to the issuance and sale by Broward County, Florida (the "County") in aggregate principal amount of its \$86,690,000 General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds"). The Series 2007A Bonds are being issued pursuant to the Constitution and laws of the State of Florida (the "State"), including particularly Chapters 125 and 132, Florida Statutes, the Broward County Charter, and Resolution No. 2007-285 adopted by the Board of County Commissioners (the "Board") on May 8, 2007 (the "Resolution"). The Series 2007A Bonds are being issued to refinance a portion of the County's outstanding General Obligation Bonds, Series 2001A (the "Series 2001A Bonds"). See "PURPOSE AND PLAN OF REFUNDING" herein.

The issuance of the Series 2001A Bonds was approved by a majority of the qualified electors of the County voting in a bond referendum held on March 9, 1999. Such referendum approved the issuance by the County of not exceeding \$139,900,000 of general obligation bonds for the purpose of planning, designing, expanding, constructing, reconstructing and equipping of library facilities in the County.

U.S. Bank National Association, Miami, Florida has been designated under the Resolution as paying agent and registrar for the Series 2007A Bonds (together with any successors, the "Paying Agent" and "Registrar").

The Series 2007A Bonds are general obligation bonds of the County to which the full faith, credit and taxing power of the County are irrevocably pledged. The Series 2007A Bonds are payable from ad valorem taxes levied without limitation as to rate or amount on all taxable property within the County, sufficient in amount to pay the principal of and interest on the Series 2007A Bonds. See "SECURITY FOR THE SERIES 2007A BONDS – Pledged Under Resolution" herein.

Brief descriptions of the Resolution, the Series 2007A Bonds, and the security for the Series 2007A Bonds are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such agreements and documents are qualified in their entirety by reference thereto. Capitalized terms that are undefined will have the meanings given them in the Resolution. See "APPENDIX C – Form of the Resolution" herein.

PURPOSE AND PLAN OF REFUNDING

Series 2001A Bonds

The proceeds of the Series 2007A Bonds will be used, together with other legally available funds, to: (1) refinance the Series 2001A Bonds coming due on January 1 in the years 2013 through 2021, inclusive, which are currently outstanding in the aggregate principal amount of \$88,515,000 (the "2001A Refunded Bonds"); and (2) pay costs of issuance of the Series 2007A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" below.

Proceeds of the Series 2007A Bonds, together with other legally available funds of the County, will be deposited in an irrevocable escrow fund (the "2001A Escrow Fund") created pursuant to an Escrow Deposit Agreement to be entered into contemporaneously with the delivery of the Series 2007A Bonds by the County and U.S. Bank National Association, Miami, Florida (the "Escrow Agreement") and applied to the purchase of U.S. Treasury obligations (the "Federal Securities") and/or held as uninvested cash. The 2001A Refunded Bonds will be irrevocably called for early redemption on or about January 1, 2011 (the "2001A Redemption Date") at a redemption price of 101% of the 2001A Refunded Bonds to be redeemed on such 2001A Redemption Date, together with accrued interest to the 2001A Redemption Date. Upon the deposit of Federal Securities and/or cash in accordance with the Escrow Agreement, the 2001A Refunded Bonds shall be legally defeased and shall no longer be outstanding under the resolution pursuant to which they were issued.

The principal of and interest on the Federal Securities, together with uninvested cash, held by the escrow agent under the Escrow Agreement will be sufficient to pay the principal of, redemption premium and interest coming due on the 2001A Refunded Bonds on or prior to the 2001A Redemption Date, in accordance with schedules verified by Causey Demgen & Moore, Inc. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Cash Settlement of Forward Interest Rate Swap

On March 8, 2007, the County entered into an ISDA Master Agreement with UBS AG, with respect to a forward interest rate swap transaction (the "Swap Transaction"). The Swap Transaction allowed the County to hedge against rising interest rates for the refunding of the 2001A Refunded Bonds. The Swap Transaction was terminated on May 30, 2007. The County shall receive a termination payment of \$1,519,264.00 from UBS AG on June 7, 2007. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Refunding of Other General Obligation Bonds

Simultaneously with the issuance of the Series 2007A Bonds, the County shall refund a portion of its outstanding General Obligation Bonds (Parks and Land Preservation Project), Series 2004 (the "2004 Refunded Bonds") through the issuance of its General Obligation Refunding Bonds, Series 2007B (the "Series 2007B Bonds"), in the aggregate principal amount of \$77,830,000.

DESCRIPTION OF THE SERIES 2007A BONDS

Authorized Denominations; Interest Payment Dates

The Series 2007A Bonds are issuable only in fully registered form in denominations of \$5,000 or integral multiples thereof, will be dated the date of delivery thereof and will bear interest payable on each January 1 and July 1, commencing January 1, 2008 (each an "Interest Payment Date") at the interest rates set forth on the cover page of this Official Statement.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY DOES NOT TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC") will act as securities depository for the Series 2007A Bonds. A blanket issuer letter of representations dated November 16, 1995 (the "Blanket Letter") was entered into by the County with DTC. It is intended that the Series 2007A Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Blanket Letter. The terms and conditions of such Blanket Letter shall govern the registration of the Series 2007A Bonds. The Series 2007A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2007A Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2

million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), and Emerging Markets Clearing Corporation, as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard and Poor's highest rating: "AAA." The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2007A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2007A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2007A Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2007A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2007A Bonds, except in the event that use of the book-entry system for the Series 2007A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2007A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007A Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series

2007A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2007A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2007A Bonds, such as redemptions, tenders, defaults, and proposed amendments to Series 2007 documents. For example, Beneficial Owners of Series 2007A Bonds may wish to ascertain that the nominee holding the Series 2007A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Series 2007A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2007A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2007A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2007A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participants and not of DTC, the Registrar or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent for the Series 2007A Bonds, disbursement of such payments to Direct Participants is the

responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2007A Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2007A Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) upon compliance with applicable DTC rules and procedures. In that event, Series 2007A Bond certificates will be printed and delivered.

The County, the Paying Agent and Registrar do not have any responsibility or obligation to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant, (b) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2007A Bonds, (c) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to Bondholders, or (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders.

Optional Redemption

The Series 2007A Bonds are not subject to optional redemption prior to their stated dates of maturity.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2007A Bonds and certain other moneys are estimated by the County to be applied as follows:

Sources:

Principal Amount	\$86,690,000.00
Other Legally Available Moneys	1,936,265.63
Swap Termination Payment	1,519,264.00
Plus: Original Issue Premium	<u>5,940,465.65</u>
Total Sources of Funds	\$96,085,995.28

Uses:

Deposit to Escrow Fund	\$95,308,362.28
Costs of Issuance ⁽¹⁾	357,029.91
Underwriters' Discount	<u>420,603.09</u>
Total Uses of Funds	\$96,085,995.28

- ⁽¹⁾ Includes fees and costs of Co-Bond Counsel, Co-Disclosure Counsel, Financial Advisor, Official Statement printing, rating agencies, verification agent, and other miscellaneous expenses.

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DEBT SERVICE REQUIREMENTS

The Debt Service requirements for the Series 2007A Bonds and for the County's other outstanding general obligation bonds, as shown in the following table, consist in any fiscal year of the sum of the amounts required to pay: (i) the interest that is payable on January 1 and July 1 of each fiscal year; and (ii) the principal payable in each fiscal year.

Fiscal Year Ending September 30	Series 2007A Bonds			Debt Service ⁽²⁾ Other GOB's	Total
	Principal	Interest	Subtotal		
2007 ⁽¹⁾				\$ 8,818,862.51	\$ 8,818,862.51
2008		\$ 4,555,146.67	\$ 4,555,146.67	63,200,595.85	67,755,742.52
2009		4,270,450.00	4,270,450.00	65,977,862.52	70,248,312.52
2010		4,270,450.00	4,270,450.00	69,045,300.02	73,315,750.02
2011		4,270,450.00	4,270,450.00	51,675,150.02	55,945,600.02
2012		4,270,450.00	4,270,450.00	40,404,065.64	44,674,515.64
2013	\$ 7,860,000	4,089,000.00	11,949,000.00	24,920,431.26	36,869,431.26
2014	8,240,000	3,707,675.00	11,947,675.00	24,921,556.26	36,869,231.26
2015	8,650,000	3,297,050.00	11,947,050.00	24,918,106.20	36,865,156.26
2016	9,080,000	2,864,650.00	11,944,650.00	24,921,031.26	36,865,681.26
2017	9,540,000	2,404,500.00	11,944,500.00	24,200,156.26	36,144,656.26
2018	10,030,000	1,915,250.00	11,945,250.00	24,204,656.26	36,149,906.26
2019	10,545,000	1,400,875.00	11,945,875.00	24,204,906.26	36,150,781.26
2020	11,085,000	860,125.00	11,945,125.00	24,201,156.26	36,146,281.26
2021	11,660,000	291,500.00	11,951,500.00	23,670,406.26	35,621,906.26
2022				33,422,031.26	33,422,031.26
2023				32,925,656.26	32,925,656.26
2024				32,426,328.13	32,426,328.13
2025				10,250,000.00	10,250,000.00
Total	\$86,690,000	\$42,467,571.67	\$129,157,571.67	\$628,308,258.55	\$757,465,830.22

⁽¹⁾ Net of January 1, 2007 debt service payments.

⁽²⁾ All currently outstanding general obligation bonds of the County. Takes into account the refinancing of the 2001A Refunded Bonds and the 2004 Refunded Bonds through issuance of the Series 2007A Bonds and Series 2007B Bonds, respectively. See "SECURITY FOR THE SERIES 2007A BONDS – Other General Obligation Bonds" herein.

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SECURITY FOR THE SERIES 2007A BONDS

Pledge Under Resolution

Pursuant to the Resolution, the County irrevocably pledges its full faith, credit and taxing power for the prompt payment of the principal of and interest on the Series 2007A Bonds. The Resolution further provides that in each year while any of the Series 2007A Bonds are outstanding, there shall be levied and collected a tax without limitation as to rate or amount on all taxable property within the County, sufficient in amount to pay the principal of and interest on the Series 2007A Bonds, as the same shall become due, after deducting therefrom any other funds which may be available for such principal and interest payments and which shall actually be so applied.

Sinking Fund

The Resolution creates a Sinking Fund to be held by the depository for the County and administered by the County solely for the purpose of paying the principal of and interest on the Series 2007A Bonds as they become due. Pending its use, money on deposit in the Sinking Fund may be invested in Sinking Fund Investments. The Resolution requires that the proceeds of the ad valorem taxes levied to pay the Series 2007A Bonds shall be deposited, as received, into the Sinking Fund.

Other General Obligation Bonds

In addition to the Series 2007A Bonds to be issued and Series 2001A Bonds to be refunded as described above, the County has also issued: (1) \$154,135,000 General Obligation Bonds (Parks and Land Preservation Project), Series 2005, on April 7, 2005, to finance a portion of the costs of preserving, acquiring, reclaiming, constructing and improving neighborhood and regional park facilities, lands and open spaces to make parks safer and protect clean water, air and wildlife for the County, of which \$147,445,000 are currently outstanding; (2) the non-refunded portion of the Series 2004 Bonds outstanding in the amount of \$91,575,000; (3) \$46,640,000 General Obligation Refunding Bonds, Series 2003, on October 7, 2003, to refund certain general obligation bonds issued in 1993, of which \$19,875,000 are currently outstanding; (4) the non-refunded portion of the Series 2001A Bonds outstanding in the amount of \$34,815,000; (5) \$146,620,000 General Obligation Refunding Bonds, Series 2001B, on October 23, 2001, to refund certain general obligation bonds issued in 1992, of which \$77,690,000 are currently outstanding; and (6) \$77,830,000 General Obligation Refunding Bonds, Series 2007B, on June 7, 2007, to refund a portion of the Series 2004 Bonds, all of which are currently outstanding. All such general obligation bonds are secured by the full faith, credit and taxing powers of the County, in the same manner as the Series 2007A Bonds.

THE COUNTY

The County was created in October 1915 by the legislature of the State of Florida. Located on the southeast coast of Florida, the County has an area of approximately 1,197 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. In the time since it began as an agricultural community of 5,000, the County has steadily grown and currently ranks second in population in the State of Florida, with an estimated 2007 population of 1,822,032 persons. Located within the County are thirty-one municipalities, the largest of which is the City of Fort Lauderdale.

There are approximately 83,000 businesses established in the County. Although many of these companies are classified as small businesses, approximately 100 of these businesses are Fortune 500 companies or divisions thereof with operations in the County. The annual average civilian labor force in the County grew by approximately 39,084 during fiscal year 2006, or 4% over the prior year. Tourism is also an important economic factor in the County. The combination of favorable climate, together with various recreational opportunities, including theaters, parks, public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred and harness racing, jai alai and water recreational facilities, have made the County a tourist center. For calendar year 2006, the County estimates that approximately 10.3 million visitors spent over \$8.6 billion in the County. For a more detailed description of the County, see "APPENDIX A – General Information Regarding Broward County."

AD VALOREM TAXATION

Levy

Ad valorem taxes are allocated among the General Fund and other governmental funds of the County. Ad valorem taxes levied to pay debt service on County general obligation bonds approved by its electors are deposited in the debt service funds established for the various bond issues and may be used solely for the purpose of paying debt service on those bonds. Such ad valorem taxes may be levied without limitation as to rate or amount, subject to referendum approval. The balance of the ad valorem taxes levied and collected by the County support the County's budget. Once the County determines the amount of dollars needed to support its budget, it considers two primary factors in determining the levy of ad valorem taxes. The first factor is the millage rate that, when applied to the County's tax roll (hereinafter described), generates the necessary tax dollars. State law places a 10 mill cap on local governments (excluding payment of voter-approved bonds). The County's operating and capital outlay levy is presently at approximately 56.4% of the state limit. At current fiscal year 2007 net property assessment values and millage rates, excluding voted debt service levies, the County could generate an estimated additional \$688 million per year under the 10 mill cap.

The second factor considered by the County in connection with the levy of ad valorem taxes is the total value of taxable property in the County indicated on the tax roll. Real and personal property valuations for purposes of the tax roll are determined each year as of January 1st by the County Property Appraiser's Office (the "Property Appraiser's Office"). That office certifies the tax rolls to the Revenue Collection Division. The Property Appraiser's Office mails to each property owner a notice of proposed property taxes indicating the assessed property value. The property owner has the right to file an appeal with the Clerk of the Value Adjustment Board if such assessed property value, as determined by the Property Appraiser's Office, is inconsistent with law. All appeals of such valuation determinations are heard by special masters representing the Value Adjustment Board. A taxpayer may appeal a decision of the Value Adjustment Board by bringing an action in the circuit court. State law requires that all non-exempt real property be assessed at 100% of fair market value, with certain exceptions. Personal property is assessed at its just valuation (fair market value).

The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, nursing homes, certain disabled persons, homesteads, homes for the aged, disabled veterans and low-income senior citizens. The "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100% of fair market value. Under Florida law, local jurisdictions have the option of granting an additional homestead exemption for low-income senior citizens. The Broward County Board of County Commissioners approved the senior exemption on November 9, 1999, effective November 1, 2001, to provide an additional \$25,000 homestead exemption for a residence occupied by a qualifying senior citizen on a permanent basis as of January 1 of the year of valuation. Accordingly, fiscal year 2001 was the first year the County was impacted by this additional exemption. The reduction in the tax roll for fiscal year 2006 resulting from the additional senior homestead exemption was approximately \$2,400,000, which is less than 0.0002% of the tax roll. The County believes that the impact of such exemption for subsequent years is expected to be insignificant unless the eligibility rules are changed.

Constitutional Amendments

By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year, or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967 = 100, or successor reports for the preceding calendar year as initially reported by the United States

Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership, as provided by general law, homestead property shall be reassessed at just value as of January 1 of the following year and thereafter shall be assessed as provided in the amendment, (3) new homestead property shall be assessed at just value as of January 1st of the year following the establishment of the homestead, (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment, and (5) in the event of termination of homestead status, the property shall be assessed as provided by general law. The effective date of the amendment was January 5, 1993, making the base year 1994, with 1995 as the year limitations were first imposed. As indicated in the table herein entitled "Broward County Net Assessed Property Valuation," the amendment has had no significant impact. From fiscal years 1997 through 2006, the average annual increase in the tax roll has been approximately 9.4%.

In the 2006 regular session of the Florida Legislature, legislation was introduced that would have permitted homeowners to transfer all or a portion of their ad valorem tax basis in their homestead property (upon sale) to a newly acquired homestead property rather than being subject to a full reevaluation and a new tax basis at the time of purchase. Such legislation was not enacted. In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to \$50,000 from \$25,000 for certain low-income seniors effective January 1, 2007 and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively. The extent to which these amendments may affect the ad valorem tax collections of the County in future years is not currently known (although the County had previously increased the homestead exemption for its seniors in 2001 as described above and thus the additional senior exemption will have no effect).

Prior to the end of the 2007 regular session of the Florida Legislature on May 4, 2007, leaders of the Legislature and the Governor of the State determined to hold a special session in June 2007 to give additional consideration to various property tax reform proposals which had failed to pass in the regular session. Such proposals include, without limitation, additional portability proposals similar to the ones that failed in 2006, an increase in the homestead exemption, a possible limit placed on ad valorem tax revenues, and replacement of the property tax in its entirety with additional sales tax. It is impossible to predict whether such legislation will ultimately be enacted by both houses of the Florida Legislature and avoid Governor veto and what effect, if any, such legislation, if enacted, will have on the County's finances. Some of the above proposals may be subject to voter approval. However, the County is in the process of preparing several different budgets based on different budget assumptions.

Rates, Valuation and Collection

The following table presents the rates of property taxation for the County for the ten years indicated. The millage rates below are those that were levied for the operating levy, capital outlay levy and debt service of the County. These millage rates are set by the Board.

Broward County Millage Rates (Mills Per Thousand of Assessed Valuation)

<u>Fiscal Year Ended September 30</u>	<u>Operating Levy</u>	<u>Capital Outlay Levy</u>	<u>Operating & Capital Outlay Subtotal</u>	<u>Debt Service Levy</u>	<u>Total Millage Rate</u>
1997	6.7460	0.2794	7.0254	0.7270	7.7524
1998	6.8021	0.3466	7.1487	0.6893	7.8380
1999	6.7013	0.2132	6.9745	0.6565	7.5710
2000	6.6794	0.2153	6.8947	0.6763	7.5710
2001	6.6449	0.2454	6.8903	0.6347	7.5250
2002	6.4443	0.2234	6.6677	0.7328	7.4005
2003	6.2752	0.3933	6.6685	0.6965	7.3650
2004	6.3146	0.2919	6.6065	0.5815	7.1880
2005	6.1905	0.2926	6.4831	0.5399	7.0230
2006	5.9838	0.3104	6.2942	0.4888	6.7830
2007	5.4054	0.2379	5.6433	0.4228	6.0661

Source: Broward County Office of Management and Budget.

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The following table sets forth the net assessed property valuation for the past ten years within the County.

Broward County
Net Assessed Property Valuation ⁽¹⁾
1997-2006
(\$ in Thousands)

	Real Property				Total Real Property	Exemptions		Net Assessed Value
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other⁽²⁾</u>		<u>Personal Property</u>	<u>Real Property</u>	
1997	\$ 48,717,210	\$ 8,372,631	\$ 2,775,734	\$ 6,190,361	\$ 66,055,936	\$ 6,274,211	\$ 15,461,508	\$ 56,786,248
1998	52,009,064	9,026,004	3,002,669	6,341,053	70,378,790	6,340,275	16,275,575	60,356,423
1999	55,708,193	10,037,676	3,322,701	6,888,767	75,957,337	6,850,504	17,136,115	65,586,763
2000	58,360,268	11,846,923	3,708,293	7,271,397	81,186,881	7,197,587	17,981,978	70,294,093
2001	62,976,211	13,022,713	4,160,036	8,068,836	88,227,796	7,600,785	19,836,194	75,882,217
2002	70,890,848	14,527,301	4,623,766	8,917,103	98,959,018	7,765,378	23,394,227	83,221,357
2003	83,809,792	15,984,452	5,146,783	9,595,581	114,537,608	8,030,740	29,752,587	92,692,455
2004	100,217,685	18,973,425	5,845,196	8,809,883	133,846,189	7,802,109	37,867,051	103,684,664
2005	115,915,180	20,865,838	6,608,021	9,856,473	153,245,512	7,736,460	45,489,222	115,385,343
2006	141,454,575	22,631,725	7,370,441	11,396,305	182,826,046	7,945,606	57,736,030	132,920,426

Source: Broward County Property Appraiser's Assessment Roll Recapitulation. Broward County Revenue Collection Division.

⁽¹⁾ Assessed Values are at 100% estimated market value.

⁽²⁾ Agricultural property and vacant property of non-profit agricultural use.

The following table sets forth the amount of property taxes levied and collected by the County for the fiscal year ended September 30, 1997 through September 30, 2006.

Broward County Tax Levies and Tax Collection
(\$ in Thousands)

<u>Fiscal Year Ended September 30</u>	<u>Property Tax Levy⁽¹⁾</u>	<u>Property Tax Discount</u>	<u>Net Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections of Net Tax Levy</u>	<u>Total Tax Collected⁽²⁾</u>	<u>Percent of Total Tax Collected to Net Tax Levy</u>
1997	\$444,902	\$14,987	\$429,915	\$419,636	97.61%	\$421,333	98.00%
1998	474,675	16,183	458,492	452,312	98.65	454,656	99.16
1999	500,183	16,991	483,192	478,244	98.98	479,058	99.14
2000	527,795	18,018	509,777	503,998	98.87	505,335	99.13
2001	564,866	19,115	545,751	540,329	99.01	542,810	99.46
2002	608,170	20,671	587,499	582,475	99.14	583,889	99.39
2003	672,307	22,884	649,423	642,509	98.94	645,331	99.37
2004	732,945	25,227	707,718	703,924	99.46	704,607	99.56
2005	800,804	27,538	773,266	769,594	99.53	770,550	99.65
2006	895,189	30,176	865,013	860,792	99.51	860,792	99.51

Source: Broward County Revenue Collection Division.

⁽¹⁾ Net of certified adjustments.

⁽²⁾ Includes taxes collected in the year following assessment and delinquencies for the prior year.

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**Principal Taxpayers
September 30, 2006
(\$ in Thousands)**

Taxpayer	Business or Use	Taxes Levied	Percent to Aggregate Taxes Levied
Florida Power and Light Co.	Public Utility	\$30,732	1.04%
Diplomat Properties LTD	Development	6,959	0.23
Northwestern Mutual Life Insurance Co.	Life Insurance	3,195	0.11
Publix Supermarkets, Inc.	Retail	3,176	0.11
Palm Vacation Group	Development	3,073	0.10
Cocowalk Development, Inc.	Development	2,890	0.10
Fifth Avenue Partners, Ltd	Development	2,410	0.08
Marriott Ownership Resorts, Inc.	Vacation Resort	2,402	0.08
HC Miramar Properties, LLC	Development	2,344	0.08
Pembroke Lakes Mall, Ltd	Retail	2,304	0.08

Source: Tax Roll of the County.

All ad valorem taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Revenue Collection Division of the County. A notice is mailed to each property owner on the assessment roll for the taxes levied by the County, school board, and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount. All taxes on real and personal property become delinquent on April 1 of the year following the year in which the taxes were levied, or within 60 days after the mailing of the original tax notice of the final assessment rate, whichever is later. All taxes collected are distributed to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of 1.5% per month from April 1, or within sixty days after the mailing of the original tax notice on the final assessment rate, whichever is later. This interest continues to accrue until a certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the certificate, but shall in no event be greater than 1.5% per month. Delinquent personal property taxes bear interest at 1.5% per month from April 1 until paid.

Within 45 days after personal property taxes become delinquent, such taxes must be advertised. Prior to May 1 of the year following the year of assessment, a list of unpaid personal property taxes and names of taxpayers subject to the tax must be prepared. Prior to April 30 of the next year, tax warrants against delinquent taxpayers must be prepared. Within 30 days after such warrants are prepared, a petition requesting the ratification and confirmation of tax warrants may be filed in the Circuit Court and, upon issuance of an order, the property may be levied, seized and sold. Florida law

provides that real property tax liens are superior to all other liens and that personal property tax liens are superior to all other liens except Internal Revenue Service liens previously recorded. The Tax Collector advertises delinquent personal property taxes one time, and delinquent real property taxes once each week for four consecutive weeks, in a local newspaper. Tax certificates are sold to the lowest bidder, based on the interest rate bid, on or before June 1 for unpaid tax bills. Tax certificates not purchased by individual bidders convert to County ownership and are known as "County-held certificates."

If the owner of the real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale. The highest bidder at such sale receives a tax deed for such property. To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest from the date of the sale of the tax certificate to the date of redemption at the rate equal to the greater of the rate due on the certificate or 5%.

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Tax Certificates Held By Broward County
(\$ in Thousands)

<u>Fiscal Year</u> <u>September 30</u>	<u>Tax Sale Year</u>	<u>Taxes Due ⁽¹⁾</u>	<u>Number of</u> <u>Certificates</u> <u>Initially Held</u> <u>by County</u> <u>From Tax Sale</u>	<u>Balance Due</u> <u>as of</u> <u>January 31,</u> <u>2007 ⁽²⁾</u>	<u>% of Gross</u> <u>Taxes Due ⁽³⁾</u>
1997	Tax Roll 1996	\$ 1,589,089	1,521	\$ 17	0.0011%
1998	Tax Roll 1997	1,691,530	1,455	14	0.0008
1999	Tax Roll 1998	1,781,302	2,368	68	0.0038
2000	Tax Roll 1999	1,871,591	4,772	367	0.0196
2001	Tax Roll 2000	2,010,612	2,873	352	0.0175
2002	Tax Roll 2001	2,205,380	1,100	340	0.0154
2003	Tax Roll 2002	2,469,731	2,533	34	0.0013
2004	Tax Roll 2003	2,691,467	3,161	51	0.0019
2005	Tax Roll 2004	2,777,757	437	24	0.0009
2006	Tax Roll 2005	<u>3,111,445</u>	443	<u>25</u>	<u>0.0008</u>
	Total	\$22,199,904		\$1,292	0.0058% ⁽⁴⁾

Source: Broward County Revenue Collection Division.

⁽¹⁾ Represents the gross taxes collectible for all taxing authorities in the County.

⁽²⁾ Represents certificates held by the County for unpaid taxes for which no revenue has been received.

⁽³⁾ Total percentage calculated only for those tax years where moneys are due.

⁽⁴⁾ Represents total of balance due as a percentage of total taxes due for all years listed.

County-held certificates accrue interest at the rate of 1.5% per month.

FINANCIAL RESULTS

Fiscal and Accounting Procedures

The accounts of the County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity in accordance with generally accepted accounting principles, as defined by the Governmental Accounting Standards Board (GASB). The operation of each fund is accounted for in a separate set of self-balancing accounts which comprise its assets or other debits, liabilities, fund equities, revenue and expenditures or expenses. The various funds are grouped by type in the financial statements.

For the past 21 years the County has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. For a complete description of the fund types and account groups, see the Notes to Basic Financial Statements of the County in Appendix B herein.

Cash Management

The County's Finance Department strives to achieve maximum permissible financial return on available cash resources. Idle cash balances are invested on a daily basis within the constraints imposed by applicable law and County policies. Substantially all of the County's investments are either insured, registered or physically held in the County's name in order to safeguard its investments. For purposes of maximizing interest earnings, substantially all the County's cash and investments are pooled, except where separate cash and investment accounts are maintained in accordance with applicable legal requirements. The County has consistently invested more than 99% of its available cash. A summary and comparison of the County's investment portfolio performance is as follows:

	2005	2006
Average Portfolio Balance (in thousands)	\$2,143,183	\$2,349,765
Average Investment Yield	2.44%	4.39%
Total Investment Earnings (in thousands)	\$ 29,794	\$ 102,046

General Fund

The General Fund is used to account for revenue and expenditures applicable to the general operations of the County government that are not legally restricted for a purpose.

In response to continued countywide development, the County has expanded its governmental services. County services paid for, in part, through the General Fund include a County-wide library system, park system, provisions for emergency medical services and primary health care, the transfer of countywide responsibility for traffic engineering to the County from the municipalities to provide for uniform traffic flows, the transfer to the County of road construction and maintenance responsibilities from the State Department of Transportation, a consolidated court system, expansion of the sheriff's road patrol, several new detention facilities, and expanded detention programs.

Ad valorem taxation constitutes the single largest source of revenue to the General Fund and has steadily increased over the five year period 2001 to 2006, primarily due to new construction, growth in assessed valuation, and an increased demand for governmental services. The net increase in other local revenue, including those derived from licenses, permits, charges for services, and other miscellaneous sources, primarily reflects the growth in fee income from governmental services as well as fee adjustments.

Chapter 129, Florida Statutes, requires that the budget include 95% of all receipts reasonably anticipated from all sources, including taxes to be levied, and 100% of the amount of balances of both cash and liquid securities estimated to be brought forward at

the beginning of the fiscal year. The 5% reduction of anticipated receipts causes an understatement of resources reflected in the budget available for expenditure. Chapter 129 also prohibits the expenditure of unbudgeted funds. The County's practice has been to budget reserves for contingencies. The provision of Chapter 129 which prohibits reserving fund balances causes the unbudgeted revenue and unspent reserves to flow through to the Ending Fund Balance, creating an Ending Fund Balance in excess of that which can be budgeted. The County has kept its expenditures in parity with revenue and consistently operated within the concept of a balanced budget, thus preserving fund balances sufficient to fund expenditures during October and November until the ad valorem tax revenue is received.

The assets of the County exceeded its liabilities as of September 30, 2006 by \$3.9 billion (net assets). Of this amount, \$801 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors. The County's total net assets increased by \$310 million, \$241 million of which was from governmental activities and \$69 million was from business-type activities. As of September 30, 2006, the County's governmental funds reported combined ending fund balances of \$1,021 million, an increase of \$117 million from the prior year. Of this amount, \$988 million is available for use at the County's discretion (unreserved fund balance). The County's total bonded debt decreased by \$83 million or 3% during the fiscal year ended September 30, 2006.

Property Insurance

In recent years, multiple hurricane events have occurred which have significantly impacted local governments in Florida and their ability to insure all their property locations. The County recently experienced a 15% increase in general property insurance premiums over the prior year. Although the County increased its total policy coverage from \$155 million to \$200 million, the applicable deductible also increased from \$70 million to \$95 million. With respect to windstorm coverage specifically, the current deductible is 2.5% of the \$4.1 billion in assets of the County. The County has contracted with an insurance consultant to provide insurance consulting with respect to both its negotiation of commercial insurance and strengthening of existing assets to withstand greater storm intensity levels.

The following chart shows information regarding the General Fund over the five year period ending September 30, 2006.

Broward County
Summary Schedule of Revenue, Expenditures and Changes in
Fund Balances – General Fund⁽¹⁾
(\$ In Thousands)

	Fiscal years Ended September 30				
	2002	2003	2004	2005	2006
REVENUES:					
Ad Valorem Taxes (Net of Discounts)	\$536,397	\$585,671	\$647,661	\$704,832	\$780,994
Special Assessment/Impact Fees	10,451	9,163	7,925	4,845	2,048
Licenses and Permits	14,640	16,231	15,764	17,423	21,870
Federal Grants	34,533	41,890	60,002	46,982	90,515
State Revenue:					
Revenue Sharing	25,913	26,629	28,739	29,175	30,112
Grants	14,220	14,536	10,376	25,976	26,535
Licenses	682	634	627	612	612
One-Half Cent Sales Tax	53,964	55,669	56,710	58,672	61,303
Charges for Services	222,405	240,276	275,005	297,817	316,656
Fines and Forfeitures	8,650	9,026	8,225	4,329	4,413
Interest Income	9,347	6,582	5,412	11,940	24,652
Miscellaneous Revenue	17,208	12,983	15,564	29,222	51,510
Total Revenues	\$948,410	\$1,019,290	\$1,132,010	\$1,231,375	\$1,411,220
EXPENDITURES:					
Current:					
General Government	\$130,766	\$144,202	\$157,642	\$155,041	\$187,329
Public Safety	72,638	80,152	15,863	11,148	16,373
Transportation	1,431	2,379	99,802	103,748	116,249
Human Services	105,731	119,878	123,762	131,928	136,318
Culture and Recreation	89,154	91,838	97,448	104,197	127,601
Physical Environment	18,177	15,940	17,348	20,916	51,694
Economic Environment	14,507	12,823	11,498	13,237	15,729
Debt Service:					
Principal Retirement	3,583	946	451	-0-	1,483
Interest and Fiscal Charges	743	1,212	425	249	256
Total Expenditures	\$436,730	\$469,370	\$524,239	\$540,464	\$653,032
Excess of Revenue Over (Under) Expenditures	\$511,680	\$549,920	\$607,771	\$690,911	\$758,188

⁽¹⁾Prepared by the County from audited financial statements (on a modified accrual basis).

Broward County
Summary Schedule of Revenue, Expenditures and Changes in
Fund Balances – General Fund⁽¹⁾
(\$ in Thousands) – continued

	Fiscal Years Ended September 30				
	2002	2003	2004	2005	2006
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$27,881	\$32,957	\$77,642	\$75,380	\$79,883
Operating Transfers Out	(536,083)	(596,484)	(648,365)	(706,835)	(794,063)
Total Other Financing Sources (Uses)	(508,202)	(563,527)	(608,723)	(631,455)	(714,180)
Net Change in Fund Balances	3,478	(13,607)	(952)	59,456	44,008
Fund Balance, October 1	177,885 ⁽²⁾	181,530	174,740 ⁽²⁾	172,995 ⁽²⁾	233,082
Changes in Reserves for Inventory	167	(122)	(793)	631	1,068
FUND BALANCES, SEPTEMBER 30	\$181,530	\$167,801	\$172,995	\$233,082	\$278,158

⁽¹⁾Prepared by the County from audited financial statements (on a modified accrual basis).

⁽²⁾As restated.

Other Governmental Funds

The table hereinafter set forth regarding other governmental funds of the County reflects the activity recorded in the Special Revenue Fund, Capital Projects Fund and Debt Services Fund of the County. These funds are legally segregated for specific purposes and project expenditures which are tied directly to revenue availability in a given fiscal year. The property taxes reflect ad valorem taxes levied for capital outlay and debt service. The fund balances are composed primarily of funds in the County Transportation Trust, Capital Outlay Fund and Debt Service Fund to preserve their integrity. These funds are segregated and accounted for outside the general operations of the County government as special projects to eliminate any impact on the funding of basic services or to recognize their one-time funding character (e.g. Capital Outlay Fund).

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Broward County
Summary Schedule of Revenue, Expenditures and Changes in
Fund Balances - Other Governmental Funds⁽¹⁾
(\$ in Thousands)

	Fiscal Years Ended September 30,				
	2002	2003	2004	2005	2006
REVENUES:					
Taxes (Net of Discounts)	\$137,725	\$160,880	\$151,463	\$160,622	\$168,101
Special Assessment/Impact Fees	7,863	4,792	6,348	7,041	8,545
Licenses and Permits	1,798	2,113	2,635	1,519	1,688
Federal Grants	6,258	7,097	21,783	17,064	45,251
State Revenue:					
Grants	9,977	26,780	23,885	32,366	7,004
Tourist Tax	26,398	28,946	32,791	39,241	40,135
Licenses	382	394	377	371	375
Gasoline Taxes	21,989	22,742	23,209	25,083	23,897
One-Half Cent Sales Tax	10,330	10,645	10,066	11,938	12,777
Other	26,038	22,714	7,237	6,788	7,350
Charges for Services	12,690	11,448	24,242	14,770	15,628
Fines and Forfeitures	7,316	8,503	6,154	7,779	8,492
Interest Income	13,619	9,701	9,531	17,854	40,223
Miscellaneous	14,711	10,137	6,073	10,855	8,477
Total Revenues	\$297,094	\$326,892	\$325,794	\$353,191	\$387,937
EXPENDITURES:					
Current:					
General Government	\$ 48,198	\$ 50,552	\$ 60,010	\$ 24,251	\$ 27,273
Public Safety	23,173	22,875	23,692	30,191	27,309
Human Services	21	23	38	294	323
Culture and Recreation	17,699	18,406	19,345	22,839	25,820
Transportation	23,579	24,612	26,225	26,576	28,688
Physical Environment	2,788	3,645	3,604	3,475	3,379
Economic Environment	7,433	8,937	4,705	5,201	4,783
Capital Outlay	199,358	200,462	209,985	193,682	178,004
Debt Service:					
Principal Retirement	86,179	55,235	87,405	57,115	58,385
Interest and Fiscal Charges	40,748	41,868	39,310	46,329	45,015
Bond and Loan Issuance Costs	1,487	36	4,109	1,089	1,796
Total Expenditures	\$450,663	\$426,651	\$478,428	\$411,042	\$400,869
Excess of Revenue Over (Under)					
Expenditures	(\$153,569)	(\$99,759)	(\$152,634)	(\$122,394)	(\$12,932)

⁽¹⁾ Prepared by the County from audited financial statements (on a modified accrual basis).

Broward County
Summary Schedule of Revenue, Expenditures and Changes in
Fund Balances - Other Governmental Funds⁽¹⁾
(\$ in Thousands) – continued

	Fiscal Years Ended September 30				
	2002	2003	2004	2005	2006
OTHER FINANCING SOURCES (USES):					
Refunding Loans and Bonds Issued	-0-	\$2,175	\$175,991	\$154,135	\$184,235
Premium on Bonds Issued	-0-	-0-	-0-	9,401	2,439
Discount on Bonds Issued	-0-	-0-	-0-	-0-	(136)
Payment to Refunded Loans and Bonds Escrow	(\$173,052)	(4,534)	(178,148)	-0-	(176,179)
Loans and Bonds Issued	70,011	64,200	146,526	-0-	5,470
Swaption Termination					(15,645)
Operating Transfers In	246,855	255,791	310,273	266,841	269,856
Operating Transfers Out	(168,845)	(162,866)	(234,900)	(175,355)	(185,005)
Total Other Financing Sources (Uses)	\$145,867	\$154,766	\$219,742	\$215,022	\$85,035
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(7,702)	55,007	67,108	157,171	72,103
Fund Balances, October 1	584,247	576,635	630,950	693,038	850,048
Changes in Reserves for Inventory	90	99	452	(161)	(207)
FUND BALANCES, SEPTEMBER 30	\$576,635	\$631,741	\$698,510	\$850,348	\$921,944

⁽¹⁾ Prepared by the County from audited financial statements (on a modified accrual basis).

LIABILITIES OF THE COUNTY

Insurance Considerations Affecting the County

Section 768.28, Florida Statutes, provides limits on the liability of the State of Florida and its political subdivisions of \$100,000 to any one person, or \$200,000 for any single incident or occurrence. See "LIABILITIES OF THE COUNTY - Ability to be Sued, Judgments Enforceable" below. Under the protection of this limit and Chapter 440, Florida Statutes, covering Workmen's Compensation, the County established a Self Insurance Fund to provide coverage against Workmen's Compensation claims (on losses up to \$250,000 per claim), general liability and accidents involving County owned motor vehicles. The County self-insures its mass transit fleet and is self-funded for medical malpractice claims. The County's group health coverage is placed with an outside carrier. The County carries public liability insurance for the Fort Lauderdale-Hollywood International Airport.

Certain budgetary funds and all enterprise funds are charged a fee by the Self Insurance Fund, which accumulates such fees for the payment of claims. The Self Insurance Fund indemnifies each contributing fund against any losses in a given year in excess of the fee charged. This indemnification is possible since the County maintains funding for all contingent liabilities (including unasserted or incurred but not reported claims) as projected by actuaries retained by the County. In the event that the actual losses are less than the fees charged, such amounts will be retained in the Self-Insurance Fund.

Claim settlements and loss expenses are accrued and a liability simultaneously established in the Self-Insurance Fund for the estimated settlement value of claims reported for incidents during the period as determined by actuarial computation.

Ability to Be Sued, Judgments Enforceable

Notwithstanding the liability limits described above, the laws of the State of Florida provide that each county has waived sovereign immunity for liability in tort to the extent provided in Section 768.28, Florida Statutes. Therefore, the County is liable for tort claims in the same manner and, subject to limits stated below, to the same extent as a private individual under like circumstances, except that the County is not liable for punitive damages or interest for the period prior to judgment. Such legislation also limits the liability of a county to pay a judgment in excess of \$100,000 to any one person or in excess of \$200,000 because of any single incident or occurrence. Judgments in excess of \$100,000 and \$200,000 may be rendered, but may be paid from County funds only pursuant to further action of the Florida Legislature. See "LIABILITIES OF THE COUNTY – Insurance Considerations Affecting the County" herein.

Indebtedness of the County

Direct Debt

The County meets certain of its financial needs through debt financing. The table which follows is a schedule of the outstanding debt of the County as of September 30, 2006, including that which is payable from sources other than ad valorem taxes. This table does not reflect the County's outstanding certificates of participation which, as of September 30, 2006, were outstanding in the amount of \$35,855,000.

**Broward County
Outstanding County Debt
As of September 30, 2006**

<u>Bond Issues</u> ⁽¹⁾	<u>General Obligation Bonds</u>	<u>Special Obligation Bonds</u>	<u>Enterprise Funds Revenue Bonds</u>	<u>General Funds Loans/Notes</u>
General Obligation Bonds	\$577,775,000			
Water and Sewer Utility Revenue Refunding Bonds, Series 1988-A			\$ 6,762,000	
Port Revenue Refunding Bonds, Series 1989 A			65,320,000	
First Florida Government Financing Commission Loans				61,505,000
Sales Tax Revenue Commercial Paper Notes, Series A, B and C				4,354,000
Special Oblig. Refunding Bonds, Series 1995		\$ 21,190,000		
Port Facilities Revenue Bonds, Series 1998 A, B and C			165,460,000	
Subordinate Port Facilities Refunding Revenue Bonds, Series 1998			44,440,000	
Gas Tax Revenue Refunding Bonds, Series 1998		19,910,000		
Airport System Revenue Bonds, Series 1998 E and F			80,750,000	
Airport System Revenue Bonds, Series 1998 G, H-1 & H-2			160,045,000	
Airport System Revenue Bonds, Series 2001 I, J-1 and J-2			321,745,000	
Water & Sewer Utility Revenue Refunding Bonds, Series 2003			104,535,000	
Water & Sewer Utility Revenue Refunding Bonds, Series 2003B			90,935,000	
Airport System Revenue Refunding Bonds, Series 2003K			63,280,000	
Solid Waste System Revenue Refunding Bonds, Series 2003A			30,715,000	
Tourist Development Revenue Refunding Bonds, Series 2004		17,425,000		
Airport System Revenue Bonds, Series 2004 L, M1 & M2			242,150,000	
Water and Sewer Revenue Bonds, Series 2005			76,740,000	
Professional Sports Facilities Tax & Rev. Ref. Bonds, Series 2006		176,765,000		
Total	\$577,775,000	\$235,290,000	\$1,452,877,000	\$65,859,000

Source: Broward County Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2006.

⁽¹⁾ Does not include any bonds issued subsequent to September 30, 2006.

Overlapping Debt

The table set forth below summarizes the general obligation debt of the County and the School District of Broward County, which the County believes to be the only political subdivision to have outstanding general obligation debt overlapping that of the County, as of September 30, 2006. While the County believes the amount of debt of the School District of Broward County set forth below to be accurate, it should be understood that this amount was derived from source materials which were not compiled and are not subject to verification by the County. Accordingly, no assurance can be given as to the absolute accuracy of these amounts. In addition, 31 municipalities and various special taxing districts that do not have coterminous boundaries with the County have the power to levy ad valorem taxes on some or all of the property located in the County. The extent to which these governmental units have outstanding general obligation debt is not known.

Net Direct County General Obligation Debt ⁽¹⁾	\$575,384,000
School District of Broward County General Obligation Debt	<u>54,056,000</u>
Total Net Direct and Overlapping General Obligation Debt	<u>\$629,440,000</u>

Source: Broward County Finance and Administrative Services Department and School District of Broward County Treasurer's Office.

⁽¹⁾ Prior to issuance of Series 2007A Bonds and the Series 2007B Bonds. Net of amounts available in Debt Service Funds for debt retirement.

Debt Ratios

The following table sets forth certain ratios relating to the County's debt, as of September 30, 2006.

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Debt to Net Value</u>	<u>Debt to Personal Income</u>
Net Direct County General Obligation Debt ⁽¹⁾	\$575,384,000	\$320.73	0.43%	0.94%
Overlapping Debt	<u>54,056,000</u>	<u>30.13</u>	<u>0.04</u>	<u>0.09</u>
Totals	\$629,440,000	\$350.86	0.47%	1.03%

Source: Broward County Finance and Administrative Services Department and School District of Broward County Treasurer's Office.

⁽¹⁾ Net of amounts available in Debt Service Funds for debt retirement.

⁽²⁾ Per Capita Debt calculated using Broward County's 2006 population.

Certificates of Participation

The County has entered into Master Lease-Purchase Agreements (the "Lease Agreements") with the Broward County Commission Governmental Leasing Corporation (the "Corporation"), a single purpose not-for-profit Florida corporation, to finance the acquisition, construction and or equipping of certain facilities. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities, with the County as lessee. The Broward County Board of County Commissioners serves as the Board of Directors of the Corporation. The Corporation has title to the facilities subject to the rights of the County under the terms of the Lease Agreements. A trustee has been appointed to collect and disburse all amounts due under the Lease Agreements.

Simultaneously with the Lease Agreements, the Corporation issued Certificates of Participation, Series 1991 (which were refunded in full through the issuance of Refunding Certificates of Participation, Series 1998) and Series 1994 (which were refunded in full through the issuance of Refunding Certificates of Participation, Series 2004) (collectively, the "Certificates"), to third parties, evidencing undivided proportionate interests in basic lease payments to be made by the County, as lessee.

The Lease Agreements further provide for successive one year renewal lease terms, unless earlier terminated following an event of default or a non-appropriation of funds to make the lease payments. Failure to appropriate funds to pay the lease payments will result in termination of Lease Agreements and the return of certain of the leased property to the Trustee.

The basic lease payments and consequently, the principal and interest components payable to the owners of Certificates, are payable solely from revenue appropriated by the County for that purpose. The County is not legally required to appropriate sums for the purpose of making the lease payments and the Certificates are not general obligations or a pledge of the full faith and credit of the County. Payments of principal and interest on the Certificates are insured by AMBAC Assurance Corporation and MBIA Insurance Corporation respectively under municipal bond insurance policies.

Basic lease payments represented by the Certificates are payable to the owners of the Certificates on each December 1 and June 1, and will be reflected as debt service expenditures when remitted to the trustee.

The obligation through maturity to the holders of the Certificates, which will be serviced by the annual lease payments is as follows (in thousands):

<u>Year ended September 30</u>	<u>Total Payments</u>
2007	\$6,771
2008	6,721
2009	6,718
2010	6,729
2011	6,725
2012 - 2013	<u>7,659</u>
Total	\$41,269
Less Interest	<u>5,414</u>
Principal Outstanding	\$35,855

Interest on the Certificates ranges from 2.00% to 5.00%.

Source: Broward County Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2006.

Other Post Employment Benefit Liability

Of the total compensation offered to attract and retain qualified employees, some benefits such as salaries and active employee health care, are taken when the employees are in active service. Other elements of the compensation package are taken after retirement, when the employees' active services have ended. Many state and local governments, including the County, provide retirees with pension benefits, and separate other post employment benefits ("OPEB") such as medical and nominal life insurance.

In accordance with Section 112.0801, Florida Statutes, because the County provides a medical plan to employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this group employee health plan. Employees and their beneficiaries pay the same group rates as are charged to the County for active employees.

As with other comparably sized governmental entities providing post employment coverage, the County will be required to comply with the Governmental Accounting Standards Board's Statement No. 45 - Accounting and Financial Reporting by Employers for Post Employment Benefit Plans other than Pension Plans ("GASB 45") no later than its fiscal year ending September 30, 2008. Similar to most other jurisdictions, the County has historically accounted for the annual expenses associated with OPEB and the post-retirement benefit plans of its constitutional officers as part of its annual budget, on a pay as you go basis, when the benefits are paid or provided. GASB 45 applies accounting

methodology similar to that used for pension liabilities (such as GASB 27) to OPEB, so that the costs of the future benefits are recognized on an accrual basis in periods when the employee provides services, including annual amortization of actuarially determined amounts associated with past services prior to implementation of the new standard. To the extent that the County does not fund the annual required contribution ("ARC") for OPEB obligations, a liability will be recorded in its financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. The OPEB disclosure information provides information useful in assessing future cash flows requirements.

In anticipation of complying with GASB 45, the County has determined that the unfunded actuarial accrued liability for the value of its OPEB as of July 1, 2005, the date of the last actuarial valuation, was approximately \$34,140,000. In addition to the County benefits, the Broward County Sheriff's Office provides post-employment health insurance benefit for employees and sworn officers. Upon normal retirement, employees receive a 2% monthly discount for every year of service up to a maximum of a 50% reduction of the total cost of their health insurance premiums. The benefit continues on a pay-as-you-go basis as long as the retiree maintains the insurance coverage. The unfunded actuarial accrued liability for the value of these benefits as of October 1, 2005, the date of the last actuarial valuation for the Sheriff's Office, was \$269,898,000. The present value of OPEB, assuming continuation of the current benefit level, is estimated to be \$59,747,000 for the County and \$648,553,000 for the Sheriff's Office. As of September 30, 2006, there were approximately 413 retired employees receiving the benefit with an average of 50 additional retirees each year for future participation calculations. Payments during the fiscal year ended September 30, 2006 totaled \$1,616,000. The ARC for the fiscal year ending September 30, 2008 is estimated to be approximately \$3,643,000 for the County and approximately \$33,325,000 for the Sheriff's Office.

The County is currently updating its actuarial studies of OPEB. The County may consider adjusting benefits, increasing contributions, establishing a trust fund and issuing debt as options for addressing the OPEB liability.

BLUE SKY DISCLOSURE

Rule 69W-400.003, Florida Administrative Code, promulgated by the Florida Department of Financial Services, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the County to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the County after December 31, 1975. Rule 69W-400.003 further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The County, in good faith, believes that disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor. Although the County is aware of the existence of certain defaults on obligations for which it is a conduit issuer, the County is not obligated to pay debt service on such defaulted obligations except from payments made from borrowers under their respective agreements and because such defaults in no way impact the Series 2007A Bonds, or the security therefrom, specific disclosures related to such defaults have been omitted.

Other than as aforesaid with respect to obligations for which the County is a conduit issuer, the County is not, and since December 31, 1975 has not been, in default as to principal of and interest on bonds or other debt obligations for which either ad valorem or non ad valorem revenues of the County are pledged.

INVESTMENT POLICY

The County adopted a detailed written investment policy on September 27, 1995 that applies to all funds (cash, cash equivalents and investments) held by or for the benefit of the Board, except for proceeds of refunded bond issues which are deposited in escrow, debt service funds governed by their bond indentures and funds of the constitutional officers and other components of the County governed by independent boards, unless as authorized by mutual agreement.

The objectives of the investment policy are: (1) preservation of capital; (2) liquidity; (3) yield maximization; (4) investment responsibility; and (5) exceeding the average return on the 3-month treasury bill or the average rate on federal funds, whichever is highest.

Subject to certain restrictions in the County's investment policy concerning maximum allowable percentages, the County may invest in the following types of securities: (a) direct obligations of, or obligations guaranteed by the United States of America; (b) obligations of federal agencies of the United States of America (as outlined in the investment policy); (c) the Florida Local Government Surplus Funds Trust Fund; (d) funding agreements; investment agreements or guaranteed investment contracts; (e) repurchase agreements; (f) commercial paper; (g) state and/or local government taxable and/or tax-exempt debt; (h) bank time deposits; (i) registered investment companies; (j) shares of the Government Fund or any other investment fund established by the Florida Counties Investment Trust; (k) collateralized mortgage obligations; (l) World Bank notes, bonds and discount notes; (m) obligations of the Tennessee Valley Authority; and (n) reverse repurchase agreements. Investments in any derivative securities, including interest only or principal only and inverse floaters investments, are prohibited unless specifically designated above. The County utilizes portfolio

diversification as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. To control risk of illiquidity, a minimum of ten percent of the portfolio shall be held in overnight repurchase agreements and/or U.S. Treasury instruments.

The County's investment policy may be modified from time to time by the Board.

LITIGATION

The County is currently actively engaged in a number of lawsuits, including cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, declaratory relief and cases for which the County has insurance or is named as a nominal defendant. The County Attorney is of the opinion that the possible exposure resulting from any ultimate resolution of litigation in which the County is a defendant would not have a material adverse economic effect upon the County.

At the time of the delivery of the Series 2007A Bonds, the County Attorney will deliver an opinion to that effect that, among other things, no litigation or other proceedings are pending or, to the best knowledge of the County, threatened against the County in the Circuit Court for the Seventeenth Judicial Circuit of the State of Florida in and for Broward County and in the United States District Court for the Southern District of Florida, or in any other Court with respect to which it has actual knowledge, in any way (1) restraining or enjoining the issuance, sale or delivery of the Series 2007A Bonds, or (2) questioning or affecting the validity of the Series 2007A Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2007A Bonds or of the pledge of any moneys or other security provided for the Series 2007A Bonds.

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2007A Bonds in order that interest on the Series 2007A Bonds be and remain excluded from gross income for purposes of Federal income taxation. Noncompliance may cause interest on the Series 2007A Bonds to be included in Federal gross income retroactive to the date of issuance of the Series 2007A Bonds, regardless of the date on which such noncompliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2007A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury

Department of the United States. Co-Bond Counsel expresses no opinion regarding other Federal tax consequences arising with respect to the Series 2007A Bonds. The County has covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from Federal gross income of the interest on the Series 2007A Bonds.

In the opinion of Co-Bond Counsel, assuming compliance with the aforementioned covenants, under existing statutes, regulations and judicial decisions, interest on the Series 2007A Bonds is excluded from gross income for purposes of Federal income taxation, interest on the Series 2007A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2007A Bonds may be subject to the Federal alternative minimum tax when any Series 2007A Bond is held by a corporation. The alternative minimum taxable income of a corporation must be increased by 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted current earnings" will include interest on the Series 2007A Bonds. Co-Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series 2007A Bonds.

Prospective purchasers of the Series 2007A Bonds should be aware that ownership of Series 2007A Bonds may result in collateral Federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2007A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of the sum of certain items, including interest on the Series 2007A Bonds; (iii) the inclusion of interest on the Series 2007A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax; (iv) the inclusion of interest on the Series 2007A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the Series 2007A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for Federal income tax purposes.

Purchase, ownership, sale or disposal of the Series 2007A Bonds and the receipt or accrual of the interest thereon may have other tax consequences for certain Bondholders, including "S Corporations," financial institutions, recipients of social security and railroad retirement benefits and certain insurance companies not described herein. Other provisions of the Code may give rise to adverse federal income tax consequences to particular Series 2007A Bondholders. Prospective holders of the Series 2007A Bonds should consult their own tax advisors with respect to the tax consequences to them of owning the Series 2007A Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2007A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2007A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2007A Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2007A Bonds.

Tax Treatment of Original Issue Premium

The difference between the principal amount of the Series 2007A Bonds, other than the Series 2007A Bond maturing on January 1, 2016 which bears interest at 4.00% per annum (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2007A Bonds are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Co-Bond Counsel, whose approving legal opinion will be delivered with the Series 2007A Bonds. The proposed form of such opinion is attached as Appendix E. Certain legal matters will be passed upon for the Underwriters by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida. Certain legal matters will be passed upon for the County by the County Attorney or an Assistant County Attorney, and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida and the Law Offices of Gerald J. Lindor, P.A., Pembroke Pines, Florida, Co-Disclosure Counsel.

RATINGS

Moody's Investors Service, Standard & Poor's and Fitch Ratings have assigned the Series 2007A Bonds the rating of Aa1, AA+ and AA+, respectively. Such ratings reflect only the view of the rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment circumstances so warrant. A downward change in or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Series 2007A Bonds. An explanation of the significance of the ratings can be obtained from the rating agencies.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

As of the delivery of the Series 2007A Bonds, Causey Demgen & Moore, Inc. will verify, from information provided to it, the mathematical accuracy of the computations contained in the schedules provided by Bear, Stearns & Co. Inc., as Senior Managing Underwriter for the Series 2007A Bonds, to determine, among other things, that the anticipated receipts from the Federal Securities and any uninvested cash held pursuant to the Escrow Agreement will be sufficient to pay when due the principal of and interest on the 2004 Refunded Bonds. Causey Demgen & Moore, Inc. will express no opinion as to the exclusion from gross income for Federal income tax purposes of the interest on the Series 2007A Bonds.

CONTINUING DISCLOSURE

The County will enter into a Continuing Disclosure Certificate dated as of the date of delivery of the Series 2007A Bonds (the "Continuing Disclosure Certificate"), the form of which is attached hereto as Appendix D. The County anticipates entering into an agreement with Digital Assurance Corporation, L.L.C., to serve as Dissemination Agent. Pursuant to the Continuing Disclosure Certificate, the County has covenanted for the benefit of the Series 2007A Bondholders to provide certain financial information and operating data relating to the County and the Series 2007A Bonds in each year (the "Annual Report") and to provide notices of the occurrence of certain enumerated material events. Such covenant by the County shall only apply so long as the Series 2007A Bonds remain outstanding under the Resolution. The foregoing covenant shall terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the County or the Dissemination Agent with each Nationally Recognized Municipal Securities Information Repository described in the form of Continuing Disclosure Certificate (the "NRMSIRs") as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the County or the Dissemination Agent with the NRMSIRs or the

Municipal Securities Rulemaking Board and the SID. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX D – Continuing Disclosure Certificate," which shall be executed by the County at the time of issuance of the Series 2007A Bonds. Failure of the County to comply with the provisions of the Continuing Disclosure Certificate shall not constitute a default under the Resolution. The sole and exclusive remedy of any holder of Series 2007A Bonds for enforcement of the provisions of the Continuing Disclosure Certificate shall be an action of mandamus or specific performance to cause the County to comply with its obligations thereunder. The foregoing covenants have been made in order to assist the Underwriters in complying with the Rule.

With respect to the Series 2007A Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Series 2007A Bonds pursuant to the aforementioned Rule. To date, the County has not failed to comply with any prior continuing disclosure undertaking with respect to the Rule.

UNDERWRITING

The Underwriters set forth on the cover page hereof have agreed, subject to certain conditions contained in the Bond Purchase Agreement and to the approval of certain legal matters by counsel, to purchase the Series 2007A Bonds from the County at a purchase price of \$92,209,862.56, representing the \$86,690,000 principal amount of the Series 2007A Bonds, plus original issue premium of \$5,940,465.65, less Underwriters' discount of \$420,603.09. The Underwriters will be obligated to purchase all of the Series 2007A Bonds if any Series 2007A Bond is purchased. The Series 2007A Bonds are being offered for sale to the public at the yields shown on the cover page of this Official Statement. The Series 2007A Bonds may be offered to certain dealers, banks, and other at prices lower than the public offering prices.

FINANCIAL STATEMENTS

The basic financial statements of Broward County, Florida for the fiscal year ended September 30, 2006, included as Appendix B hereto as part of this Official Statement have been audited by Rachlin Cohen & Holz, LLP, independent certified public accountants, as set forth in their report dated January 29, 2007, which report is also appended hereto as part of said Appendix B. Rachlin Cohen & Holz, LLP has not participated in the preparation or review of this Official Statement. The financial statements are attached hereto as a matter of public record. Such financial statements speak only as of September 30, 2006. The consent of Rachlin Cohen & Holz, LLP has not been sought.

FINANCIAL ADVISOR

The County has engaged Stifel, Nicolaus & Company, Inc., as financial advisor (the "Financial Advisor") in connection with the authorization, issuance and sale of the Series 2007A Bonds. Under the terms of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility of the accuracy, completeness or fairness of the information contained in this Official Statement.

CERTIFICATE AS TO OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2007A Bonds, the Mayor and the County Administrator will furnish a certificate that, to the best of their knowledge, the Official Statement, as of its date and as of the date of delivery of the Series 2007A Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners or Beneficial Owners of the Series 2007A Bonds.

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EXECUTION

This Official Statement has been duly executed and delivered by the Mayor and the County Administrator of Broward County, Florida.

BROWARD COUNTY, FLORIDA

By: /s/ Josephus Eggelletion, Jr.
Josephus Eggelletion, Jr.
Mayor, Board of County Commissioners

By: /s/ Pamela Brangaccio
Pamela Brangaccio
County Administrator

APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY

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APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of 1.62 million persons. Broward County's Planning Services Division estimates the County's 2007 population to be 1,822,032. Approximately 50% of the County's population lives in its seven largest cities: Coral Springs, Fort Lauderdale, Hollywood, Miramar, Pembroke Pines, Pompano Beach and Sunrise. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State's deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

Governmental Structure

The County is governed by the provisions of its Charter (the "Charter") as amended – originally adopted by the electors of the County on November 5, 1974. Under the Charter, the County functions as a home rule government consistent with the provisions of the Florida Constitution and the general laws of the State.

The nine member Board of County Commissioners is the legislative body of the County government. The Board annually elects a Mayor who serves as presiding officer. The Charter provides for one County Commissioner to be elected from each of the nine Commission districts. Elections are held every two years for staggered four year terms. Each candidate must be a registered elector and a legal resident of the district to be represented.

The County Commissioners and expiration of their terms are as follows:

Josephus Eggelletion, Jr., Mayor	November 2008
Lois Wexler, Vice Mayor	November 2008
Suzanne N. Gunzburger, Commissioner	November 2010
Kristin D. Jacobs, Commissioner	November 2010
Ken Keechl, Commissioner	November 2010
Ilene Lieberman, Commissioner	November 2008
Stacey Ritter, Commissioner	November 2010
John E. Rodstrom, Jr., Commissioner	November 2008
Diana Wasserman-Rubin, Commissioner	November 2010

The County Administrator, appointed by the Board, is the chief administrative officer of the County government. The County Administrator directs the functions of County government through several offices, eight major departments, and various divisions within each department. Pursuant to an Administrative Code adopted by the Board, unless otherwise stated in the Charter, the County Administrator can appoint, suspend, or remove all County employees, with the exception of the County Auditor and the County Attorney. The County Administrator also serves as ex-officio Clerk of the Board.

Under the Charter, checks and balances are provided by the Office of the County Auditor. The County Auditor, appointed by the Board, maintains an advisory position to that body.

Legal services are provided to the County government by the Office of the County Attorney. The County Attorney is appointed by the Board. Staff attorneys, appointed by the County Attorney, represent the Board and all other departments, divisions, boards, and offices in all legal matters affecting the County.

Population

In the 90 years since it began as an agricultural community of 5,000, the County has steadily grown and is the second largest county in Florida and the 15th largest county in the nation according to the 2000 census.

Year	Broward County		State of Florida		United States	
	Population	Change ¹	Population	Change ¹	Population	Change ¹
1960	333,946	—	4,951,560	—	179,323,000	—
1970	620,100	8.57%	6,789,443	3.71%	203,212,000	1.33%
1980	1,018,257	6.42	9,747,061	4.36	226,505,000	1.15
1990	1,255,488	2.33	13,003,362	3.34	249,632,692	1.02
2000	1,623,018	2.93	15,982,378	2.29	281,421,906	1.27
2005 ⁽²⁾	1,777,638	1.90	17,382,511	1.75	288,378,137	0.49

Source: U.S. Department of Commerce, Bureau of Census.

(1) The average annual percentage increase over the preceding period.

(2) This data is estimated. 2005 represents the last year data is available at the County level from the Bureau of Census.

Labor Force and Unemployment Rates⁽¹⁾

Year Ended December 31	Estimated Broward County Civilian Labor Force	Unemployment Rates		
		Broward County	Florida	United States
1996	760,032	5.1	5.1	5.4
1997	777,164	4.9	4.8	4.9
1998	787,776	4.5	4.3	4.5
1999	799,068	4.1	3.9	4.2
2000	815,361	3.7	3.6	4.0
2001	852,300	4.9	4.8	4.7
2002	860,005	6.0	5.5	5.8
2003	877,270	5.5	5.1	6.0
2004	899,880	4.7	4.6	5.5
2005	947,447	3.8	3.9	5.1
2006	974,486	3.1	3.3	4.6

Source: Florida Agency for Workforce Innovation; and the U.S. Bureau of Labor Statistics.

⁽¹⁾ Average labor force and unemployment rates during the calendar year.

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Estimated Nonagricultural Employment by Economic Sector
Fort Lauderdale Metropolitan Statistical Area
(in thousands)

	2002 Total	2002 Percent of Total	2003 Total	2003 Percent of Total	2004 Total	2004 Percent of Total	2005 Total	2005 Percent of Total	2006 Total	2006 Percent of Total
Grand Total	<u>706.1</u>	<u>100%</u>	<u>717.0</u>	<u>100%</u>	<u>733.4</u>	<u>100.0%</u>	<u>748.1</u>	<u>100.0%</u>	<u>784.0</u>	<u>100.0%</u>
Goods Producing	76.7	10.9%	75.5	10.5%	77.1	10.5%	82.2	11.0%	92.0	11.7%
Construction	43.3	6.1%	44.1	6.2%	46.9	6.4%	51.3	6.9%	60.0	7.7%
Manufacturing	33.3	4.7%	31.2	4.4%	30.2	4.1%	30.8	4.1%	32.0	4.1%
Service Providing	629.3	89.1%	641.6	89.5%	656.4	89.5%	665.9	89.0%	691.9	88.3%
Trade, Transportation and Utilities	156.1	22.1%	154.6	21.6%	154.4	21.1%	164.5	22.0%	173.5	22.1%
Wholesale Trade	40.3	5.7%	39.3	5.5%	39.5	5.4%	44.0	5.9%	47.0	6.0%
Retail Trade	97.2	13.8%	96.4	13.4%	96.5	13.2%	99.1	13.2%	102.6	13.1%
Transportation, Warehousing, and Utilities	18.7	2.6%	18.9	2.6%	18.5	2.5%	21.4	2.9%	23.9	3.0%
Financial Activities	56.7	8.0%	57.8	8.1%	58.7	8.0%	62.9	8.4%	67.7	8.6%
Information	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20.3	2.6%
Professional and Business Services	122.3	17.3%	127.9	17.8%	134.4	18.3%	124.5	16.6%	125.4	16.0%
Education and Health Services	76.9	10.9%	79.5	11.1%	82.8	11.3%	86.7	11.6%	89.0	11.4%
Leisure and Hospitality	72.4	10.3%	73.8	10.3%	75.6	10.3%	77.9	10.4%	78.3	10.0%
Other Services	29.0	4.1%	30.0	4.2%	30.8	4.2%	29.9	4.0%	34.3	4.4%
Government	95.7	13.6%	98.5	13.7%	100.4	13.7%	100.3	13.4%	103.4	13.2%
Federal	7.4	1.0%	7.8	1.1%	7.6	1.0%	7.9	1.1%	7.9	1.0%
State & Local	88.3	12.5%	90.7	12.6%	92.9	12.7%	92.4	12.4%	95.5	12.2%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Current Employment Statistics Program (year-to-date average for the years ended December 31)

Largest Private Employers

The County has a diversified economy with a balance among technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 82,707 business establishments with operations in the County at the end of Fiscal Year 2006. According to the recently released 2002 Economic Census conducted by the United States Census Bureau, more than 70% of firms within Broward County have fewer than 20 employees; while this is a smaller percentage than at the state or national level, Broward small businesses provide more employment and payroll than the state and national average. Additionally, approximately 100 of these businesses are Fortune 500 companies or divisions thereof. The next Economic Census will begin in 2007, and results will be published in 2009 and 2010. The table below shows the principal employers in the County for 2006.

Company	Employees
Broward County School Board	36,853
Broward County Government	12,705
Memorial Healthcare System	9,370
North Broward Hospital District	7,472
American Express	4,200
Motorola	3,500
Pediatrics Medical Group	2,826
BCF Financial Corp/BankAtlantic	2,547
City of Fort Lauderdale	2,250
Ed Morse Automotive Group	2,200

Source: Broward County Planning Services Division.

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Per Capita Personal Income⁽¹⁾
Broward County, Florida, and United States

Year Ended December 31	Broward County	Percent of Florida	Percent of U.S.	State of Florida	Percent of U.S.	United States
1992	22,866	116.3%	113.6%	19,664	97.7%	20,137
1993	23,840	115.4	114.6	20,650	99.3	20,800
1994	24,952	115.2	110.5	21,655	95.9	22,581
1995	26,143	111.2	111.0	23,512	99.8	23,562
1996	27,042	109.9	109.7	24,616	99.9	24,651
1997	26,721	107.4	105.2	24,869	97.9	25,412
1998	28,015	107.1	104.2	26,161	97.3	26,893
1999	27,950	105.1	100.4	26,593	95.5	27,843
2000	29,409	105.9	99.8	27,764	94.2	29,469
2001	30,702	105.9	101.0	29,048	95.5	30,413
2002	31,785	106.8	102.8	29,758	96.3	30,906
2003	32,844	109.1	104.3	30,116	95.6	31,487
2004	34,008	108.0	103.0	31,469	95.2	33,050
2005 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

⁽¹⁾ Stated in current dollars (i.e., actual dollars for each year with no adjustment for inflation).

⁽²⁾ 2004 is the last year for which data is available. Per Capita Personal Income data will not be available at the county level until May 2007 for calendar year 2005.

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Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 1996-2006 and the percentage increase in such sales for each year.

Taxable Sales (\$ in Thousands)		
Year Ended December 31	Taxable Sales	Percent Change from Prior Year
1996	18,815,677	6.32
1997	19,551,103	3.91
1998	20,575,171	5.24
1999	21,873,432	6.31
2000	23,785,139	8.74
2001	25,422,717	6.88
2002	25,194,309	(0.90)
2003	25,122,603	(0.28)
2004	27,608,938	9.90
2005	31,941,903	15.70
2006	34,759,141	8.82

Source: State of Florida, Department of Revenue.

Tourism

Tourism is an important component of the County's economy. The combination of favorable climate (Fort Lauderdale has a mean temperature of 75.5 degrees Fahrenheit), together with diverse recreational opportunities, including theaters, parks, public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred racing, jai alai, and water recreational facilities, have made the County a tourist center. The County's multipurpose convention center expansion was completed in 2002 giving the facility a total of 600,000 gross square feet of space. The three level, 180,000 square foot expansion is mainly comprised of a 50,000 square feet of exhibit hall, a 33,000 square foot ballroom and 15,000 sq. ft of meeting room space. In addition, the expansion was complimented with a "Cyber" café, wireless internet access, a full service kitchen and concession stand. The existing loading dock was extended to serve the new hall by adding four new dock spaces. Connecting corridors were built at all levels in order to provide convenient access between the original building and the expansion as well as from the original building to the adjacent parking garage.

Tourists now visit the County over the entire year instead of merely during winter months and the tourism industry is currently drawing from a worldwide market. The Greater Fort Lauderdale Convention and Visitors Bureau reported that more than 10.35 million people visited Broward County in calendar year 2006, and had an economic impact of \$8.76 billion. The County's 2006 hotel occupancy rate was 73.5%, which exceeded the state average of 65.8%, and the Average Daily Rate (ADR) rose to \$114.26, an increase of 13.6% over the previous year.

Building Permits

In the late 1980's, the construction of multi-family units exceeded the construction of single family homes. In contrast, the number of permits issued in the 1990's for single family homes exceeded the number of permits issued for multi-family units. The gap between the two has narrowed significantly in the recent past due to a number of factors including the very limited availability of vacant land and continued population growth, both of which have contributed to increased housing density. The yearly data for building permits is presented in the following table.

Building Permits Issued in Broward County
(\$ in Thousands)

Calendar Year	Single Family Units	Single Family Valuation	Multi-Family Units	Multi-Family Valuation	Total Residential Units	Total Residential Valuation⁽¹⁾	Total Non-Residential Valuation⁽²⁾	Permit Valuation⁽³⁾
1996	9,857	966,196	5,161	315,018	15,018	1,281,214	847,021	2,128,235
1997	7,481	N/A	5,549	N/A	13,030	1,274,826	N/A	1,274,826
1998	8,797	N/A	3,687	N/A	12,484	1,277,947	N/A	1,277,947
1999	8,571	N/A	3,449	N/A	12,020	1,406,750	N/A	1,406,750
2000	9,148	N/A	2,689	N/A	11,837	1,459,803	N/A	1,459,803
2001	8,296	N/A	2,490	N/A	10,786	1,383,892	N/A	1,383,892
2002	5,701	N/A	6,319	N/A	12,020	1,561,660	N/A	1,561,660
2003	3,931	N/A	4,432	N/A	8,363	1,080,166	N/A	1,080,166
2004	4,811	N/A	3,980	N/A	8,791	1,077,816	N/A	1,077,816
2005	3,353	N/A	2,817	N/A	6,170	1,112,104	N/A	1,112,104
2006	3,308	N/A	3,378	N/A	6,686	991,153	N/A	991,153

Sources: Bureau of Economic and Business Research, University of Florida; Sun-Sentinel Research Services; U.S. Bureau of the Census.

(1) Includes valuation of fixtures such as pools and recreation areas.

(2) Includes commercial and industrial construction. For 1997-2005, this information is not readily available from prior sources. The County continues to investigate other sources for this information.

(3) Prior to 1997, this figure includes permits for additions, alterations, and repairs of existing structures.

Education

Broward County Public Schools is the sixth largest district in the nation with approximately 271,000 students currently enrolled and a fiscal year 2006-2007 budget of \$5.07 billion. The system consists of 273 schools: 138 elementary schools, 42 middle

schools, and 32 high schools. In addition, there are 45 charter schools and 16 other sites for adult community, vocational, and training centers. Broward County Public Schools is an independent operating and taxing entity, meaning that it is separate from the County.

There are three four-year colleges and universities in the County: Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University, which is private. Florida Atlantic University and Florida International University are two of the nine universities in the State of Florida University system. Broward Community College, Prospect Hall College, City College, Fort Lauderdale College, the Art Institute of Fort Lauderdale, and Keiser Institute of Technology are two-year colleges located in the County. There are also seven educational institutions in the County with degree or certificate programs providing vocational and technical education.

Transportation

Surface Transportation: The County is served by three bus lines, two railroads (Florida East Coast Railway and CSX), and major freight carriers. The road system within the County, totaling approximately 4,800 miles, contains over 140 miles of interstate and other expressways (including I-95, I-75, I-595, the Florida Turnpike, and the Sawgrass Expressway) and approximately 375 miles of divided highways. The County-operated bus system, with an active fleet of 278 fixed route busses and 75 community busses, serviced 37.5 million passengers in fiscal year 2006 and is projected to serve approximately 41.5 million passengers during fiscal year 2007. TRI-Rail, a commuter rail system, provides service along a 66 mile corridor from Palm Beach County to Miami-Dade County.

Sea Transportation: Port Everglades, the State's deepest harbor and one of the top three cruise ports in the world, is located in the County – less than two miles from Fort Lauderdale-Hollywood International Airport. Port Everglades is served by major motor freight carriers and two railroads. All functions, assets, and liabilities of Port Everglades passed over to the County in November, 1994 as the result of a local bill which dissolved the separate governing body of the Port and transferred all related duties and powers to the Board. In fiscal year 2006 Port Everglades handled 123.48 million barrels of petroleum and 5.69 million tons of containerized cargo. A total of 3,239,154 cruise ship passengers went through Port Everglades on 1,763 sailings in fiscal year 2006.

A portion of Port Everglades has been designated a Foreign Trade Zone ("FTZ"), where foreign components can be assembled, packaged, and shipped without usual customs duties. The FTZ at Port Everglades was the first such operating zone established in Florida. The FTZ now includes five sites within and outside of the Port's boundaries on a total of 250 acres. In fiscal year 2006, cargo valued at more than \$130 million was received and more than \$134 million was shipped from all active general-purpose FTZ areas combined.

Air Transportation: Four airports are located in the County. There are three general aviation airports and the Fort Lauderdale-Hollywood International Airport (the "Airport"), which is used by most major national commercial airlines and several foreign commercial airlines. For calendar year 2006, enplaned passengers totaled 10,759,499 – a decrease of 3.7% over calendar year 2005. Approximately 163,300 total tons of cargo were handled at the Airport in calendar year 2006 – a decrease of 6.9 percent over the amount handled in calendar year 2005.

Public Works and Transportation Department

The Public Works and Transportation Department of the County is made up of the following Divisions: Construction Management, Facilities Maintenance, Fleet Services, Highway and Bridge Maintenance, Highway Construction and Engineering, Seaport Construction and Planning, Traffic Engineering, Waste and Recycling Services, and Water and Wastewater Services.

The Highway Construction and Engineering Division oversees project management for major roadway improvement projects and participates in the Land Development Review process. It is also responsible for engineering plan review, permitting and roadway inspections as well as surveying, design and project management services for intersection improvement and congestion management projects.

The Facilities Maintenance Division oversees the leasing, maintenance, operation and renovation of most County governmental facilities (including courthouses, libraries, social service agencies, and administrative offices), parking areas and grounds. This includes the provision of security services in many of these facilities.

The Fleet Services Division maintains the County's fleet vehicles and operates the County's fuel system. The County's fleet includes alternative fuel vehicles such as compressed natural gas vehicles, liquefied petroleum gas vehicles, and electric vehicles.

The Construction Management Division is responsible for directing the planning, design, and construction processes for new and renovated County facilities. The Seaport Planning and Construction Division oversees the development and administration of the extensive Capital Improvement Program at Port Everglades, which includes a wide range of functions from strategic planning and harbor maintenance/dredging to environmental mitigation/monitoring and wildlife protection.

The Water and Wastewater Services Division plans, designs, and constructs facilities to ensure adequate capacity for potable water, sewer and storm water, and provides retail water and sewer services for over 50,000 customers. Water and Wastewater Services is also responsible for pumping, treating and distributing water, as well as providing for collection, treatment, reuse and disposal of wastewater for over

600,000 citizens. The Division is also involved in the operation of waterways, water control structures and well systems as well as removal of aquatic vegetation from certain bodies of water throughout the County.

The Waste and Recycling Services Division offers a comprehensive waste management and recycling system for the residents of Broward County. Through its operations, W.R.S. provides community residents with viable methods to address waste management issues by offering program solutions which include land filling and waste-to-energy, garbage collection, trash transfer stations, disposal of household hazardous waste, and electronics recycling collection. The County's resource recovery system includes facilities at three regional sites. The southern site, which began commercial operations in August 1991, consists of a 2,250 tons per day waste-to-energy facility and residue landfill. The northern site, which began commercial operations in March 1992, consists of a 2,250 tons per day waste-to-energy facility operated in conjunction with an adjacent landfill. The third site, located in the western portion of the County, is a contingency landfill backing up the two waste-to-energy facilities. Landfill operations began on this site in September 1988.

Overview of the Budget Process

The County Administrator prepares and submits the proposed annual budget and capital program to the Board and executes the budget and capital program in accordance with ordinances adopted by the Board. A policy-setting workshop is held with the Board in January or February of each year to review major trends and provide staff with policy guidance for developing the budget. Once guidance from the Board has been received, the Director of the Office of Management and Budget distributes specific instructions on budgetary policies and procedures to the County's departments, divisions, and offices. Each department then prepares and submits its budget. Internal meetings to review agency-requested budgets are then held to develop budget recommendations to the County Administrator. After approval by the County Administrator, the proposed budget is submitted to the Board in early July. During August, the Board conducts budget workshops to review the proposed budget. The budget, as amended in the budget workshops, is again reviewed during public hearings held in September before final approval and adoption by the Board. The Board must adopt the final budget and establish the final millage rate necessary to fund the budget no later than September 30th.

Chapter 129, Florida Statutes, defines and places a legal requirement upon county governments to adopt and operate within a balanced annual budget. In addition to being the annual operating plan, the adopted budget represents the legal authority to expend funds. Chapter 129, Florida Statutes, provides penalties for making unbudgeted expenditures. The County has consistently operated within a balanced budget and is required to continue this practice.

The Board's adopted budget for fiscal year 2007 contains a millage rate of 6.0661 mills. With respect to the individual components of the fiscal year 2007 millage rate, the operating millage rate is 5.4054, the capital outlay millage rate is 0.2379 mills, and the remaining 0.4228 mills funds this year's debt service payments associated with various voter-approved General Obligation bonds.

Capital Improvement Program for Public Improvements

The Board requires the County Administrator to develop and submit to the Board for approval a continuous five-year Capital Improvement Program (the "CIP"). In each year, the County Administrator must review the CIP, revise it as necessary, and prepare the CIP for approval and adoption by the Board. An annual update of the CIP provides, upon approval by the Board, a continuous five year program.

The CIP development process is coordinated by the Office of Management and Budget and involves the linking of all County agencies for comprehensive review, input, and development. The CIP also utilizes input from the long range capital improvement plan. The CIP development process includes public participation as well as input from governmental entities for certain joint projects and project requests. The adopted CIP for fiscal years 2007-2011 includes the following:

Transportation and Mass Transit Projects *	\$ 302,752,730
Environmental/Beach Renourishment	89,298,720
Aviation	1,917,272,930
Port	183,821,470
Water/Wastewater	308,845,060
Criminal Justice/Public Safety/Human Services	69,862,500
Libraries and Parks	47,560,940
General Government *	177,410,040
Neighborhood Improvement/Redevelopment/Housing/Economic Development	<u>111,229,688</u>
Total	\$3,208,054,078

** Note: also includes reserves for projects included in the capital program in future years.*

It is anticipated that the adopted CIP for the fiscal years 2007-2011 will be funded as follows:

Bonds	\$1,324,218,230
Federal and State Grants	227,682,848
Local Sources (Taxes, Fees, Fund Balance)	<u>1,656,153,000</u>
Total	\$3,208,054,078

Non-Ad Valorem Revenues

The following table presents the net non-ad valorem revenues available to the County for the payment of debt service for "covenant to budget and appropriate debt" and certain special revenue debt for the fiscal year ended September 30, 2006.

Net Available Non-Ad Valorem Revenues for the fiscal year ended September 30, 2006 (Dollars in Thousands)

License and Permit Fees	\$ 21,870
State Revenue Sharing	30,112
Licenses (State Revenue)	612
Local Government Half Cent Sales Tax	61,303
Utility Services Taxes and Fire Rescue Tax	15,241
Fines and Forfeitures	4,413
Interest Earnings	24,652
Charges for Services	316,656
Miscellaneous Revenue	51,510
Non-Revenue Sources/Fund Balance	188,985
Federal/State Grants	117,050
Special Assessments	<u>2,048</u>
Total Gross Non-Ad Valorem Revenues	\$834,452
Less Operations Costs not paid by Ad Valorem Taxes	<u>(567,918)</u>
Total Net Available Non-Ad Valorem Revenues	\$266,534

Employee Relations

As of October 1, 2006 (fiscal year 2007), the County had 6,267 full and part-time funded positions, as compared with 6,427 in fiscal year 2006, excluding employees of constitutional officers. The County budget also provides for 546 federal and state grant employee positions in fiscal year 2007. The Constitutional Officers are funded for 6,290 positions in fiscal year 2007.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 750 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 1,446 unit employees); Federation of Public Employees (Blue Collar, 1,199 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 361 unit employees); Federation of Public Employees (Port Everglades Blue Collar, 76 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 17 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades White

Collar, 74 unit employees); and Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,381 unit employees). This information is based on data as of February 21, 2007.

The contract for the County Blue Collar bargaining unit expired on September 30, 2006 and is currently under negotiations. The contracts for the White Collar, GSA Supervisors, Port Everglades Blue Collar, Port Everglades Supervisors, Port Everglades White Collar, and GSA Professional bargaining units expire on September 30, 2008. The contract for the Mass Transit bargaining unit expires on September 30, 2009. The County has never experienced a serious work stoppage and Florida law prohibits public employees from striking.

Pension Plan

The County participates in the Florida Retirement System (the "System"). Pension costs of the County are recorded in the period salaries are earned. For fiscal year 2006, pension expenditures and expenses of the County, as required and defined by the System, were approximately \$79 million or 12.2 percent of covered payroll.

The County's relative position and undertakings in the System are not determinable. Instead, contributions of all participating agencies throughout the State are pooled to fund accrued benefits under the System. System officials have reported that the System has no unfunded pension benefit obligation as of June 30, 2004 – the latest valuation date of the plan.

APPENDIX B

BASIC FINANCIAL STATEMENTS OF THE COUNTY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of County Commissioners of Broward County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Broward County, Florida (the County), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Supervisor of Elections Office, a constitutional officer of the County, which represents .44% and .42%, respectively, of the assets and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Supervisor of Elections Office and the aggregate discretely presented component units, are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal 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 County'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 other auditors provide a reasonable basis for our opinions.

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

Rachlin Cohen & Holtz LLP

450 East Las Olas Boulevard • Suite 950 • Fort Lauderdale, Florida 33301 • Phone 954.525.1040 • Fax 954.525.2004 • www.rachlin.com

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To the Board of County Commissioners of Broward County, Florida
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2007 on our consideration of Broward County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on 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.

Management's Discussion and Analysis and the Required Supplementary Information on pages 12 through 16 and pages 52 through 57, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Rachlin Cohen & Holtz LLP

Fort Lauderdale, Florida
January 29, 2007

Rachlin *Cohen*
& Holtz
Accountants • Advisors

Management's Discussion and Analysis

The management of Broward County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2006. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The assets of the County exceeded its liabilities at September 30, 2006 by \$3.9 billion (net assets). Of this amount, \$801 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$310 million, \$241 million of which was from governmental activities, and \$69 million was from business-type activities.
- As of September 30, 2006, the County's governmental funds reported combined ending fund balances of \$1,201 million, an increase of \$117 million from the prior year. Of this amount, \$988 million is available for use at the County's discretion (unreserved fund balance).
- At September 30, 2006, unreserved fund balance for the General Fund was \$230 million, or 16 percent of total general fund expenditures and transfers out.
- The County's total bonded debt decreased by \$83 million or 3 percent during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements contain three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net assets presents information on all of Broward County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Broward County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County 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 County include general government, public safety, transportation, human services, culture and recreation, physical environment, and economic environment. The business type activities of the County include water and wastewater, resource recovery, aviation, and a seaport.

The government-wide financial statements include not only the County itself, but also the Housing Finance Authority, the Health Facilities Authority, and the Clerk of the Courts, legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, 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 County can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

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

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

Broward County maintains 32 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, the Sheriff Operations Fund, the County Transportation Trust Fund, and the Capital Outlay Reserve Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund and other major governmental funds to demonstrate compliance with these budgets.

Proprietary funds - The County maintains two different types

of proprietary funds. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater, resource recovery, aviation and seaport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self insurance, vehicle fleet, and print shop operations. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements.

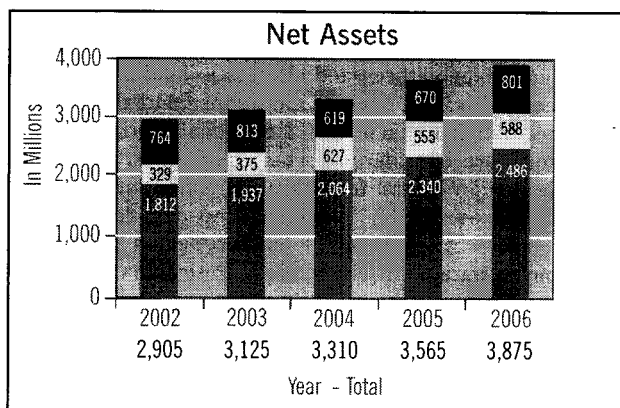
Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for four proprietary operations, all of which are considered to be major funds of the County. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds and the non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$3.9 billion as of September 30, 2006.

Broward County's Net Assets
As of September 30, 2006 and 2005
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 1,450,442	\$ 1,295,188	\$ 962,016	\$ 964,003	\$ 2,412,458	\$ 2,259,191
Capital assets	1,974,410	1,902,402	2,381,657	2,344,629	4,356,067	4,247,031
Total assets	3,424,852	3,197,590	3,343,673	3,308,632	6,768,525	6,506,222
Long-term debt outstanding	1,096,788	1,120,132	1,511,760	1,551,067	2,608,548	2,671,199
Other liabilities	159,528	149,736	125,414	120,286	284,942	270,022
Total liabilities	1,256,316	1,269,868	1,637,174	1,671,353	2,893,490	2,941,221
Net assets:						
Invested in capital assets, net of related debt	1,348,507	1,257,376	1,137,650	1,082,703	2,486,157	2,340,079
Restricted	280,952	229,139	306,498	300,643	587,450	529,782
Unrestricted	539,077	441,207	262,351	253,933	801,428	695,140
Total net assets	\$ 2,168,536	\$ 1,927,722	\$ 1,706,499	\$ 1,637,279	\$ 3,875,035	\$ 3,565,001



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 resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general and major special revenue funds. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information y following the required supplementary information.

The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets still outstanding. These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. It should also be noted that the resources required to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

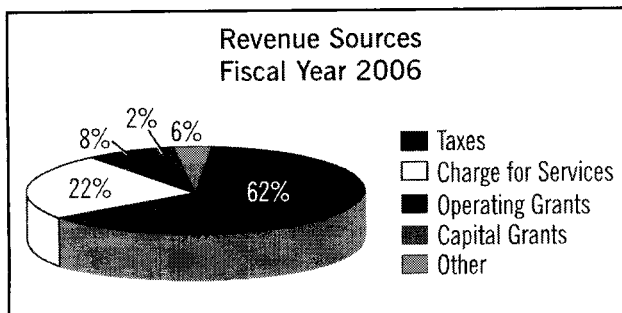
An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2006 the County reports positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business type activities.

Governmental Activities

Governmental activities increased the County's net assets by \$241 million. Key elements of this increase are as follows:

Broward County's Changes in Net Assets For the Year Ended September 30, 2006 and 2005 (In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 392,333	\$ 376,251	\$ 528,448	\$ 488,426	\$ 920,781	\$ 864,677
Operating grants and contributions	148,503	102,035	1,378	1,552	149,881	103,587
Capital grants and contributions	28,760	28,081	16,068	35,382	44,828	63,463
General revenues:						
Property taxes	869,511	786,060			869,511	786,060
Other taxes	248,248	249,062			248,248	249,062
Other	114,902	54,463	37,940	20,822	152,842	75,285
Total revenues	1,802,257	1,595,952	583,834	546,182	2,386,091	2,142,134
Expenses:						
General government	227,610	189,980			227,610	189,980
Public safety	17,943	14,578			17,943	14,578
Transportation	175,184	155,348			175,184	155,348
Human services	138,432	134,983			138,432	134,983
Culture and recreation	185,339	169,841			185,339	169,841
Physical environment	62,992	32,757			62,992	32,757
Economic environment	23,705	18,992			23,705	18,992
Sheriff	654,661	615,598			654,661	615,598
Property Appraiser	17,488	13,692			17,488	13,692
Supervisor of Elections	15,266	15,260			15,266	15,260
Interest on long-term debt	42,735	45,560			42,735	45,560
Aviation			185,703	163,298	185,703	163,298
Port Everglades			107,185	101,645	107,185	101,645
Water and wastewater			100,752	91,785	100,752	91,785
Resource recovery system			115,675	108,979	115,675	108,979
Other			5,387	7,849	5,387	7,849
Total expenses	1,561,355	1,406,589	514,702	473,556	2,076,057	1,880,145
Increase in net assets						
Before Transfers	240,902	189,363	69,132	72,626	310,034	261,989
Transfers	(88)	(88)	88	88		
Increase in net assets	240,814	189,275	69,220	72,714	310,034	261,989
Net assets – Beginning	1,927,722	1,745,909	1,637,279	1,564,565	3,565,001	3,310,474
Restatement		(7,462)				(7,462)
Net assets - Beginning, as restated	\$1,927,722	\$1,738,447	\$1,637,279	\$1,564,565	\$3,565,001	\$3,303,012
Net assets - Ending	\$2,168,536	\$1,927,722	\$1,706,499	\$1,637,279	\$3,875,035	\$3,565,001



The County's governmental activities had net expenses of (\$992 million) before general revenues. However, these services are funded primarily from general taxes, and those general revenues produced net revenues of \$241 million. Charges for services increased 4% due to increases in a number of agency services. Property tax revenues increased 11% due to both new construction and increased assessed values of property within the County. Sheriff expenses increased 6% due to a new contract for services to a city, expanded services to other cities, and Hurricane Wilma response costs.

The County's business type activities had net revenue of \$31 million and increased net assets by \$69 million, with all major operations except one reporting net revenues for the year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

At September 30, 2006, the County's governmental funds reported combined ending fund balances of \$1,201 million, an increase of \$117 million from the prior year. This increase resulted from an increase in the General Fund of \$45 million, a \$104 million increase in the Capital Outlay Reserve Fund, and a general decrease in the fund balance of all other governmental funds.

Approximately 82% of the combined fund balances (\$988 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate prior year obligations (\$137 million), (2) to pay debt service (\$24 million), or (3) for other restricted purposes.

The General Fund is the chief operating fund of the County. At September 30, 2006, the unreserved fund balance of the General Fund was \$230 million and the total fund balance was \$278 million. As a measure of the General Fund's liquidity, the total fund balance represents approximately 19 percent of total General Fund expenditures and transfers out.

The other major governmental funds of the County include the Sheriff's Operations Fund, which does not have a fund balance but has a small reserve for inventory, the County Transportation Trust Fund, which receives revenues dedicated to meeting various transportation needs, and the County's Capital Outlay Reserve Fund, which is the principal capital projects fund of the County.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Aviation operating revenues increased \$16 million or 11%. Terminal rentals revenue and customer facility charges increased substantially during 2006. Unrestricted net assets of the Aviation Department were \$36 million at September 30, 2006.

Port Everglades operating revenues increased \$2 million or approximately 2% due primarily to new tariff items for terminal security. Unrestricted net assets of the Port Everglades Fund were \$148 million at September 30, 2006.

Water and Wastewater System operating revenues increased

\$3.7 million or 4% due to general growth in system usage and to rate increases. Unrestricted net assets of the Water and Wastewater System were \$4 million at September 30, 2006.

Resource Recovery System operating revenues increased \$10.7 million or 9% due to an increase in volume and higher tipping fees. Unrestricted net assets of the Resource Recovery System were \$74 million at September 30, 2006.

BUDGETARY HIGHLIGHTS

Budget and actual comparison schedules are provided in the Basic Financial Statements for the General Fund and all major special revenue funds. Budget and actual comparison schedules are also provided in the Combining and Individual Fund Statements and Schedules for all nonmajor funds with annually appropriated budgets. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variance between the final budget and actual results for the General Fund and major special revenue funds.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Differences between the original budget and the final amended budget for the General Fund were relatively minor and can be summarized as follows (in thousands):

- Revenues were increased \$28,890 or 2% due primarily to increased estimated charges for services and federal grants.
- Expenditures were increased \$35,594 or 6% due to general increases in most functional areas.
- Operating transfers in were reduced (\$71,423) or 56% due to changes in expected results in other funds.
- Operating transfers out were decreased (\$12,732) due to decreased expected transfers to other funds, reduced by increased transfers to constitutional officers, which were partially offset by transfers back from constitutional officers.

General Fund actual total revenues were \$1,411 million or 106% of the final budget amount. Total expenditures of \$653 million were almost 100% of the final budget as several functional areas were over budget due to unbudgeted Hurricane Wilma expenditures. Net transfers out of \$714 million were just under the budget. Revenues exceeded expenditures and transfers, resulting in an increase in the General Fund balance of \$44 million, which compared to a decrease that was budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business type activities as of September 30, 2006 amounted to \$4.4 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was three percent.

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

- Various road construction projects (\$12 million).
- Acquisition of land under the program to preserve the County's open space (\$4 million).
- Acquisition of equipment for the Sheriff's Office (\$24 million).
- Improvements to the County's parks system (\$5 million).
- Additions to the County's library facilities (\$22 million).
- Continued construction and expansion of the Aviation Facilities in accordance with an ongoing master plan (approximately \$22 million net of depreciation).

Broward County's Capital Assets (in thousands)
(net of depreciation)
September 30, 2006

	Governmental	Business-type	Total	
			2006	2005
Land	\$ 392,331	\$ 345,866	\$ 738,197	\$ 741,175
Landfill		28,380	28,380	28,640
Property held for leasing		194,793	194,793	197,858
Buildings	603,919	753,563	1,357,482	1,350,912
Improvements	521,353	356,010	877,363	885,640
Equipment	210,579	473,521	684,100	668,944
Construction in progress	246,228	229,524	475,752	373,862
Total	\$1,974,410	\$2,381,657	\$4,356,067	\$4,247,031

Additional information on the County's capital assets can be found in Note 3 to the financial statements.

Long-Term Debt

At September 30, 2006, the County had total bonded debt outstanding of \$2.4 billion, a 3% decrease from the prior year. Of this amount, \$578 million comprises debt backed by the full faith and credit of the government, \$235 million is special obligation debt secured by dedicated revenue sources, \$137 million is loans payable and other obligations, and \$1.5 billion is secured solely by specified revenue sources (i.e. revenue bonds).

Broward County's Outstanding Debt, in millions
September 30, 2006

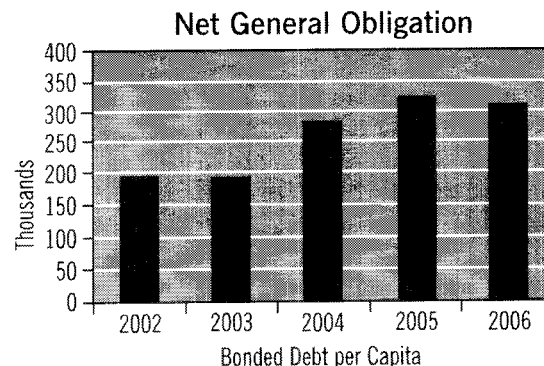
	Governmental Activities	Business-type Activities	Total	
			2006	2005
General obligation bonds	\$577,775		\$ 577,775	\$ 611,605
Special obligation bonds	235,290		235,290	234,515
Loans payable and other obligations	101,714	\$ 34,966	136,680	138,823
Revenue bonds		1,452,877	1,452,877	1,500,915
Total	\$914,779	\$1,487,843	\$2,402,622	\$2,485,858

The County's outstanding bonded indebtedness decreased \$83 million during the year. New bonds issued during the year were \$177 million Professional Sports Facilities Tax and Revenue Refunding Bonds (Civic Arena).

The County continues to meet its financial needs through prudent use of its revenues and creative debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond investment ratings, which are among the highest levels attained by Florida counties:

Aa1 Moody's Investor Services
AA+ Standard & Poor's Corporation
AA+ Fitch IBCA, Inc.

The County's required Annual Disclosure Statement may be found on line at www.broward.org/finance. This disclosure report details and updates certain statistics and financial performance which form the basis for the security for the County's indebtedness. Additional information on the County's long-term debt can be found in Note 4 to the financial statements.



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, assessed valuation, and Enterprise Fund revenues.

- The unemployment rate for the County is currently 3.1%, lower than the rate for the state of Florida (3.4%) and the nation (4.4%).
- Tourist visitors during 2006 were 10.35 million, an increase of 3.5% over 2005.
- Net assessed value of real and personal property within the County increased 15%.
- Inflation in the region remains at a relatively low level.

All of these factors were considered in preparing the County's budget for the 2007 fiscal year. For the eighth consecutive year, the County's property tax millage rate was not increased. Some cost reductions and revenue increases helped fund expanded facilities and certain program expansions designed to address Commission goals.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Accounting Division Director
115 S. Andrews Avenue, Room 221
Fort Lauderdale, FL 33301

**Basic
Financial
Statements**

STATEMENT OF NET ASSETS

September 30, 2006

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 353,325	\$ 151,131	\$ 504,456	\$ 5,808
Investments	969,817	128,887	1,098,704	7,467
Receivables (Net)	9,771	38,183	47,954	4,849
Delinquent Taxes Receivable (Net)	6,511		6,511	
Internal Balances	7,250	(7,250)		
Due from Primary Government				62
Due from Other Governments	73,505	16,054	89,559	53
Inventories	8,403	6,033	14,436	3
Prepaid Expenses	1,705		1,705	
Advance to Component Unit	4,615		4,615	
Other Current Assets	10,480	5,019	15,499	40
Restricted Assets:				
Cash and Cash Equivalents		130,094	130,094	24,233
Investments		471,807	471,807	
Deferred Charges	5,060	22,058	27,118	
Capital Assets:				
Non-depreciable	638,559	575,390	1,213,949	1,072
Depreciable (Net)	1,335,851	1,806,267	3,142,118	3,893
Total Assets	3,424,852	3,343,673	6,768,525	47,480
LIABILITIES				
Accounts Payable	42,094	12,066	54,160	383
Accrued Liabilities	40,694	37,847	78,541	1,802
Accrued Interest Payable	9,731		9,731	
Due to Primary Government				4,615
Due to Component Unit	62		62	
Due to Other Governments	12,133	7,094	19,227	465
Escrow Deposits	14,988		14,988	160
Unearned Revenue	39,826	1,004	40,830	163
Other Current Liabilities		1,401	1,401	
Current Liabilities Payable from				
Restricted Assets		66,002	66,002	7,694
Non-current Liabilities:				
Due Within One Year	116,553	75,751	192,304	430
Due in More Than One Year	980,235	1,436,009	2,416,244	3,324
Total Liabilities	1,256,316	1,637,174	2,893,490	19,036
NET ASSETS				
Invested in Capital Assets, Net of				
Related Debt	1,348,507	1,137,650	2,486,157	4,965
Restricted for:				
Capital Projects	202,107	80,840	282,947	
Debt Service	14,919	87,141	102,060	
Transportation	22,060		22,060	
E-911	16,687		16,687	
Court Fee Funds	19,561		19,561	
Equipment Modernization	3,585		3,585	
Passenger Facility Charges		96,318	96,318	
Landfill Closure		21,165	21,165	
Revenue Bonds Renewal and Replacement		21,034	21,034	
Other	2,033		2,033	19,849
Unrestricted	539,077	262,351	801,428	3,630
Total Net Assets	\$2,168,536	\$1,706,499	\$3,875,035	\$28,444

See accompanying notes.

STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2006
(In Thousands)

		Net (Expenses) Revenue and Changes in Net Assets						
		Program Revenues			Primary Government			Component Units
		Charges for	Operating Grants &	Capital Grants &	Governmental	Business- type	Total	
Expenses	Services	Contributions	Contributions	Activities	Activities			
Activities:								
Primary Government:								
Governmental Activities:								
General Government	\$ 227,610	\$ 74,553	\$ 2,549		\$ (150,508)		\$ (150,508)	
Public Safety	17,943	16,165	10,307		8,529		8,529	
Transportation	175,184	32,193	11,493	\$16,470	(115,028)		(115,028)	
Human Services	138,432	3,409	43,711		(91,312)		(91,312)	
Culture and Recreation	185,339	19,115	5,722	450	(160,052)		(160,052)	
Physical Environment	62,992	8,068	39,368	11,840	(3,716)		(3,716)	
Economic Environment	23,705	2,730	11,858		(9,117)		(9,117)	
Sheriff	654,661	231,986	22,874		(399,801)		(399,801)	
Property Appraiser	17,488	2,929			(14,559)		(14,559)	
Supervisor of Elections	15,266	1,185	621		(13,460)		(13,460)	
Interest on Long-term Debt	42,735				(42,735)		(42,735)	
Total Governmental Activities	1,561,355	392,333	148,503	28,760	(991,759)		(991,759)	
Business-type Activities:								
Aviation	185,703	202,301	1,280	11,743	\$ 29,621		29,621	
Port Everglades	107,185	107,578		2,784	3,177		3,177	
Water and Wastewater	100,752	90,545		1,541	(8,666)		(8,666)	
Resource Recovery System	115,675	124,201	98		8,624		8,624	
Other	5,387	3,823			(1,564)		(1,564)	
Total Business-type Activities	514,702	528,448	1,378	16,068		31,192	31,192	
Total Primary Government	\$2,076,057	\$920,781	\$149,881	\$44,828	\$ (991,759)	\$ 31,192	\$ (960,567)	
Component Units:								
Clerk of Courts	\$ 43,052	\$ 46,257						\$3,205
Housing Finance Authority	2,382	2,380						(2)
Health Facilities Authority	249	78						(171)
Total Component Units	\$ 45,683	\$ 48,715						\$3,032
General Revenues:								
Taxes:								
Property Taxes					\$ 869,511		\$ 869,511	
One-Half Cent Sales Taxes					74,074		74,074	
Gas Taxes					88,686		88,686	
Revenue Sharing - Unrestricted					30,112		30,112	
Other					55,376		55,376	
Interest Income					67,048	\$ 37,940	104,988	\$1,540
Miscellaneous					47,854		47,854	
Gain on Donation of Capital Assets								63
Transfers					(88)	88		
Total General Revenues and Transfers					1,232,573	38,028	1,270,601	1,603
Change in Net Assets					240,814	69,220	310,034	4,635
Net Assets - Beginning					1,927,722	1,637,279	3,565,001	23,809
Net Assets - Ending					\$2,168,536	\$1,706,499	\$3,875,035	\$28,444

See accompanying notes.

BALANCE SHEET

Governmental Funds

September 30, 2006

(In Thousands)

	MAJOR FUNDS					
	General	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 44,906	\$52,199	\$ 2,516	\$ 23,692	\$182,769	\$ 306,082
Investments	218,892		12,574	314,629	412,359	958,454
Receivables (Net):						
Accounts	2,151	3	20	2	2,229	4,405
Other	3,810				1,528	5,338
Delinquent Taxes Receivable (Net)	5,989			194	328	6,511
Due from Other County Funds	28,832	1,269	91	3,607	4,404	38,203
Due from Other Governments	46,462	97	16,286		10,273	73,118
Inventory	5,598	934	1,168		184	7,884
Other Assets		588			86	674
Advance to Component Unit	1,015			3,600		4,615
Total Assets	\$357,655	\$55,090	\$32,655	\$345,724	\$614,160	\$1,405,284
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 23,412	\$ 3,562	\$ 184	\$ 1,997	\$ 11,186	\$ 40,341
Accrued Liabilities	5,979	22,899	349	2,747	8,224	40,198
Due to Other County Funds	8,114	24,464			12,987	45,565
Due to Component Unit	62					62
Due to Other Governments	5,709	3,231	135		3,058	12,133
Escrow Deposits	9,453		5,475		60	14,988
Deferred Revenue	26,768			194	23,999	50,961
Total Liabilities	79,497	54,156	6,143	4,938	59,514	204,248
Fund Balances:						
Reserved for Encumbrances	1,516			14,393	121,285	137,194
Reserved for Inventory	5,598	934	1,168			7,700
Reserved for Debt Service					24,325	24,325
Reserved for E-911	16,687					16,687
Reserved for Court Fee Funds	19,561					19,561
Other Reserves	4,510				2,600	7,110
Unreserved/Undesignated Related to:						
General Fund	230,286					230,286
Special Revenue Funds			25,344		48,739	74,083
Capital Projects Funds				326,393	357,697	684,090
Total Fund Balances	278,158	934	26,512	340,786	554,646	1,201,036
Total Liabilities and Fund Balances	\$357,655	\$55,090	\$32,655	\$345,724	\$614,160	\$1,405,284

See accompanying notes.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

September, 30 2006
(In Thousands)

Fund balances - total governmental funds \$ 1,201,036

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.

	<i>Asset Cost</i>	<i>Accumulated Depreciation</i>	<i>Net</i>	
Land	\$392,331		\$ 392,331	
Construction in Progress	246,228		246,228	
Buildings	803,816	\$(199,897)	603,919	
Improvements	725,063	(203,710)	521,353	
Equipment	590,762	(384,253)	206,509	1,970,340

Other long-term assets are not available to pay for current period
expenditures and therefore are deferred in the governmental funds. 11,417

Certain assets reported in governmental activities are not financial resources
and therefore are not reported in the governmental funds

Prepaid expenses	\$ 1,705	
Deferred charges - unamortized bond issuance costs	<u>5,060</u>	6,765

Some liabilities applicable to the County's governmental activities are not
due and payable in the current period and are not reported as fund liabilities.

General obligation bonds	\$ (577,775)	
Special obligation bonds	(235,290)	
Loans payable and other obligations	(101,714)	
Discount/(premium) and deferred on refunding	(16,929)	
Arbitrage rebate payable	(589)	
Compensated absences	(91,524)	
Accrued interest payable	<u>(9,731)</u>	(1,033,552)

Internal service funds are used by management to charge the costs of self-insurance,
printing and fleet services to individual funds. The assets and liabilities of the
internal services funds are included in governmental activities in the statement of
net assets. 12,530

Total net assets of governmental activities	\$2,168,536
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See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

for the fiscal year ended September 30, 2006
(In Thousands)

MAJOR FUNDS

	General	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes (Net of Discounts)	\$ 780,994		\$ 64,789	\$ 39,528	\$ 63,784	\$ 949,095
Special Assessment/Impact Fees	2,048		6,736		1,809	10,593
Licenses and Permits	21,870		1,230		458	23,558
Federal Grants	90,515			2,898	42,353	135,766
State Revenues:						
Revenue Sharing	30,112					30,112
Grants	26,535				7,004	33,539
Licenses	612		375			987
Gasoline Taxes			23,897			23,897
Tourist Tax					40,135	40,135
One-Half Cent Sales Tax	61,303		12,771			74,074
Other					7,350	7,350
Charges for Services	316,656		2,194	110	13,324	332,284
Fines and Forfeitures	4,413				8,492	12,905
Interest Income	24,652		1,510	11,301	27,412	64,875
Miscellaneous	51,510		236	10	8,231	59,987
Total Revenues	1,411,220		113,738	53,847	220,352	1,799,157
Expenditures:						
Current:						
General Government	187,329				27,273	214,602
Public Safety	16,373	\$ 608,647			27,309	652,329
Transportation	116,249		28,688			144,937
Human Services	136,318				323	136,641
Culture and Recreation	127,601				25,820	153,421
Physical Environment	51,694				3,379	55,073
Economic Environment	15,729				4,783	20,512
Capital Outlay		20,352	217	25,076	152,711	198,356
Debt Service:						
Principal Retirement	1,483				58,385	59,868
Interest and Fiscal Charges	256				45,015	45,271
Bond and Loan Issuance Costs				94	1,796	1,890
Total Expenditures	653,032	628,999	28,905	25,170	346,794	1,682,900
Excess of Revenues Over (Under) Expenditures	758,188	(628,999)	84,833	28,677	(126,442)	116,257
Other Financing Sources (Uses):						
Refunding Loans and Bonds Issued					184,235	184,235
Payment to Refunded Loan and Bond Escrow Agent					(176,179)	(176,179)
Loans and Bonds Issued				5,470		5,470
Premium on Bonds Issued					2,439	2,439
Discount on Bonds Issued				(76)	(60)	(136)
Swaption Termination Payment					(15,645)	(15,645)
Transfers In	79,883	652,890		72,037	197,819	1,002,629
Transfers Out	(794,063)	(23,891)	(86,148)	(1,668)	(97,189)	(1,002,959)
Total Other Financing Sources (Uses)	(714,180)	628,999	(86,148)	75,763	95,420	(146)
Net Change in Fund Balances	44,008		(1,315)	104,440	(31,022)	116,111
Fund Balances, October 1	233,082	934	28,034	236,346	585,668	1,084,064
Changes In Reserves for Inventory	1,068		(207)			861
Fund Balances, September 30	\$ 278,158	\$ 934	\$ 26,512	\$340,786	\$ 554,646	\$ 1,201,036

See accompanying notes.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2006
(In Thousands)

Net change in fund balances - total governmental funds	\$ 116,111	
Changes in reserves for inventory	<u>861</u>	\$ 116,972

Total change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, the loss on the disposed capital assets is reported.

Capital assets acquired by use of financial resources	\$ 168,936	
Current year depreciation	(84,274)	
Loss on disposition of assets	<u>(12,668)</u>	71,994

Some of the revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds 927

Bond and loan proceeds provide current financing resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds but reduces the long-term liability in the statement of net assets.

Principal payment	\$ 59,868	
Refunding loans and bonds issued	(184,235)	
Payment to refunded loan and bond escrow agent	176,179	
Loans and bonds issued	(5,470)	
Premium on bonds issued	(2,439)	
Discount on bonds issued	<u>136</u>	44,039

Governmental funds report bond and loan issuance costs as expenditures. However, these amounts are reported on the statement of net assets as deferred charges and amortized over the life of the debt.

Bond and loan issuance costs	\$ 1,890	
Amortization of bond and loan issuance costs	<u>(385)</u>	1,505

Governmental funds report operating leases as expenditures. However, these amounts are reported on the statement of net assets as prepaid expenses and amortized over the life of the lease.

Prepaid rent	\$ 1,750	
Amortization of rent	<u>(45)</u>	1,705

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

Change in compensated absences	\$ (6,394)	
Change in accrued interest payable	1,535	
Change in arbitrage rebate payable	(589)	
Amortization of debt discount and premium	2,369	
Amortization of refunding difference	<u>(1,174)</u>	(4,253)

The net revenue of internal service funds is reported with governmental activities on the statement of activities. 7,925

Change in net assets of governmental activities	<u>\$240,814</u>
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See accompanying notes.

Broward County, Florida

PROPRIETARY FUNDS

Statement of Net Assets

September 30, 2006

(In Thousands)

	Aviation	Port Everglades	Water and Wastewater	Resource Recovery System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 42,232	\$ 84,876	\$ 9,630	\$ 4,423	\$ 9,970	\$ 151,131	\$ 47,243
Investments		57,042		71,845		128,887	11,363
Receivables (Net):							
Accounts	6,443	6,905	11,836	12,907	92	38,183	28
Due from Other County Funds				3		3	8,249
Due from Other Governments	15,522	424		108		16,054	387
Inventory	333	3,089	2,611			6,033	519
Other Current Assets	2,330	1,892	797			5,019	9,806
Total Current Assets	66,860	154,228	24,874	89,286	10,062	345,310	77,595
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	38,487	23,630	35,841	28,881	3,255	130,094	
Investments	447,400	15,393	9,014			471,807	
Deferred Charges	9,964	3,272	3,220	5,602		22,058	
Capital Assets:							
Land	282,797	56,575	4,874		1,620	345,866	
Construction in Progress	92,886	16,796	119,784	58		229,524	
Landfill (Net)				28,380		28,380	
Property Held for Leasing (Net)		194,793				194,793	
Buildings (Net)	578,241	93,022	81,203	1,076	21	753,563	
Improvements (Net)	277,784	61,070		16,607	549	356,010	
Equipment (Net)	4,134	83,261	384,778	1,248	100	473,521	4,070
Total Noncurrent Assets	1,731,693	547,812	638,714	81,852	5,545	3,005,616	4,070
Total Assets	1,798,553	702,040	663,588	171,138	15,607	3,350,926	81,665
LIABILITIES							
Current Liabilities:							
Accounts Payable		4,709		6,909	448	12,066	1,753
Accrued Liabilities	22,115	1,176	17,591	528	67	41,477	872
Due to Other County Funds				38	852	890	
Due to Other Governments	1,869	1,723	1,291	2,211		7,094	
Unearned Revenue	1,003				1	1,004	282
Other Current Liabilities	1,401	5,000				6,401	27,780
Total Current Liabilities	26,388	12,608	18,882	9,686	1,368	68,932	30,687
Noncurrent Liabilities:							
Liabilities Payable from							
Restricted Assets	92,646	13,713	20,336	6,054	374	133,123	
Revenue Bonds and Loans Payable							
Long-Term (Net)	855,691	253,512	271,497	24,239		1,404,939	
Other Long-Term Liabilities	9,660	817	1,993	16,264	2,336	31,070	44,811
Total Noncurrent Liabilities	957,997	268,042	293,826	46,557	2,710	1,569,132	44,811
Total Liabilities	984,385	280,650	312,708	56,243	4,078	1,638,064	75,498
NET ASSETS							
Invested in Capital Assets, net of related debt	563,174	239,642	315,070	17,474	2,290	1,137,650	4,070
Restricted:							
Capital Projects	67,372	13,468				80,840	
Debt Service	51,773	3,436	27,346	4,586		87,141	
Passenger Facility Charges	96,318					96,318	
Landfill Closure				18,363	2,802	21,165	
Revenue Bonds Renewal and Replacement		16,569	4,465			21,034	
Unrestricted	35,531	148,275	3,999	74,472	6,437	268,714	2,097
Total Net Assets	\$ 814,168	\$421,390	\$350,880	\$ 114,895	\$11,529	1,712,862	\$ 6,167
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities						(6,363)	
Net assets of business-type activities						\$1,706,499	

PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Operating Revenues:							
Concessions	\$ 37,064					\$ 37,064	
Parking Fees	40,565	\$ 7,303				47,868	
Terminal Rentals	36,138					36,138	
Airfield Fees	13,741					13,741	
Building and Ground Rentals	8,253	10,523				18,776	
Vessel and Cargo Services		83,943				83,943	
Wastewater Treatment Charges			\$ 51,832			51,832	
Water Sales			37,874			37,874	
Tipping Fees				\$ 118,833		118,833	
Recycling				5,324	\$ 180	5,504	
Customer Facility Charges	23,561					23,561	
Assessments					1,723	1,723	
Miscellaneous	804	5,809	839	44	1,920	9,416	\$ 71,136
Total Operating Revenues	160,126	107,578	90,545	124,201	3,823	486,273	71,136
Operating Expenses:							
Personal Services	24,153	18,453	23,624	3,765	1,014	71,009	7,344
General Operating	85,650	50,664	34,652	97,154	4,405	272,525	59,468
Depreciation	33,132	20,352	30,551	1,561	101	85,697	1,275
Total Operating Expenses	142,935	89,469	88,827	102,480	5,520	429,231	68,087
Operating Income (Loss)	17,191	18,109	1,718	21,721	(1,697)	57,042	3,049
Non-Operating Revenues (Expenses):							
Grants	1,280			98		1,378	
Interest Income	21,726	8,321	2,787	4,529	577	37,940	2,173
Interest Expense	(42,942)	(15,651)	(10,594)	(1,228)		(70,415)	
Gain (Loss) on Sale of Capital Assets	(106)	(9)	(1,300)	37		(1,378)	122
Passenger Facility Charges	42,175					42,175	
Other	839	(1,511)	229	(11,993)	133	(12,303)	964
Total Non-Operating Revenues (Expenses)	22,972	(8,850)	(8,878)	(8,557)	710	(2,603)	3,259
Income (Loss) Before Capital Contributions and Transfers	40,163	9,259	(7,160)	13,164	(987)	54,439	6,308
Capital Contributions	11,743	2,784	1,541			16,068	
Transfers In				27	588	615	242
Transfers Out				(300)	(227)	(527)	
Change in Net Assets	51,906	12,043	(5,619)	12,891	(626)	70,595	6,550
Total Net Assets, October 1	762,262	409,347	356,499	102,004	12,155		(383)
Total Net Assets, September 30	\$814,168	\$421,390	\$350,880	\$ 114,895	\$11,529		\$ 6,167
Adjustments to reflect the allocation of internal service fund net revenue (expense) to business-type activities						(1,375)	
Change in net assets of business-type activities						\$ 69,220	

See accompanying notes.

PROPRIETARY FUNDS

Statement of Cash Flows

for the fiscal year ended September 30, 2006
(In Thousands)

	Aviation	Port Everglades	Water and Wastewater	Resource Recovery System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:							
Cash Received from Customers	\$157,023	\$107,127	\$ 89,276	\$124,803	\$3,781	\$ 482,010	\$ 12,572
Cash Received for Premiums							104,133
Cash Payments to Suppliers for Goods and Services	(88,632)	(57,547)	(32,050)	(96,087)	(3,835)	(278,151)	(91,768)
Cash Payments to Employees for Services	(23,575)	(18,017)	(22,966)	(3,607)	(971)	(69,136)	(7,134)
Cash Payments for Claims							(10,449)
Other Cash Received			301		108	409	964
Other Cash Paid				(10,644)		(10,644)	
Net Cash Provided by (Used for) Operating Activities	44,816	31,563	34,561	14,465	(917)	124,488	8,318
Cash Flows from Noncapital Financing Activities:							
Grants Received	1,280			98		1,378	
Transfers In				27	588	615	242
Transfers Out				(300)	(227)	(527)	
Other Non-Operating Revenues (Expenses)		(712)				(712)	
Net Cash Provided by (Used for) Noncapital Financing Activities	1,280	(712)		(175)	361	754	242
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(48,262)	(8,619)	(55,354)	(398)	(37)	(112,670)	(1,290)
Proceeds from Sale of Capital Assets			63	18	25	106	122
Proceeds from Bonds and Notes		5,000				5,000	
Debt Principal Payments	(25,365)	(12,011)	(5,355)	(5,635)		(48,366)	
Interest and Fiscal Charges Paid	(43,388)	(13,421)	(14,118)	(1,139)		(72,066)	
Capital Contributions	4,591	4,421	614			9,626	
Receipt of Passenger Facility Charges	42,175					42,175	
Capital Recovery and Surcharge Fees			137			137	
Net Cash Used for Capital and Related Financing Activities	\$ (70,249)	\$ (24,630)	\$ (74,013)	\$ (7,154)	\$ (12)	\$ (176,058)	\$ (1,168)

(continued)

See accompanying notes.

PROPRIETARY FUNDS
Statement of Cash Flows, continued
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows from Investing Activities:							
Purchase of Investment Securities	\$(1,089,443)	\$(186,286)	\$(22,140)	\$(206,367)		\$(1,504,236)	
Proceeds from Sale and Maturities of Investment Securities	799,217	195,041	60,246	152,183		1,146,441	\$ (412)
Interest and Dividends on Investments	21,726	8,321	2,573	4,529	\$ 577	37,726	2,173
Net Cash Provided by (Used for) Investing Activities	(268,500)	17,076	40,679	(49,655)	577	(259,823)	1,761
Net Increase (Decrease) in Cash and Cash Equivalents	(292,653)	23,297	1,227	(42,519)	9	(310,639)	9,153
Cash and Cash Equivalents, October 1	373,372	85,209	44,244	75,823	13,216	591,864	38,090
Cash and Cash Equivalents, September 30	\$ 80,719	\$ 108,506	\$ 45,471	\$ 33,304	\$ 13,225	\$ 281,225	\$ 47,243
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ 17,191	\$ 18,109	\$ 1,718	\$ 21,721	\$ (1,697)	\$ 57,042	\$ 3,049
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation Expense	33,132	20,352	30,551	1,561	101	85,697	1,275
Miscellaneous Non-Operating Revenue (Expense)	839		301	(10,641)	108	(9,393)	964
Provision for Uncollectable Accounts			1,737			1,737	
Decrease (Increase) in Assets:							
Accounts Receivable (Net)	(273)	(367)	(1,268)	598	(40)	(1,350)	(12)
Due from Other County Funds				(3)		(3)	(8,140)
Due from Other Governments				6		6	53
Inventory	(25)	373	(356)			(8)	21
Other Current Assets	(717)	(278)	18			(977)	(1,597)
Increase (Decrease) in Liabilities:							
Accounts Payable	3,148	(1,492)	1,296	(377)	(160)	2,415	772
Accrued Liabilities	(3,905)	436	2,215	216	124	(914)	206
Due to Other County Funds	(5,350)	(5,350)		38	852	(9,810)	(2,987)
Due to Other Governments	1,869	(137)	(1,803)	(182)		(253)	
Other Current Liabilities	(1,093)					(1,093)	
Liabilities Payable from Restricted Assets		(83)	152			69	
Estimated Liability for Insurance Claims							14,714
Provision for Landfill Closure				1,528	(205)	1,323	
Total Adjustments	27,625	13,454	32,843	(7,256)	780	67,446	5,269
Net Cash Provided by (Used for) Operating Activities	\$ 44,816	\$ 31,563	\$ 34,561	\$ 14,465	\$ (917)	\$ 124,488	\$ 8,318
Noncash Investing, Capital and Financing Activities:							
Change in Fair Value of Investments	\$ (3)			\$ (102)		\$ (105)	\$ 412

See accompanying notes.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

September 30, 2006

(In Thousands)

	<i>Total</i>
ASSETS	
Cash and Cash Equivalents	\$ 43,294
Accounts Receivable (Net)	1,878
Delinquent Taxes Receivable (Net)	93,514
Due from Other Governments	8,774
Total Assets	\$147,460
LIABILITIES	
Accounts Payable	\$ 84
Due to Other Governments	23,667
Due to Individuals	8,379
Escrow Deposits	115,330
Total Liabilities	\$147,460

See accompanying notes.

COMPONENT UNITS**Statement of Net Assets**

September 30, 2006

(In Thousands)

	CLERK OF COURTS	HOUSING FINANCE	HEALTH FACILITIES	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 4,047	\$ 1,733	\$28	\$ 5,808
Investments		7,467		7,467
Receivables (Net)		4,849		4,849
Due from Primary Government	62			62
Due from Other Governments	53			53
Inventories	3			3
Other Current Assets	40			40
Restricted Assets:				
Cash and Cash Equivalents	16,379	7,854		24,233
Capital Assets:				
Non-depreciable		1,072		1,072
Depreciable (Net)	3,045	848		3,893
Total Assets	23,629	23,823	28	47,480
LIABILITIES				
Accounts Payable	380	3		383
Accrued Liabilities	1,669	133		1,802
Due to Primary Government		4,615		4,615
Due to Other Governments	465			465
Escrow Deposits		160		160
Unearned Revenue		163		163
Current Liabilities Payable from Restricted Assets		7,694		7,694
Non-current Liabilities:				
Due Within One Year	369	61		430
Due in More Than One Year	3,254	70		3,324
Total Liabilities	6,137	12,899		19,036
NET ASSETS				
Invested in Capital Assets, net of Related Debt	3,045	1,920		4,965
Restricted for:				
Other	15,578	4,271		19,849
Unrestricted	(1,131)	4,733	28	3,630
Total Net Assets	\$17,492	\$10,924	\$28	\$28,444

See accompanying notes.

COMPONENT UNITS

Statement of Activities

for the fiscal year ended September 30, 2006
(In Thousands)

	CLERK OF COURTS	HOUSING FINANCE	HEALTH FACILITIES	TOTAL
Program Expenses:				
Personal Services	\$38,077	\$ 1,059		\$39,136
Professional Fees		128	\$ 6	134
Bond Issuance Cost		573		573
General Operating	3,913	394		4,307
Depreciation	1,062	46		1,108
Interest Expense		182		182
Payment to Primary Government			243	243
Total Program Expenses	43,052	2,382	249	45,683
Program Revenues:				
Charges for Services				
Court Related Revenues	29,633			29,633
Non-court Related Revenues	1,500			1,500
Fines and Forfeitures	5,819			5,819
Recording Fees	8,600			8,600
Authority Fees		1,113	78	1,191
Rentals		85		85
Bond Issuance and Redemption Income		923		923
Miscellaneous	705	259		964
Total Program Revenues	46,257	2,380	78	48,715
Program Income (Loss)	3,205	(2)	(171)	3,032
General Revenues:				
Interest and Investment Income	1,256	276	8	1,540
Gain on Donation of Capital Assets		63		63
Total General Revenues and Special Item	1,256	339	8	1,603
Change in Net Assets	4,461	337	(163)	4,635
Net Assets - Beginning	13,031	10,587	191	23,809
Net Assets - Ending	\$17,492	\$10,924	\$ 28	\$28,444

See accompanying notes.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Broward County, Florida (County) is a political subdivision of the State of Florida. It is guided by an elected Board of County Commissioners, which is governed by the Florida Statutes and a local County Charter. In addition there are four elected Constitutional Officers: the Clerk of the Circuit and County Courts (Clerk); Property Appraiser; Sheriff; and Supervisor of Elections. The Board of County Commissioners (BOCC), Property Appraiser, Sheriff, and Supervisor of Elections comprise the Broward County primary government.

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the County.

Blended Component Units

Water Control Districts are special taxing districts created to maintain and improve water resource and drainage programs in the County and are governed by a board comprised of the BOCC. The financial results of the five individual Water Control Districts (District No. 2, District No. 3, District No. 4, Cocomar, and Twin Lakes) are combined into one Special Revenue Fund to facilitate presentation.

The legal authority by which each of the following Water Districts was created and the financial statement requirements for them are as follows:

Broward County Water Control District No. 2 - Section 298.01, F.S.; County Ord. No. 79-93. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Broward County Water Control District No. 3 - Section 298.01, F.S.; County Ref. 4/15/69. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Broward County Water Control District No. 4 - Section 298.01, F.S.; County Ref. 3/29/66. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Cocomar Water Control District - Section 125.01(5)(a), F.S.; County Ord. No. 80-17. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Twin Lakes Water Control District - Section 298.01; County Ord. 79-83. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared. The District has been transferred to the City of West Park during fiscal year 2006.

The following organizations are also shown as blended component units:

The **Broward County Community Redevelopment**

Agency (CRA) acts in an advisory capacity to the County to establish and carry out redevelopment objectives in economically deprived areas of the County. It was established by Florida Statute Section 163.356 and County Ordinance No. 80-110. The governing body is the BOCC. The agency conducted no financial transactions during the year and has no assets, liabilities or fund balance.

The **Broward County Educational Facilities Authority (EFA)** acts in an advisory capacity to the County in alleviating the shortage of educational facilities and projects in the County. It was established by Florida Statute Section 243.021 and County Ordinance No. 86-15. The BOCC appoints the governing body. The authority conducted no financial transactions during the year and has no assets, liabilities or fund balance.

The **Broward County Governmental Leasing Corporation** (the Corporation) has entered into master lease-purchase agreements with the County to finance the acquisition, construction or equipping of certain facilities and is governed by the BOCC. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities. The Corporation has no financial activity to report.

Discretely Presented Component Units

The Clerk of Circuit and County Courts (Clerk) is an elected, Constitutional Office of the County and has separate legal standing from the County. The governing body of the Clerk is not the same as the governing body of the County. The Clerk provides services to the courts and receives most of its revenues from those who are utilizing court services and processes. The Clerk is included as a component unit because its exclusion from the financial reporting entity could render the County's financial statements misleading.

The Broward County Health Facilities Authority (HeFA) was created to assist in the acquisition, construction, financing and refinancing of health facilities in the County. It was established by Florida Statute Section 154.207 and County Ordinance No. 77-35. The HeFA is governed by a Board appointed by the BOCC and is financially accountable to the County. The HeFA is authorized to issue bonds which are not deemed to constitute a debt of HeFA, the County, or any political subdivision thereof (see Note 4).

The Broward County Housing Finance Authority (HFA) was established in 1979 by County Ordinance No. 79-41 for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The HFA is governed by a Board appointed by the BOCC, and the County must also approve HFA's contracts and bond issues. The HFA is authorized to issue revenue bonds that are not deemed to constitute a debt of HFA, the County, or any political sub-division thereof (see Note 4).

In 2005, the County loaned \$3,600,000 to the HFA for the purpose of enabling the HFA to loan this sum to a developer for the acquisition of land, a portion of which is to be used for an affordable housing project. The loan is secured by a mortgage of the property. The repayment of loan to the HFA has been extended from August 1, 2006 to May 1, 2007. The County shall be repaid the full amount of the loan from proceeds received by the HFA from the developer. The HFA also has a note payable to the County which is secured by

an office building. The principal balance of the note was \$1,015,000 on September 30, 2006. The note is due in full on or before July 1, 2015 and bears interest at 5.25 to 5.7 percent.

Complete financial statements for each of the individual discretely presented component units that issue them may be obtained at the entities administrative offices as follows. Financial statements are not required for other component units.

Clerk of Circuit and County Courts

Finance and Budget Department
201 S.E. 6th Street, Room 275
Fort Lauderdale, FL 33301

Broward County Health Facilities Authority

Accounting Division
P. O. Box 14740
Fort Lauderdale, FL 33302

Broward County Housing Finance Authority

Accounting Division
P. O. Box 14740
Fort Lauderdale, FL 33302

B. Basis of Presentation

Government-wide Statements

The government-wide financial statements (i.e. the statement of net assets and the changes in net assets) report information on all of the nonfiduciary activities of the primary government (the County) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Separate financial statements are provided for the County's funds, including governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Separate statements for each fund category are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

Sheriff Operations Fund – This is the County Sheriff's primary operating fund. It accounts for all financial resources of the Sheriff's Office, except those required to be accounted for in another fund.

County Transportation Trust Fund – This is used to account for funds received for the construction and maintenance of roads, bridges, and traffic engineering.

Capital Outlay Reserve Fund – This is used to account for special capital outlay projects not routine in nature and not considered ordinary operating expenditures.

The County reports the following major enterprise funds:

Aviation Fund – This fund accounts for the operations of the Fort Lauderdale-Hollywood International and North Perry Airports.

Port Everglades Fund – This fund accounts for the operation, maintenance, and construction of the County's seaport system.

Water and Wastewater Fund – This fund accounts for water and sewerage treatment services provided to certain incorporated and unincorporated areas of the County.

Resource Recovery Fund – This fund accounts for the operations of the County's Resource Recovery System and other solid waste activities.

The County also reports the following fund types:

Internal Service Funds – These funds account for self-insurance coverage for workers' compensation claims, public liability, medical malpractice, and County-owned vehicle accidents, for consolidated vehicle management services, and for printing services, all of which are provided to other County functions on a cost-reimbursement basis.

Agency Funds – These funds account for taxes and licenses collected on behalf of the County and other taxing entities, funds received and disbursed by the Sheriff's Office in a fiduciary capacity, and various other funds and fees received and disbursed in a fiduciary capacity.

C. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 – 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. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grants which are collected within 6 months. Intergovernmental revenues, property taxes and interest are significant revenue sources considered to be susceptible to accrual in the current fiscal period. 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.

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. While governments have the option of following subsequent private-sector guidance for their business-type activities, the County has elected not to follow subsequent private-sector guidance.

Proprietary Fund Financial Statements – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for 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 nonoperating revenues and expenses.

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

Fiduciary Fund Financial Statements – Agency funds report only assets and liabilities, have no measurement focus, and use the accrual basis of accounting.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. All money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of ninety days or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion of the pool are presented as "cash and cash equivalents", "investments" or "restricted assets" as appropriate. Earnings are allocated to each fund based on average daily balances of cash and investments.

The County considers cash and cash equivalents to be cash on hand, demand deposits, investments with original maturities at time of purchase of three months or less, and equity in the County's cash management pool.

The County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local

Government Surplus Funds Trust Fund (LGSF Trust Fund) - an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, and the Florida Local Government Investment Trust. All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act," and are collateralized with eligible securities having a market value equal or greater than the average daily or monthly balance of all public deposits. The County's investment practices are governed by Chapters 125 and 218.415 of the Florida Statutes, County Ordinance 87-82, and the requirements of outstanding bond issues.

2. Receivables and Payables

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other county funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts of \$70,800,000.

3. Disaggregation of Receivables and Payables Balances Receivables

Receivables in the General Fund are 64 percent liens receivables and 36 percent are vendor receivables. The majority of the liens receivables in the General Fund are not expected to be collected within one year. Receivables in the Special Revenue Fund are 53 percent tourist development tax receivables from hotels and motels, 18 percent loan receivables from the Museum of Art, 88 percent of which are not scheduled to be collected in the subsequent year, 24 percent local housing assistance receivables consisting principally of long-term notes receivable, 100 percent of which are not scheduled to be collected in the subsequent year, and 5 percent Sheriff Special Revenue receivables. Receivables in the Enterprise Funds are 66 percent due from customers and 34 percent due from a contractor which operates the resource recovery plants.

Payables

Accounts payables balances in each fund are 100 percent payable to vendors.

4. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied and are due and payable on November 1 of each year, and may be paid upon receipt of the notice at declining discounts through the month of February. All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which the taxes were levied. Delinquent real property taxes bear interest at the rate of one and one-half percent per month, and interest continues to accrue until a certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the certificate. Personal property taxes bear interest at one and one-half percent per month from April 1 until paid. After May 1 of each year and following proper procedures, a court order may be issued to seize and sell the property.

5. Inventories and Prepaid Items

Inventories consist principally of materials and supplies held for consumption and are recorded at cost for Governmental Funds and at the lower of average cost or market for Proprietary Funds. In the Governmental Funds the cost of inventories are recorded as expenditures at the time of purchase, while in the other funds, the cost of inventories are recorded as expenditures when consumed. In the Governmental Funds, reported inventories are offset by a fund balance reserve which indicates that they do not constitute available spendable resources. Payments for prepaid items are reported as expenditures in the Governmental Funds and are capitalized and reflected as prepaid expenses in the government-wide financial statements.

6. Restricted Assets

Restricted assets and reserves of the Enterprise Funds at September 30, 2006 represent amounts restricted for construction, debt service, maintenance and improvements under the terms of outstanding bond agreements or some other legal outside party requirements. These requirements establish a restriction on net assets in an amount equal to the restricted assets less any related liabilities.

Assets were restricted for the following purposes

(in thousands):

Bond sinking and reserve accounts	\$175,118
Construction accounts	371,746
Landfill closure escrow accounts	21,618
Other restricted accounts	33,419
	\$601,901

Amounts payable from restricted assets at September 30, 2006 consist of the following (in thousands):

Accounts payable	\$ 20,856
Revenue bonds and interest payable	80,417
Customers' deposits	7,819
Deferred revenue	23,657
Accrued closure costs	374
	\$133,123

Reclassified on government-wide statements

Current liabilities payable from restricted assets	\$ 66,002
Noncurrent liabilities due within 1 year	\$ 67,121

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), including those assets acquired prior to fiscal year ended September 30, 1980, are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization levels are \$1,000 for equipment and \$5,000 for land, buildings and infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the

business-type activities during fiscal 2006 was \$72,416,000. Of this amount, \$2,001,000 was included 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:

Buildings, structures and improvements	20-65 years
Runways, aprons, taxiways and aviation easements	5-40 years
Furniture, fixtures and equipment	3-15 years
Roads and streets	40 years
Bridges	50 years
Sidewalks and traffic signals	30 years
Lakes, waterways and water control structures	50-75 years

8. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave and related fringe benefits. The cost of earned but unused vacation pay is accrued when earned in the government-wide and proprietary financial statements. A liability for earned but unused sick leave is accrued only to the extent that the leave will result in cash payments at termination. A liability for these amounts is reported in governmental funds only if they have matured, due to employee retirement or resignation.

9. Long-term Obligations

In the government-wide and proprietary fund type 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, deferral amounts on refunding as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, deferral amounts on refunding, as well as bond issuance costs, during the current period. The face amount of the debt issues are 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.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

11. Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of \$3 per departing passenger commencing January 1, 1995. This authorization was amended to increase the charge to \$4.50 per departing passenger effective October 1, 2005.

Through initial and subsequent FAA approvals, the Aviation Department is authorized to collect PFC's up to \$498,882,000 including interest, of which \$282,203,000 has been collected as of September 30, 2006. The net receipts from PFC's are non-refundable and restricted to be used on FAA "approved capital projects" and debt service on revenue bonds that fund approved PFC eligible projects. As of September 30, 2006, \$185,885,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining \$96,318,000 was reflected as a restricted asset and a restriction of net assets.

12. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

E. Excess of Expenditures Over Appropriations

For the year ended September 30, 2006, due to Hurricane Wilma, General Fund expenditures exceeded appropriations in the following departments (in thousands):

General Government	
Supervisor of Elections	\$ 7
Sheriff - Communications	103
Office of Management and Budget	4,944
Boards and Other Agencies	653
Environmental Protection	828
Public Safety	
County Administration - Emergency Management Operations	376
Human Services - Medical Examiner and Trauma Services	1,440
Public Works and Transportation - Detention and Correction Facilities	2,535
Transportation	
Public Works and Transportation - Road and Street Facilities	3,306
Aviation	1,799
Port Everglades	2,656
Human Services	
Public Works and Transportation - Family Success, County Health Unit	413
Culture and Recreational	
Community Services - Libraries, Parks and Recreation, Cultural	13,150
Public Works and Transportation - Libraries	248
Physical Environment	
Water and Wastewater	5,281
Waste and Recycling Services	29,449
Economic Environment	
Urban Planning and Redevelopment	272
Human Services - Community Development	4,304
Community Services - Community Development	109

F. Deficits

At September 30, 2006, the Beach Renourishment Capital Project Fund had an undesignated deficit of \$10,617,000 and a total fund deficit of \$4,815,000. The Mass Transit Capital Grants Fund had an undesignated fund deficit of \$8,678,000.

The County plans to eliminate these deficits in the ensuing fiscal year.

G. Net Assets

The government-wide statement of net assets reports \$587,450,000 of restricted net assets, of which \$348,056,000 is restricted by enabling legislation.

H. Hurricane Wilma

For the year ended September 30, 2006, expenditures directly related to the damage caused by Hurricane Wilma were \$74,366,000. The total revenue associated with Hurricane Wilma was \$60,637,000 and included \$35,907,000 disaster assistance from the Federal Emergency Management Agency (FEMA), \$23,523,000 from the Cities within Broward County for the reimbursement of their portion of the debris removal, and \$1,207,000 from the National Resource Conservation Service. The result was a \$13,729,000 net cost to the County.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Summary of Deposit and Investment Balances

The following is a summary of the County's deposit and investment balances as of September 30, 2006 (in thousands):

	<i>Government-wide Statement of Net Assets</i>	<i>Component Units Statement of Net Assets</i>	<i>Fiduciary Funds Statement of Net Assets</i>	<i>Total</i>
Cash and cash equivalents	\$ 504,456	\$ 5,808	\$43,294	\$ 553,558
Investments	1,098,704	7,467		1,106,171
Restricted assets	601,901	24,233		626,134
Total	\$2,205,061	\$37,508	\$43,294	\$2,285,863

B. Deposits

The County maintains a pool for substantially all cash and cash equivalents and investments. These balances are reflected in the financial statements as "cash and cash equivalents", "investments", or "restricted assets" as appropriate. Earnings are allocated monthly to each fund based on average daily balances of cash and investments.

All cash deposits are held in qualified public depositories pursuant to State Statutes. Under the Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 50% to 125% depending upon the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

C. Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity and performance measurement of investment securities that are permissible. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local Government Surplus Funds Trust Fund (LGSF Trust Fund), an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 101 percent of the cost of the repurchase agreements. There were no losses during the period due to default by counterparties to investment transactions and, in the opinion of County management, no types of investments during the period other than those permitted as enumerated above.

As of September 30, 2006, the County's investments consisted of the following (in thousands):

<i>Investment Type</i>	<i>Fair Value</i>	<i>Weighted Average Maturity (Days)</i>
U. S. Agencies	\$1,243,752	333
Repurchase Agreements with the State Board of Administration	212,315	37
Florida Local Government Investment Trust	11,363	1
Local Government Surplus Trust Fund	10,473	32
Commercial Paper	304,523	65
Money Markets with the State Board of Administration	292,671	1
Total Fair Value	\$2,075,097	
Portfolio Weighted Average Maturity		215 days

Interest Rate Risk - In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio within the following maturity categories: overnight - 25%, 2-3 days - 70%, 30-365 days - 80%, 366-547 days - 30%, 548 days-5years - 15%. As of September 30, 2006 the portfolio weighted average maturity was 215 days, and was in accordance with the County's investment policy.

Credit Risk - The County's investment policy contains specific rating criteria for certain investments. The policy states that commercial paper, bonds, notes, or obligations of the State of Florida, any municipality or political subdivision or any agency or authority of the state, if such obligations are rated, must be rated in one of the two highest rating categories by at least two nationally recognized rating agencies. Commercial paper not rated must be backed by a letter of credit or line of credit rated in one of the two highest rating categories. Bills of Exchange

or time drafts drawn on and accepted by a commercial bank must be rated in one of the two highest rating categories by Moody's Investor Service and/or Standard and Poor's Corporation. Funding agreements, investment agreements or guaranteed investment contracts issued pursuant to applicable state insurance regulations must either be rated by Best Insurance Reports in the two highest categories or the claims paying ability must be rated in one of the two highest general rating categories by Moody's Investor Service or Standard and Poor's Corporation or by a bank rated AA or better. Any investments in World Bank Notes, Bonds and Discount Notes must be rated AAA or equivalent by Moody's Investor Service and/or Standard and Poor's Corporation.

The County's investments in U.S. Treasuries and U.S. Agencies are rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor Services. Under Florida Statutes, investments with the State Board of Administration are entirely collateralized and insured by the State. Repurchase agreements and money markets with the State Board of Administration are not rated. Amounts held by the First Florida Governmental Financing Commission (the Commission) are in accordance with the County's loan agreement with the Commission and are insured or registered in the name of the Commission. The investments with the Commission are in U.S. Government and Agency Bonds. Deposits of the Commission are collateralized as public funds in accordance with Florida Statutes. The Commission is a separate legal government entity established under Chapter 163 of the Florida Statutes, is regulated by the State's Division of Banking and Finance, and is not registered with the Securities and Exchange Commission. The LGSF Trust Fund pools investments, is not registered with the Securities and Exchange Commission, and is administered by the Florida State Board of Administration, an agency of the State of Florida with regulatory oversight exercised by the State. These investments are not rated. They are valued using the pooled share price and decreased \$3,762,000 over the previous year's value. The Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the State of Florida. The FLGIT reports all share information at Net Asset Value and reflects fair value accounting in accordance with GASB Statement No. 31. The fair value of these investments increased \$412,000 over the prior year's value. The Standard and Poor's rating on these investments is AA+ at September 30, 2006. The County's investments in commercial paper are rated P-1 by Moody's Investor Services and A-1 by Standard & Poor's or higher.

Concentration of Credit Risk - The County places no limit on the amount that may be invested in securities of the U. S. Government and Agency thereof, or government sponsored corporation securities. The County requires that all other investments be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the Federal Home Loan Bank is 49% while the Federal Home Loan Mortgage Corporation is 10%.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2006 is as follows (in thousands):

<i>Governmental Activities:</i>	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
Capital assets not being depreciated:				
Land	\$ 395,930	\$ 4,102	\$ 7,701	\$ 392,331
Construction in progress	195,517	76,365	25,654	246,228
Total capital assets not being depreciated	591,447	80,467	33,355	638,559
Capital assets being depreciated:				
Buildings	772,055	34,266	2,505	803,816
Improvements	699,730	26,384	1,051	725,063
Equipment	569,068	54,866	17,839	606,095
Total capital assets being depreciated	2,040,853	115,516	21,395	2,134,974
Less accumulated depreciation for:				
Buildings	181,138	19,726	967	199,897
Improvements	185,579	18,171	40	203,710
Equipment	363,181	47,653	15,318	395,516
Total accumulated depreciation	729,898	85,550	16,325	799,123
Total capital assets being depreciated, net	1,310,955	29,966	5,070	1,335,851
Governmental activities capital assets, net	\$1,902,402	\$110,433	\$38,425	\$1,974,410
<i>Business-type Activities:</i>	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
Capital assets not being depreciated:				
Land	\$345,245	\$ 621		\$345,866
Construction in progress	178,345	116,261	\$ 65,082	229,524
Total capital assets not being depreciated	523,590	116,882	65,082	575,390
Capital assets being depreciated:				
Landfill	36,216			36,216
Property held for leasing	239,490	160		239,650
Buildings	1,000,990	25,799		1,026,789
Improvements	557,894	3,861		561,755
Equipment	677,325	42,588	9,595	710,318
Total capital assets being depreciated	2,511,915	72,408	9,595	2,574,728

Less accumulated depreciation for:				
Landfill	7,576	260		7,836
Property held for leasing	41,632	3,225		44,857
Buildings	240,995	32,231		273,226
Improvements	186,405	19,340		205,745
Equipment	214,268	30,641	8,112	236,797
Total accumulated depreciation	690,876	85,697	8,112	768,461
Total capital assets being depreciated, net	1,821,039	(13,289)	1,483	1,806,267
Business-type activities capital assets, net	\$2,344,629	\$103,593	\$66,565	\$2,381,657

Depreciation expense was charged to function/programs of the primary government as follow (in thousands):

Governmental Activities:	
General government	\$17,647
Public safety	3,363
Transportation	23,477
Human Services	1,915
Culture and Recreation	10,513
Physical Environment	4,076
Economic Environment	278
Sheriff	19,868
Property Appraiser	204
Supervisor of Elections	4,209
Total depreciation expense - governmental activities	\$85,550
Business-type Activities:	
Aviation	\$ 33,132
Port Everglades	20,352
Water and Wastewater	30,551
Resource Recovery	1,561
Other	101
Total depreciation expense - business-type activities	\$ 85,697

Construction Commitments

At September 30, 2006 the County had in process various uncompleted construction projects with remaining balances totaling approximately \$295,407,000. The retainage payable on these contracts totaled \$19,404,000. Funding for these projects is to be made primarily through the proceeds of related bond issues, loans and future taxes.

Property Held for Leasing

Property held for leasing consists of land and buildings leased under operating leases to commercial enterprises by the Aviation and Port Everglades Funds. Lease terms vary from one to ninety-nine years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination.

The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2006 (in thousands):

Years ending September 30:

2007	\$ 57,612
2008	53,819
2009	52,002
2010	49,473
2011	48,028
2012-2016	152,892
2017-2021	71,854
2022-2026	17,571
2027-2031	17,307
2032-2036	7,974
2037-2041	3,414
2042-2046	4,154
2047-2051	5,053
2052-2056	6,148
2057-2061	7,480
2062-2066	9,101
2067-2071	11,073
2072-2076	13,472
2077-2081	16,390
2082-2086	19,941
2087-2091	24,262
2092-2096	5,909

Total	\$654,929
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Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the tenant's gross revenue in excess of stipulated minimums. Contingent rentals for the fiscal year ended September 30, 2006 amounted to \$37,064,000.

The County has 25-year lease and use agreements with its major airline tenants (the signatory airline agreements). The agreements require that landing fees and terminal rentals be reviewed annually and adjusted as necessary so that the total revenue is sufficient to meet the Aviation Fund's requirements

as determined by the rate and charges model of the signatory airline agreements. At the end of the fiscal year, after all required deposits have been made, any remaining excess funds are used to meet the requirements in the following fiscal year. These excess funds have been recorded as deferred revenue by the Aviation Fund at September 30, 2006 and have been included in current liabilities payable from restricted assets. For the year ended September 30, 2006, these funds amounted to \$23,438,000.

Discretely Presented Component Units

Capital asset activity for the year ended September 30, 2006 is as follows (in thousands):

<i>Governmental Activities:</i>	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
Capital assets				
not being depreciated:				
Land	\$ 981	\$ 91		\$1,072
Construction in progress	55	10	\$ 65	
Total capital assets not being depreciated	1,036	101	65	1,072
Capital assets being depreciated:				
Buildings	1,115			1,115
Equipment	9,144	902	11	10,035
Total capital assets being depreciated	10,259	902	11	11,150
Less accumulated depreciation for:				
Buildings	303	28		331
Equipment	5,846	1,080		6,926
Total accumulated depreciation	6,149	1,108		7,257
Total capital assets being depreciated, net	4,110	(206)	11	3,893
Governmental activities capital assets, net	\$5,146	\$ (105)	\$ 76	\$4,965

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended September 30, 2006 are as follows (in thousands):

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Governmental Activities:					
General Obligation Bonds	\$ 611,605		\$ (33,830)	\$ 577,775	\$ 37,685
Special Obligation Bonds	234,515	\$176,765	(175,990)	235,290	11,360
Loans Payable and Other Obligations	108,857	12,940	(20,083)	101,714	18,079
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	21,965	(3,841)	(1,195)	16,929	
Claims and Judgments	57,167	33,263	(17,960)	72,470	27,780
Compensated Absences	86,023	76,797	(70,210)	92,610	21,649
Total	\$1,120,132	\$295,924	\$(319,268)	\$1,096,788	\$116,553
Business-type Activities:					
Revenue Bonds Payable	\$1,500,915		\$ (48,038)	\$1,452,877	\$ 58,747
Loan Payable and Other Obligations	29,966	\$ 5,000		34,966	13,000
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	(4,307)	(182)	(203)	(4,692)	
Compensated Absences	6,993	4,986	(3,235)	8,744	3,630
Other	17,500	2,570	(205)	19,865	374
Total	\$1,551,067	\$ 12,374	\$(51,681)	\$1,511,760	\$ 75,751

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. For the business-type activities, other long-term liabilities at September 30, 2006 included: landfill closure and post closure costs of \$18,565,000 and arbitrage rebate liabilities of \$1,300,000.

The debt service requirements for all bonds and loans outstanding as of September 30, 2006 are as follows (in thousands):

<i>Year Ending September 30</i>	<i>GOVERNMENTAL ACTIVITIES</i>						<i>BUSINESS-TYPE ACTIVITIES</i>			
	<i>General Obligation Bonds</i>		<i>Special Obligation Bonds</i>		<i>Loans Payable and Other Obligations</i>		<i>Total</i>		<i>Revenue Bonds Payable</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2007	\$ 37,685	\$27,113	\$11,360	\$12,237	\$18,079	\$4,411	\$ 67,124	\$ 43,761	\$ 58,747	\$ 71,579
2008	42,305	25,400	15,235	10,879	14,300	3,755	71,840	40,034	60,744	69,332
2009	47,285	23,457	15,880	10,222	10,735	3,138	73,900	36,817	63,731	66,977
2010	52,665	21,145	16,635	9,446	9,940	2,690	79,240	33,281	85,290	64,098
2011	37,450	18,989	11,900	8,668	10,340	2,279	59,690	29,936	72,105	60,736
2012-2016	118,880	75,794	44,795	36,652	23,005	6,489	186,680	118,935	297,785	253,563
2017-2021	139,300	43,991	42,585	27,124	9,710	2,564	191,595	73,679	288,125	178,093
2022-2026	102,205	8,757	54,810	14,852	4,455	963	161,470	24,572	335,325	92,920
2027-2031			22,090	1,775	1,150	93	23,240	1,868	191,025	20,511
Total	\$577,775	\$244,646	\$235,290	\$131,855	\$101,714	\$26,382	\$914,779	\$402,883	\$1,452,877	\$877,809

Governmental loans payable and other obligations above include: First Florida loans amounting to \$61,505,000 of principal and \$20,886,000 of interest; Certificates of Participation amounting to \$35,855,000 of principal and \$5,414,000 of interest and commercial paper amounting to \$4,354,000 of principal and \$82,000 of interest. Also, claims and judgments include an arbitrage liability of \$589,000.

Certain bond indentures contain provisions as to annual debt service, sinking fund, and minimum net revenue requirements. In addition, certain indentures require maintenance of various

accounts and specify the deposits to be made to such accounts. At September 30, 2006, the County was in compliance with significant debt covenants.

Business-type loans payable and other obligations above includes an interest-free State Infrastructure Bank Loan amounting to \$29,966,000 with repayment terms of \$8 million in fiscal year 2007, \$4.8 million in fiscal year 2008 thru 2011 and \$2.8 million in fiscal year 2012 and commercial paper amounting to \$5,000,000 to be repaid during fiscal year 2007.

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2006 (dollars in thousands):

	Primary Purpose	Type	Interest Rate (%)	Payment Dates
Governmental Activities				
General Obligation Bonds (GOB):				
1986 Public Improvement Refunding	Refunding Issue	serial	12.5	1-1 7-1
2001 GOB A	Library Project	serial	4.0-5.25	1-1 7-1
2001 GOB B	Refunding Issue	serial	4.0-5.0	1-1 7-1
2003 GOB Refunding	Refunding Issue	serial	2.0-5.0	1-1 7-1
2004 GOB	Parks and Land Preservation Project	serial	2.0-5.0	1-1 7-1
2005 GOB	Parks and Land Preservation Project	serial	3.0-5.0	1-1 7-1
Total General Obligation Bonds				
Special Obligation Bonds:				
1995 Special Obligation Refunding	Refunding Issue	serial	4.875-5.5	1-1 7-1
1995 Special Obligation Refunding	Refunding Issue	term	5.0	1-1 7-1
1996 Professional Sports Facilities	Civic Arena	serial	4.8-7.69	3-1 9-1
1996 Professional Sports Facilities	Civic Arena	term	5.62-8.11	3-1 9-1
1998 Gas Tax Refunding	Refunding Issue	serial	4.0-5.25	3-1 9-1
2004 Tourist Development Tax	Refunding Issue	serial	3.0-3.375	4-1 10-1
2006 Professional Sports Facilities	Civic Arena - Refunding Issue	serial	4.0-5.84	3-1 9-1
2006 Professional Sports Facilities	Civic Arena - Refunding Issue	term	5.0-5.99	3-1 9-1
Total Special Obligation Bonds				
Business-type Activities				
Revenue Bonds:				
Aviation Fund				
1998 E Airport System Revenue	Refunding Issue	serial	4.8 - 5.1	4-1 10-1
1998 F Airport System Revenue	Construction and Improvement	serial	4.0-4.74	4-1 10-1
1998 G Airport System Revenue	Improvements	serial	3.70-5.125	4-1 10-1
1998 G Airport System Revenue	Improvements	term	5.0	4-1 10-1
1998 H-1 Passenger Facility Charge	Improvements	serial	3.10-5.25	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	serial	4.70-5.125	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	term	4.75	4-1 10-1
2001 I Passenger Facility Charge	Improvements	term	4.0-5.75	4-1 10-1
2001 J-1 Airport System Revenue	Improvements	term	5.25-5.75	4-1 10-1
2001 J-2 Airport System Revenue	Improvements	term	5.8-6.9	4-1 10-1
2003 K Airport System Revenue	Refunding Issue	serial	2.0-6.0	4-1 10-1
2004 L Airport System Revenue	Improvements	serial	2.0-4.6	4-1 10-1
2004 M1 Airport System Revenue	Improvements	serial	auction	monthly
2004 M2 Airport System Revenue	Improvements	serial	auction	monthly
Total Aviation Bonds				
Port Everglades Fund				
1989 A Port Facilities Refunding	Refunding Issue	capital appreciation	7.4-7.45	3-1 9-1
1989 A Port Facilities Refunding	Refunding Issue	term	5.0-7.5	3-1 9-1
1998 A Port Facilities Revenue	Refunding issue	serial	4.4-4.8	3-1 9-1
1998 B Port Facilities Revenue	Refunding Issue	serial	4.25-4.5	3-1 9-1
1998 B Port Facilities Revenue	Refunding Issue	term	5.0	3-1 9-1
1998 C Port Facilities Revenue	Capital Improvements	serial	5.375	3-1 9-1
1998 C Port Facilities Revenue	Capital Improvements	term	5.0	3-1 9-1
1998 Subordinate Port Facilities	Refunding Issue	serial	5.003	Monthly
Total Port Everglades Bonds				
Water and Wastewater Fund				
1988 Water and Sewer Utility	Construction and Refunding Issue	capital appreciation	7.0-7.5	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	serial	2.0-5.0	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	term	4.625	4-1 10-1
2003 B Water and Sewer Utility	Refunding Issue	serial	2.5-5.0	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	serial	5.0	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	term	5.0	4-1 10-1
Total Water and Wastewater Bonds				
Resource Recovery Fund				
2003 A Solid Waste System	Refunding Issue	serial	2.913-3.476	1-1 7-1
2003 B Solid Waste System	Refunding Issue	serial	4.0	1-1 7-1
Total Resource Recovery Bonds				
Total Revenue Bonds				

<i>Year</i>	<i>Optional Redemption Premium</i>	<i>Final Maturity Date</i>	<i>Original Amount Issued</i>	<i>Retired/Refunded</i>	<i>Accretion</i>	<i>Outstanding September 30</i>
N/A	N/A	7-1-2006	\$174,385	(\$174,385)		-
2011	1%	1-1-2021	135,135	(11,805)		\$123,330
N/A	N/A	1-1-2012	146,620	(47,135)		99,485
N/A	N/A	1-1-2010	46,640	(19,380)		27,260
2014	N/A	1-1-2024	187,770	(14,205)		173,565
2015	N/A	1-1-2025	154,135			154,135
						\$577,775
2006	1%	1-1-2010	37,605	(24,205)		\$13,400
2006	1%	1-1-2012	7,790			7,790
2006	1-2%	9-1-2010	36,815	(36,815)		-
2006	1-2%	9-1-2028	147,285	(147,285)		-
N/A	N/A	9-1-2010	51,760	(31,850)		19,910
2011	N/A	10-1-2013	19,280	(1,855)		17,425
2016	N/A	9-1-2028	125,490			125,490
2016	N/A	9-1-2028	51,275			51,275
						\$235,290
2008	1%	10-1-2013	75,560			\$75,560
2008	1%	10-1-2009	10,530	(5,340)		5,190
2008	1%	10-1-2018	44,635	(7,630)		37,005
2019	N/A	10-1-2023	18,880			18,880
2008	1%	10-1-2015	66,620	(22,510)		44,110
2008	1%	10-1-2018	20,270			20,270
2019	N/A	10-1-2023	39,780			39,780
2011	1%	10-1-2026	41,855	(3,360)		38,495
2011	1%	10-1-2026	135,970			135,970
2016	N/A	10-1-2021	149,185	(1,905)		147,280
N/A	N/A	10-1-2009	87,360	(24,080)		63,280
2014	1%	10-1-2027	142,015	(3,665)		138,350
N/A	N/A	10-1-2029	72,750			72,750
N/A	N/A	10-1-2029	32,475	(1,425)		31,050
						\$867,970
N/A	N/A	9-1-2010	37,875	(34,398)	\$8,658	\$12,135
N/A	N/A	9-1-2016	79,580	(26,395)		53,185
2008	1%	9-1-2012	13,195			13,195
N/A	N/A	9-1-2006	615	(615)		-
2008	1%	9-1-2027	79,825			79,825
2008	N/A	9-1-2012	43,795			43,795
2008	N/A	9-1-2027	28,645			28,645
2008	2%	9-1-2027	49,000	(4,560)		44,440
						\$275,220
N/A	N/A	10-1-2008	8,466	(13,421)	11,717	\$6,762
2014	N/A	10-1-2025	84,415	(95)		84,320
2014	N/A	10-1-2027	20,215			20,215
2014	N/A	10-1-2027	99,370	(8,435)		90,935
2015	N/A	10-1-2026	23,065			23,065
N/A	N/A	10-1-2030	53,675			53,675
						\$278,972
N/A	N/A	7-1-2011	34,800	(4,085)		\$30,715
N/A	N/A	7-1-2006	11,060	(11,060)		-
						\$30,715
						\$1,452,877

Special Obligation Bonds

In fiscal year 2006, the County issued \$176,765,000 Professional Sports Facilities Tax and Revenue Refunding Bonds (Civic Arena), Series 2006 A&B to refund the outstanding Professional Sports Facilities Tax and Revenue (Civic Arena), Series 1996 A&B.

As a result of the refunding, the County reduced its total debt service requirement by \$11,136,000, which resulted in an economic gain (the difference between the present value of debt service payment on the old and new debt) of \$1,419,000.

The Operating Agreement of the Professional Sports Facilities Civic Arena provides for the "County's Preferred Revenue Allocation" which is paid to the County by the Operator from Facilities Operating Revenues prior to paying Facility Operating Expense or making any other payments. The "County's Preferred Revenue Allocation" is the annual amount equal to the difference between (a) the actual amount of the County's debt service on the Bonds and (b) \$10,000,000. Upon issuance of the Series 2006 Bonds, the County Preferred Revenue Allocation amount will change based on the actual amount of debt service on the Series 2006 Bonds.

In March 2004, the County entered into a Swaption as a means to refund the Professional Sports Facilities Tax and Revenue Bonds, Series 1996 A&B (Broward County Civic Arena Project) on or around the call date of September 1, 2006, and achieve upfront savings.

On July 12, 2006, the County exercised its right to optionally terminate the Swaption. A termination payment in the aggregate amount of \$15,645,000 was paid by the County from the proceeds of the Series 2006 Bonds.

First Florida Governmental Financing Commission Loans Payable

The First Florida Governmental Financing Commission (the "Commission") was created pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes, as amended. The current members of the Commission are: Broward County, Florida; City of Hollywood, Florida; City of Boca Raton, Florida; City of Gainesville, Florida; City of Clearwater, Florida; City of Sarasota, Florida and the City of St. Petersburg, Florida.

The Commission is a separate legal entity and public body permitted to authorize, issue and sell bonds for the purpose of financing or refinancing any capital projects for its members. The Commission's stated purpose is to enable its participating members to benefit from the economies of scale associated with large financings.

The proceeds of the Commission's bonds are used to fund loans to the participating members. The repayment terms of the loan agreements are designed to provide for the payment of principal and interest on the bonds when due.

It is the Bond Counsel's opinion that each member of the Commission is liable only to the extent of the payments on its loan agreement.

At September 30, 2006, the County had loans payable to the Commission totaling \$61,505,000.

In fiscal year 2006, loans totaling \$12,940,000 were issued. Proceeds of \$5,470,000 from these loans were used to finance

a fire station to serve the City of Pembroke Park and City of West Park and \$7,470,000 was used to refund a portion of Taxable Series 2000B loans. The reacquisition price of refunding debt exceeded the net carrying amount of the old debt by \$1,178,000. This amount is being netted against the new debt and amortized over the new debt's life. As a result of the refunding, the County reduced its total debt service requirement by \$740,000, which resulted in an economic gain (the difference between the present value of debt service payment on the old and new debt) of \$482,000.

The loans are included in Loans Payable and Other Obligations of Governmental Activities in the Long-Term Obligations and are due in annual installments through 2028. Interest on these loans is at fixed rates ranging from 3.6% to 8.0% payable semi-annually.

Sales Tax Revenue Commercial Paper Program

The County utilizes a multi-purpose commercial paper program (the "Program") for financing a variety of public projects. The Program is supported by a \$125,000,000 credit facility agreement and a pledge of the County's share of the Local Government Half Cent Sales Tax. Under the Program, maturing commercial paper will either be refunded with new commercial paper or retired from general or project related revenues, proceeds from new bond issues or proceeds from State or Federal grants.

As of September 30, 2006, the County had Sales Tax Revenue Commercial Paper Notes outstanding of \$9,354,000 of which \$4,354,000 is included in Loans Payable and Other Obligations of the Governmental Activities Long-Term Obligations; and \$5,000,000 is included in the Business-Type Activities. During fiscal year 2006, \$1,483,000 was redeemed in the Governmental Activities. Interest rates on outstanding notes during fiscal year 2006 ranged from 3.58% to 3.60%. These notes will be repaid in fiscal year 2007.

Commercial paper activity for the year ended September 30, 2006 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	\$5,837		\$(1,483)	\$4,354
Business-type activities		\$5,000		5,000
Total	\$5,837	\$5,000	\$(1,483)	\$9,354

Obligation under Lease Purchase Agreements - Certificates of Participation

The County has entered into Master Lease-Purchase Agreements (the "Lease Agreements") with the Broward County Commission Governmental Leasing Corporation (the "Corporation"), a single purpose not-for-profit Florida Corporation, to finance the acquisition, construction and or equipping of certain facilities. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities, with the County as lessee. The County Commissioners serve as the Board of Directors of the Corporation. The Corporation has title to the facilities subject to the rights of the County under the terms of the Lease Agreements. A Trustee has been appointed to collect and disburse all amounts due under the Lease Agreements.

Simultaneously with the Lease Agreements, the Corporation issued Certificates of Participation Series 1998 and Series

2004 (the "Certificates"), to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the County, as lessee. The Lease Agreements further provide for successive one year renewal lease terms unless earlier termination following an event of default or a non-appropriation of funds to make the lease payments. Failure to appropriate funds to pay the lease payments will result in termination of the Lease Agreements and the return of certain of the leased property to the Trustee.

The basic rent payments and, consequently, the principal and interest components payable to the owners of Certificates are payable solely from revenue appropriated by the County for that purpose. The County is not legally required to appropriate sums for the purpose of making the lease payments and the Certificates are not general obligations or a pledge of the faith and credit of the County. Payments of principal and interest on the Series 1998 and Series 2004 Certificates are insured by AMBAC Indemnity Corporation and Municipal Bond Investor Assurance Corporation (MBIA), respectively, under municipal bond insurance policies.

Basic lease payments represented by the Certificates are payable to the owners of the Certificates on each December 1 and June 1, and will be reflected as debt service expenditures when remitted to the Trustee.

The obligation through maturity to the holders of the Certificates, which will be serviced by the annual lease payments, is as follows (in thousands):

Year ended September 30	Total Payments
2007	\$ 6,717
2008	6,721
2009	6,718
2010	6,729
2011	6,725
2012-2013	7,659
Total	41,269
Less Interest	5,414
Principal Outstanding	\$35,855

Interest on the Certificates ranges from 2.00% to 5.00%. The principal amount of the Certificates has been included in Loans Payable and Other Obligations of Governmental Activities in the Long-Term Obligations at September 30, 2006.

Derivative Disclosure - Interest Rate Swap

Objective of the interest rate swap - The County entered into an interest rate swap agreement for \$49,000,000 of its variable rate 1998 Series Subordinate Port Facilities Bonds for the outstanding period of the bonds as a means to lower its true borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of the swap was to effectively change the County's variable interest rate. Based on the swap agreement, the County pays a synthetic fixed rate of 5.003% to the counterparty to the swap. In return, the counterparty owes the County interest based on a variable rate that matches the rate required by the bonds. Only the net difference in interest payments is actually exchanged with the counterparty. The bond principal is not exchanged; it is the initial notional amount upon which the interest payments are calculated.

Terms - The bonds and the related swap agreement mature on September 1, 2027, and the swap's notional amount of \$49,000,000 matches the principal amount of the bonds issued. The swap was entered into at the same time that the bonds were issued (September 1998). The notional value of the swap and the principal amount of the associated debt declined beginning in fiscal 2003. The bonds are also subject to optional redemption beginning in 2008. Under the swap, the County pays the counterparty a fixed payment of 5.003% and receives a variable payment computed by the remarketing agent that would cause the bonds to have a market value equal to the principal thereof, plus accrued interest, under prevailing market conditions as of the date of the determination.

Fair value - As of September 30, 2006, the swap had a negative fair value of \$3,594,000 because interest rates have declined since the execution of the swap. However, the bonds do not have a corresponding fair value increase because the coupons on the County's variable-rate bonds adjust to changing interest rates. The fair value was estimated using the proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model-based mid-market levels when actual levels are not available.

Credit risk - As of September 30, 2006, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value become positive, the County could be exposed to credit risk in the amount of the swap's fair value. The swap counterparty has guaranteed all payments and is rated Aaa/AAA/AAA by the major rating agencies. To mitigate potential credit risk, if the counterparty's ratings are downgraded, it will collateralize the swap liability to the County with securities, consisting of obligations of the United States Government, mortgage participation certificates of the Federal Home Mortgage Corporation or the Federal National Mortgage Association, or such other securities as the parties mutually agree to. Collateral would be deposited with a third-party custodian.

Basis risk - Municipal interest rate swaps are normally based on a fixed payment and an indexed variable receipt instead of the actual variable debt payment. Any difference between the indexed variable receipt and the actual market-determined variable rate paid on the bonds is called "basis risk." Under the swap, the County will be paid the actual market-determined variable borrowing rate on the swap, as determined by the remarketing agent, which eliminates the basis risk.

Termination risk - Under certain conditions, the County or the counterparty may terminate the swap. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate but would become fixed-rate bonds. While this could increase the County's total debt service if at the time of termination the swap has a negative fair value by approximately the amount of such negative fair value, the counterparty would have no claim against the County for any other compensation.

Swap payments and associated debt - As interest rates vary, the variable-rate interest payments and swap payments will

vary. Using rates as of September 30, 2006, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands):

Year Ending September 30	Variable-Rate Bonds		Total
	Principal	Interest	
2007	\$ 1,280	\$ 2,112	\$ 3,392
2008	1,340	2,052	3,392
2009	1,405	1,988	3,393
2010	1,470	1,921	3,391
2011	1,540	1,851	3,391
2012-2016	8,870	8,085	16,955
2017-2021	11,190	5,767	16,957
2022-2026	14,110	2,843	16,953
2027-2028	3,235	154	3,389
Total	\$44,440	\$26,773	\$71,213

The interest rate swap agreement does not affect the obligation of the County under the Indenture to repay the principal and variable interest on the Series 1998 bonds. However, during the term of the swap agreement, the County effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds [presented in this note] are based on that fixed rate. The County will be exposed to variable rates if the counter party to the swap defaults or if the swap agreement is terminated. A termination or default of the swap agreement may also result in the County making or receiving a termination or default payment, generally equal to the fair value of the swap agreement at the time of termination.

Defeased Bonds

The County has entered into refunding transactions whereby refunding bonds have been issued to facilitate the retirement of the County's obligation with respect to certain bond issues already outstanding. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. Refunded bonds are not included in the County's outstanding long-term debt since the County has legally satisfied its obligations through the refunding transactions.

The following is a summary of the County's defeasance transactions (in thousands):

Year of Defeasance	Bond Issue(s) Defeased	Principal Outstanding Sept. 30, 2006
1978	Water and Sewer Revenue Bonds Series 1968, 1975 & 1977	\$ 540
1989	Water & Sewer Revenue 1978 Series A	16,060
1989	Port Facilities Revenue Bonds Series 1986	63,305
1994	Tourist Development Tax Special Revenue Bonds Series 1988	1,639
1998	Port Facilities Refunding Bonds Series 1989A (Partial)	23,769
2006	Professional Sports Facilities Tax and Revenue Bonds Series 1996 A & B	163,955

Conduit Debt

The two component units of the County, Broward County Health Facilities Authority (HeFA) and Broward County

Housing Finance Authority (HFA), are authorized to issue bonds to fulfill their corporate purposes. Bonds issued by HeFA and HFA shall not be deemed to constitute a debt of the HeFA, HFA, the County, or any political sub-division thereof. As of September 30, 2006 the total revenue bonds outstanding of HeFA and HFA are \$716,195,000.

The County authorized the issuance of the Resource Recovery Refunding Revenue Bonds, Series 2001A (Wheelabrator North Broward Inc. Project and the Wheelabrator South Broward Inc. Project) in the aggregate principal amount of \$150,700,000 and \$175,665,000, respectively. The proceeds of the Series 2001 Bonds (North and South Sites) were used to refund all of the County's Resource Recovery Revenue Bonds, Series 1984 (Broward Waste Energy Company, L.P. North Project and SES Broward Company, L.P. South Project) which were outstanding and pay certain costs of issuance of the Series 2001 Bonds (North and South Sites).

There are also other industrial development bonds issued by the County which are not deemed to constitute a debt to the County or any political sub-division thereof. The County does not maintain the total outstanding balance of these bonds.

NOTE 5 - RISK MANAGEMENT

The County 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. Under the County's Risk Management Program, the Self-Insurance Fund provides coverage for up to a maximum of \$2,000,000 (Self-Insured Retention Limit) for each workers compensation occurrence. In addition, the County has purchased excess coverage for losses above the self-insured retention limit. Mass transit, auto liability, medical malpractice, and general liability are entirely self-insured, with the County providing coverage up to the statutory limits of \$100,000 per person and \$200,000 per occurrence. The County (through the Self-Insurance Fund) purchases commercial insurance for life, disability, airport liability, property damage, and numerous smaller policies that are required by lease agreements, union contracts, state statutes, etc. Settled claims have not exceeded this commercial coverage in the past three years.

The Sheriff's Office operates a Self-Insurance Program for general, professional and auto liability risks. The Sheriff provides coverage up to the statutory limits of \$100,000 per person and \$200,000 per occurrence. Excess coverage for losses up to \$5,000,000 per occurrence is provided through commercial coverage. Settled claims have not exceeded this commercial coverage in the past three years.

Funds participating in the Risk Management Program make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish reserves for all losses. The actuarial estimates include the effects of specific, incremental claim adjustment expenses, salvage, subrogation and other allocated claim adjustments.

The reserves for the Self-Insurance Fund totaled \$71,881,000 at September 30, 2006 and are reported as a liability of the Self-Insurance Fund. Participating funds are indemnified against any losses in a given year in excess of the fees charged. Fees charged are expensed as incurred in all funds. The total claims liability at September 30, 2006 reflects management's loss estimates of

\$34,214,000 for all reported claims and \$50,611,000 for claims incurred but not reported, net of a discount of \$12,944,000 computed based on a projected interest rate of 5.00%. The net assets accumulated in the County's Self-Insurance Fund are designated for future catastrophic losses or for the purchase of additional commercial insurance against such losses when available at advantageous rates.

Changes in the Fund's claims liability amount in fiscal 2005 and 2006 were (in thousands):

<i>Fiscal Year</i>	<i>Liability October 1</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Liability Claim Payments</i>	<i>September 30</i>
2005	\$53,074	\$24,769	\$20,676	\$57,167
2006	\$57,167	\$32,674	\$17,960	\$71,881

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NOTE 6 – INTERFUND BALANCES AND INTERFUND TRANSFERS

Interfund Balances

Interfund balances at September 30, 2006 are as follows (in thousands):

		Due From					Total
		General Fund	Sheriff Operations	Resource Recovery	Nonmajor Governmental	Nonmajor Enterprise	
Due To	General Fund		\$23,879	\$38	\$ 4,066	\$849	\$28,832
	Sheriff Operations	\$ 319			950		1,269
	County Transportation Trust	91					91
	Capital Outlay Reserve				3,607		3,607
	Resource Recovery					3	3
	Nonmajor Governmental	70			4,334		4,404
	Internal Service	7,634	585		30		8,249
Total		\$8,114	\$24,464	\$38	\$12,987	\$852	\$46,455

The \$23,879,000 due from the Sheriff Operations to the General Fund represents \$23,788,000 for unexpended County appropriation, and \$91,000 for services provided to the Sheriff that includes maintenance, warehouse use, and communications. The \$4,066,000 due from Nonmajor Governmental to the General Fund represents \$2,623,000 unexpended County appropriation by the Property Appraiser and \$1,443,000 unexpended County appropriation by the Supervisor of Elections. The \$7,634,000 due from the General Fund to Internal Service represents the liability incurred in the Self Insurance Fund from the Sheriff in fiscal year 2006.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Interfund transfers for the year ended September 30, 2006 are as follows (in thousands):

		Transfer From						Total
		General Fund	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	Resource Recovery	Nonmajor Governmental	
Transfer To	General Fund		\$23,891	\$39,856	\$1,438		\$14,698	\$ 79,883
	Sheriff Operations	\$652,890						652,890
	Capital Outlay Reserve	70,016					2,021	72,037
	Resource Recovery							\$ 27
	Nonmajor Governmental	70,919		46,292	138		80,470	197,819
	Enterprise	88				\$300		588
	Internal Service	150			92			242
Total		\$794,063	\$23,891	\$86,148	\$1,668	\$300	\$97,189	\$227

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (4) fund the following Constitutional Officers: Sheriff, Property Appraiser, and Supervisor of Elections.

The transfer of \$23,891,000 from the Sheriff Operations to the General Fund represent \$23,788,000 for the Broward Sheriff's Office operating (cash) surplus for the fiscal year ended September 30, 2006, and \$103,000 of unused capital appropriation that was returned during the fiscal year. Included in the \$14,698,000 transfer from the Nonmajor Governmental Funds to the General Fund is a transfer of \$10,109,000 from a Debt Service Fund which was transferred back to the Debt Service Fund in order to make debt service payments.

NOTE 7 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. Although closure and postclosure care costs will be paid only near or after the landfill stops accepting waste, the County recognizes a portion of these costs as an operating expense in each period based on landfill capacity utilized.

At September 30, 2006, the County estimates that the cost of permanently capping and maintaining its landfills in accordance with existing regulations will be \$40,151,000. Of this amount, the County has accrued a liability of \$18,565,000 based on amortizing the total estimated cost over the operational life of the landfills.

Of the total liability, \$374,000 is included in current liabilities payable from restricted assets and \$18,191,000 is included in other long-term liabilities on the Proprietary Funds - Statement of Net Assets.

The County's three landfills are the Davie landfill, which has been closed, the interim contingency landfill and the resource recovery landfill.

A summary of the landfill accounts is as follows (in thousands):

	<i>Davie Landfill</i>	<i>Interim Contingency Landfill</i>	<i>Resource Recovery Landfill</i>
Liability 9/30/06	\$2,603	\$9,301	\$6,661
Estimated total closure and postclosure care costs remaining to be recognized		10,784	10,802
Estimated remaining life of landfill (in years)	N/A-closed	18	5
Capacity used to date	100%	51%	45%

The \$40,151,000 cost estimate is considered sufficient by County management and the County's consulting engineer. However, existing regulations may change which may require the County to incur additional closure and postclosure costs.

The County is required by state laws and regulations to make annual deposits to finance closure and postclosure care. At September 30, 2006, cash and investments of \$21,165,000 are held for these purposes. These are reported as restricted assets on the Proprietary Funds - Statement of Net Assets. The County expects that future inflation costs will be paid from interest earnings on these annual deposits. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

NOTE 8 - LARGE USER AGREEMENTS

The County has entered into agreements with large (wholesale) users of the North Regional Wastewater System (the System). These agreements provide that the cost of operating the System be charged to each large user on the basis of each user's proportionate share of total gallons processed. In addition, each large user is charged a debt service fee for the principal, interest and debt coverage requirements

on debt issued to finance the construction of the North Regional Wastewater Treatment Facility. The debt service charge is based on the relative percentage of reserve capacity designated for each user to total reserved capacity.

NOTE 9 - RELATED PARTY TRANSACTIONS

The County allocates certain support department costs which include legal, fiscal, purchasing, personnel, internal audit and communication costs to other County departments. Certain funds are also charged for the cost of services provided by the Self-Insurance, Fleet Services and Print Shop Funds. Costs of approximately \$82,066,000 for the above-mentioned services were allocated between funds during the year ended September 30, 2006.

NOTE 10 - PENSION COSTS

The County participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer Public Employment Retirement System (PERS), which covers substantially all permanent full and part-time County employees. The FRS is noncontributory and is totally administered by the State of Florida.

Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest fiscal years of earnings. The Florida Retirement System provides vesting of benefits after six years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes benefits.

FRS issues an annual financial report. A copy can be obtained by sending a written request to:

Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

The County's required contribution rate is established by State statute, and ranges from 7.83% to 18.53% of covered payroll, based on employee risk groups. The required contribution by the County to the FRS for the fiscal year ended September 30, 2006 was approximately \$78.9 million compared to \$69 million for the year ended September 30, 2005, and \$65.9 million for the year ended September 30, 2004. This represents an average contribution of approximately 12.2% of covered payroll in fiscal year 2006, 11.3% in fiscal year 2005, and 11.1% in fiscal year 2004. The County has met all contribution requirements for the current year and two preceding years.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

The County allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement but does not contribute to the cost of such benefits. Employees and their beneficiaries pay the same group rates as are charged to the County for active employees. The unfunded actuarial accrued liability for the value of these benefits as of July 1, 2005, the date of the last actuarial valuation, was \$34,140,000. As of September 30, 2006, there were 210 retired employees continuing health insurance benefits with the County.

The Broward Sheriff's Office provides a postemployment health insurance benefit for employees and sworn officers. Upon normal retirement, employees receive a 2% monthly discount for every year of service with the Broward Sheriff's Office up to a maximum of a 50% reduction of the total cost of their health insurance premiums. The total discount amount is based on years of service, plan design, and level of coverage. The benefit continues on a pay-as-you-go basis as long as the retiree maintains the insurance coverage. The unfunded actuarial accrued liability for the value of these benefits as of October 1, 2005, the date of the last actuarial valuation, was \$269,898,000. As of September 30, 2006, there were approximately 413 retired employees receiving the benefit with an average of 50 additional retirees each year for future participation calculations. Payments during fiscal 2006 totaled \$1,616,000.

The County has not yet adopted a funding policy regarding these benefits and is on a pay-as-you-go method.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

The County is currently actively engaged in various lawsuits including cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, declaratory relief and cases for which the County has insurance or is named as a nominal defendant. The County Attorney is of the opinion that the possible exposure resulting from any ultimate resolution of litigation in which the County is a defendant would not have a material effect upon the financial statements of the County.

Federal and State of Florida grants are subject to audit by the granting agencies to determine if activities comply with conditions of the grant. Management believes that no material liability will arise from any such audits.

The County leases office facilities and equipment under various leases, most of which have been executed on a year-to-year basis. Rental expenses for equipment leases and office facilities for

the year ended September 30, 2006 amounted to \$5,475,000. Future commitments under operating leases at September 30, 2006, are not material.

In connection with the financing and construction of two recovery plants, the County and twenty-five municipalities have entered into agreements requiring, among other things, the delivery of a minimum number of tons of processable waste to the plants during each of the next five years. To the extent that the minimum annual tonnage is not delivered, the County and the contract municipalities are required to make payments sufficient to compensate the operators of the plants for the undelivered tonnage at the then current tipping fees. In addition, the agreement with the operators of the plants provides for an annual adjustment to the base tipping fee.

The County and the contract municipalities have agreed to assess, through the Broward County Solid Waste Disposal District, uniform service fees on all improved real property sufficient to pay any system cost not covered by tipping fees, including the cost of any undelivered tonnage.

During fiscal year 2006, the County was obligated to deliver 1,095,000 tons of processable waste to the plants. Actual deliveries were 1,274,800 tons. As a result, the County exceeded the minimum tonnage commitment.

In connection with the Resource Recovery Refunding Revenue Bonds Series 2001A (Wheelabrator North Broward Inc. Project and the Wheelabrator South Broward Inc. Project) (see Note 4); the refunding of the outstanding Resource Recovery Bonds will generate a net present value savings of approximately \$43.8 million. These savings will be realized over a period of eight years, commencing March 1, 2001. Based on a bond refund savings sharing agreement, Waste Management, Inc. will receive approximately \$13.1 million with the balance of \$30.7 million going to the Solid Waste System, the County and twenty-five municipalities.

**Required
Supplementary
Information**

GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

GENERAL FUND

To account for all financial resources except those required to be accounted for in other funds.

SPECIAL REVENUE FUNDS

Sheriff Operations Fund – To account for the general operations of the Sheriff.

County Transportation Trust Fund – To account for funds received for construction and maintenance of roads, bridges, and traffic engineering.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

State Statutes require that all county governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States. The BOCC, after review of the tentative budgets, holds public hearings and then adopts the annual budget for the General, certain Special Revenue and Debt Service Funds. The Constitutional Officers, except for the Clerk of the Courts, prepare annual operating budgets for their general funds which are reflected as Special Revenue Funds in the fund financial statements. No annual budgets are established for the Sheriff's Special Revenue Fund, the Park Open Space and Recreational Trust Fund, the Other Trust Funds and the Capital Projects Funds. The Sheriff's Special Revenue Fund has no budget since all costs incurred are budgeted in the Sheriff's General Fund and are reimbursed by the Sheriff's

Special Revenue Fund. The Park Open Space and Recreational Trust Fund and the Other Trust Funds do not require budgets since expenditures are controlled by the fund balance. The Capital Projects Funds are budgeted on a multi-year basis. All governmental fund appropriations lapse at year end except capital outlay items.

The appropriated budget is prepared by fund, department and division on the same basis of accounting as required for governmental fund types and conforms with GAAP. By local budget policy, transfers of appropriations between departments and overexpenditure of appropriations at the department level require the approval of the Board. The County legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the department level.

GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 806,182	\$ 808,389	\$ 780,994	\$(27,395)
Special Assessment/Impact Fees	2,098	2,098	2,048	(50)
Licenses and Permits	15,300	15,330	21,870	6,540
Federal Grants	52,625	61,855	90,515	28,660
State Revenues:				
Revenue Sharing	28,428	29,302	30,112	810
Grants	32,600	34,531	26,535	(7,996)
Licenses	568	568	612	44
One-Half Cent Sales Tax	56,573	57,990	61,303	3,313
Charges for Services	324,766	333,998	316,656	(17,342)
Fines and Forfeitures	3,613	3,613	4,413	800
Interest Income	10,054	10,114	24,652	14,538
Miscellaneous Revenues	19,657	24,445	51,510	27,065
Subtotal	1,352,464	1,382,233	1,411,220	28,987
Less 5% of Anticipated Revenues	(52,590)	(53,469)		53,469
Total Revenues	1,299,874	1,328,764	1,411,220	82,456
Expenditures:				
Current:				
General Government				
County Commission	12,897	13,116	12,073	1,043
Supervisor of Elections	92	109	116	(7)
Sheriff - Communications			103	(103)
County Administrator	4,011	4,614	4,182	432
Office of Management and Budget	40,694	41,048	45,992	(4,944)
Office of Professional Standards	455	474	272	202
Governmental Relations	3,684	4,028	3,709	319
Finance and Administrative Services	63,744	70,484	49,617	20,867
Boards and Other Agencies	3,371	3,532	4,185	(653)
Judicial	10,699	12,077	8,754	3,323
Environmental Protection			828	(828)
Urban Planning and Redevelopment	22,281	22,047	18,564	3,483
Public Works and Transportation - Administration	37,281	39,606	38,934	672
Total General Government	199,209	211,135	187,329	23,806
Public Safety				
County Administration - Emergency Management Operations	2,962	3,146	3,522	(376)
Human Services - Medical Examiner and Trauma Services	5,463	5,572	7,012	(1,440)
Community Services - Consumer Affairs	2,492	2,564	2,544	20
Public Works and Transportation - Detention and Correction Facilities			2,535	(2,535)
Public Works and Transportation - Judicial Complexes	415	965	595	370
Public Works and Transportation - School Guard	162	169	165	4
Total Public Safety	\$ 11,494	\$ 12,416	\$ 16,373	\$ (3,957)

(continued)

GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual, continued
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Transportation				
Public Works and Transportation - Road and Street Facilities	\$ 1,346	\$ 1,373	\$ 4,679	\$ (3,306)
Aviation			1,799	(1,799)
Port Everglades			2,656	(2,656)
Community Services - Mass Transit	104,856	111,608	107,115	4,493
Total Transportation	106,202	112,981	116,249	(3,268)
Human Services				
Human Services - Children's Services, Elderly Services, Family Success, Substance Abuse and Health Care Services	147,142	150,327	126,563	23,764
Community Services - Animal Care and Regulation	4,167	5,105	4,973	132
County Health Unit	2,343	2,343	1,916	427
Judicial - Legal Aid	496	1,263	1,258	5
Public Works and Transportation - Family Success, County Health Unit			413	(413)
Public Works and Transportation - Mosquito Control	1,257	1,293	1,195	98
Total Human Services	155,405	160,331	136,318	24,013
Culture and Recreation				
Community Services - Libraries, Parks and Recreation, Cultural Boards and Other Agencies - Historical Commission	110,364	113,922	127,072	(13,150)
Public Works and Transportation - Libraries	332	340	281	59
			248	(248)
Total Culture and Recreation	110,696	114,262	127,601	(13,339)
Physical Environment				
Environmental Protection	14,150	16,833	13,695	3,138
Water and Wastewater	2,201	2,254	7,535	(5,281)
Community Services - Extension Education	1,075	1,111	1,015	96
Waste and Recycling Services			29,449	(29,449)
Total Physical Environment	17,426	20,198	51,694	(31,496)
Economic Environment				
Urban Planning and Redevelopment	135	135	407	(272)
Office of Economic Development	2,975	5,882	2,346	3,536
Office of Equal Opportunity	2,925	3,697	3,236	461
Office of Housing	10,891	11,101	4,056	7,045
Human Services - Community Development	683	683	4,987	(4,304)
Human Services - Veteran's Services	572	591	588	3
Community Services - Community Development			109	(109)
Total Economic Environment	\$ 18,181	\$ 22,089	\$ 15,729	\$ 6,360

(continued)

GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual, continued
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Debt Service				
Principal Retirement	\$ 975	\$ 1,770	\$ 1,483	\$ 287
Interest and Fiscal Charges	599	599	256	343
Total Debt Service	1,574	2,369	1,739	630
Total Expenditures	620,187	655,781	653,032	2,749
Excess of Revenues Over Expenditures	679,687	672,983	758,188	85,205
Other Financing Sources (Uses):				
Transfers In:				
From Debt Service Funds	13,044	13,044	13,044	
From Other Funds	114,497	43,074	42,948	(126)
From Constitutional Officers			23,891	23,891
Total Transfers In	127,541	56,118	79,883	23,765
Transfers Out:				
To Debt Service Funds	(33,962)	(34,009)	(34,009)	
To Other Funds	(124,649)	(79,455)	(79,415)	40
To Constitutional Officers	(652,291)	(684,706)	(680,639)	4,067
Total Transfers Out	(810,902)	(798,170)	(794,063)	4,107
Total Other Financing Sources (Uses)	(683,361)	(742,052)	(714,180)	27,872
Net Change in Fund Balance	(3,674)	(69,069)	44,008	113,077
Fund Balance, October 1	145,406	228,046	233,082	5,036
Changes In Reserves for Inventory			1,068	1,068
Fund Balance, September 30	\$ 141,732	\$ 158,977	\$ 278,158	\$119,181

SHERIFF OPERATIONS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
for the fiscal year ended September 30, 2006
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Expenditures:				
Current:				
Public Safety				
Sheriff	\$601,002	\$622,040	\$608,647	\$13,393
Capital Outlay	22,143	30,747	20,352	10,395
Reserves	15,815	14,188		14,188
Total Expenditures	638,960	666,975	628,999	37,976
Excess of Revenues Over (Under) Expenditures	(638,960)	(666,975)	(628,999)	37,976
Other Financing Sources (Uses):				
Transfers In	638,960	666,975	652,890	(14,085)
Transfers Out			(23,891)	(23,891)
Total Other Financing Sources (Uses)	638,960	666,975	628,999	(37,976)
Net Change in Fund Balance			934	934
Fund Balance October 1				
Fund Balance, September 30	\$ -	\$ -	\$ 934	\$ 934

COUNTY TRANSPORTATION TRUST FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
for the fiscal year ended September 30, 2006
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 64,752	\$ 65,345	\$ 64,789	\$ (556)
Special Assessment/Impact Fees	3,806	3,806	6,736	2,930
Licenses and Permits	1,030	1,030	1,230	200
Federal Grants		2,329		(2,329)
State Revenues:				
Licenses	400	400	375	(25)
Gasoline Taxes	23,689	23,689	23,897	208
One-Half Cent Sales Tax	11,780	12,130	12,771	641
Charges for Services	1,658	1,658	2,194	536
Interest Income	40	40	1,510	1,470
Miscellaneous	635	887	236	(651)
Subtotal	107,790	111,314	113,738	2,424
Less 5% of Anticipated Revenues	(5,389)	(5,436)		5,436
Total Revenues	102,401	105,878	113,738	7,860
Expenditures:				
Current:				
Transportation				
Public Works & Transportation - Road & Street Facilities	27,871	31,754	28,688	3,066
Capital Outlay	125	269	217	52
Total Expenditures	27,996	32,023	28,905	3,118
Excess of Revenues Over Expenditures	74,405	73,855	84,833	10,978
Other Financing Sources (Uses):				
Transfers In	5,420			
Transfers Out	(81,786)	(86,148)	(86,148)	
Total Other Financing Sources (Uses)	(76,366)	(86,148)	(86,148)	
Net Change in Fund Balance	(1,961)	(12,293)	(1,315)	10,978
Fund Balance, October 1	6,493	28,034	28,034	
Changes in Reserves for Inventory			(207)	(207)
Fund Balance, September 30	\$ 4,532	\$ 15,741	\$ 26,512	\$10,771

APPENDIX C

FORM OF THE RESOLUTION

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APPENDIX C – FORM OF THE RESOLUTION

RESOLUTION NO. 2007-285

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE OF ITS (i) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A IN AN AMOUNT NOT TO EXCEED \$100,000,000, FOR THE PURPOSE OF REFUNDING A PORTION OF ITS GENERAL OBLIGATION BONDS, SERIES 2001A; AND (ii) GENERAL OBLIGATION BONDS REFUNDING BONDS, SERIES 2007B IN AN AMOUNT NOT TO EXCEED \$85,000,000 FOR THE PURPOSE OF REFUNDING A PORTION OF ITS GENERAL OBLIGATION BONDS (PARKS AND LAND PRESERVATION PROJECT), SERIES 2004; PLEDGING REVENUES FROM AN AD VALOREM TAX LEVIED ON ALL TAXABLE PROPERTY IN THE COUNTY FOR THE PAYMENT OF THE BONDS; AUTHORIZING TWO SERIES OF BONDS AS ITS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007A AND 2007B; PROVIDING FOR REGISTRATION THROUGH A BOOK-ENTRY SYSTEM; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT; ESTABLISHING CRITERIA FOR DETERMINING THE DATE, INTEREST RATES, PROVISIONS FOR REDEMPTION AND MATURITY SCHEDULE OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR TO AWARD THE SALE OF THE BONDS TO ONE OR MORE OF THE ORIGINAL PURCHASERS DESCRIBED HEREIN ON A NEGOTIATED BASIS UPON ONE OR MORE SALE DATES; AUTHORIZING A CONTINUING DISCLOSURE COMMITMENT AND AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND THE CONDITIONS AND CRITERIA OF SUCH SALE OR SALES; AUTHORIZING THE TERMINATION OF THE COUNTY'S RIGHTS, DUTIES AND OBLIGATIONS PURSUANT TO SWAP DOCUMENTS AND THE COUNTY'S PAYMENT OR RECEIPT OF THE SETTLEMENT AMOUNT RELATING TO THE SERIES 2007A BONDS; DELEGATING THE APPOINTMENT OF CERTAIN PROVIDERS; AUTHORIZING ALL PROPER OFFICIALS TO DO ALL THINGS NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE,

BE IT RESOLVED by the Board of County Commissioners of Broward County, Florida:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 125, Florida Statutes, Sections 132.33-132.47, Florida Statutes, the Charter of Broward County, Florida, bond referendums approved on March 9, 1999 and November 7, 2000 by the qualified electors of Broward County, Florida, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section and utilized in this resolution shall have the meanings specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Accreted Value" shall mean the amounts as to which reference is made that establish the amounts payable at maturity or upon redemption prior to maturity on the Capital Appreciation Bonds. Such amounts shall be determined by subsequent resolution of the County.

"Accrued Debt Service Funds" shall mean the collections of ad valorem taxes which have been levied for debt service on each series of the Refunded Bonds and have accumulated and been deposited in the respective bond fund for each series of the Refunded Bonds.

"Amortization Installment" means, with respect to any Term Bonds, the amount of money required to be deposited into the Sinking Fund in a particular Bond year to pay the

principal amount of Accreted Value of such Term Bonds to be redeemed by mandatory redemption or paid at maturity in such Bond year.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated as of its date of execution between the County and Bear, Stearns & Co. Inc., and the additional underwriting firms named therein, in substantially the form attached hereto as Exhibit D.

"Bond Registrar" shall mean initially U.S. Bank National Association, or such bank or trust company, which shall thereafter be appointed by the County to maintain the registration books of the County and be responsible for the transfer and exchange of the Bonds, and which also may be the Paying Agent for the Bonds and interest thereon.

"Bonds" shall mean collectively the not exceeding \$100,000,000 Broward County, Florida General Obligation Refunding Bonds, Series 2007A and the not exceeding \$85,000,000 Broward County, Florida General Obligation Refunding Bonds, Series 2007B.

"Capital Appreciation Bonds" shall mean the aggregate principal amount of the Bonds that bear interest payable solely at maturity or upon redemption prior to maturity in the amounts determined by reference to the Accreted Values, as shall be determined by subsequent resolution of the County.

"Continuing Disclosure Commitment" shall mean that certain Continuing Disclosure Commitment related to the Bonds to be executed by the County prior to the time the County delivers the Bonds to the Original Purchaser, as amended from time to time in accordance with the terms thereof, whereby the County undertakes to assist the Original Purchaser in complying with the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5), in substantially the form attached hereto as Exhibit A.

"County" shall mean Broward County, Florida.

"Defeasance Obligations" means any obligations which as to both principal and interest constitute non pre-payable and non-callable (except at the option of the holder thereof) direct obligations of, or non pre-payable and non-callable (except at the option of the holder thereof) direct obligations the timely payment of which is fully and unconditionally guaranteed as to full and timely payment by the full faith and credit of the United States of America, including bonds, U.S. Treasury Securities-State and Local Government Securities ("SLGs"), or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed as to full and timely payment by the United States of America. The definition of Defeasance Obligations does not include, nor does it permit, investment in mutual funds or unit investment trusts.

"Escrow Deposit Agreement" shall mean one or more Escrow Deposit Agreements by and between the County and a bank or trust company to be approved by the Finance Officer, for the purpose of providing for the payment of the Refunded Bonds, in substantially the form attached hereto as Exhibit B.

"Finance Officer" shall mean the Chief Financial Officer and Director of the Finance and Administrative Services Department of the County, or his designee, who shall also act as the County's designee to either serve as or to appoint a Bond Registrar, Paying Agent and Authenticating Agent for the Bonds.

"Financial Advisor" shall mean, when used in connection with the Bonds, Stifel, Nicolaus & Company Incorporated, Winter Park, Florida.

"Holder" or "Bondholder" or "Registered Owner" or any similar term shall mean any person who shall be the Registered Owner of any such Bond or Bonds, or his transferee.

"Original Purchaser" shall mean, when used in connection with the Bonds, Bear, Stearns & Co. Inc., together with certain other underwriting firms listed in the Bond Purchase Agreement.

"Paying Agent" shall mean initially U.S. Bank National Association and thereafter any authorized depository designated by the County to serve as Paying Agent or as the place of payment for the Bonds that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the owners thereof, from funds made available therefor by the County.

"Preliminary Official Statement" shall mean the preliminary official statement relating to the Bonds attached hereto as Exhibit C.

"Record Date" shall mean the 15th day of the month immediately preceding an interest payment date for the Bonds.

"Refunded Bonds" shall mean (i) a portion of the outstanding Broward County, Florida General Obligation Bonds, Series 2001A issued on September 26, 2001 (the "Series 2001A Bonds"), in an amount as determined pursuant to Section 5 hereof refunded with the proceeds of the Series 2007A Bonds and (ii) a portion of the outstanding Broward County, Florida General Obligation Bonds (Parks and Land Preservation Project), Series 2004 (the "Series 2004 Bonds") issued on April 15, 2004, in an amount as determined pursuant to Section 5 hereof.

"Registered Owner" shall mean any person who shall be the owner of any outstanding Bond or Bonds as shown on the books of the County maintained by the Bond Registrar.

"Serial Bonds" shall mean Bonds of a series designated as such (other than Term Bonds) which mature in annual or semiannual installments.

"Sinking Fund Investments" shall mean any investment permitted by the County's Investment Policy, as amended.

"Term Bonds" means Bonds of a series which shall either be stated to mature on one date and which are designated as Term Bonds in the Bond Purchase Agreement; Term Bonds may be subject to retirement in part in one or more Bond years prior to their maturity date by scheduled mandatory redemption with Amortization Installments.

SECTION 3. FINDINGS. It is hereby found, ascertained and determined that:

A. Whereas, the County previously approved pursuant to Resolution No. 2001-792, the issuance of its General Obligation Bonds, Series 2001A, in an original aggregate principal amount of \$135,135,000 which were issued for the purpose of financing the planning, acquisition, design, construction, reconstruction, expansion and equipping of library facilities within the County and whereas, the County previously approved pursuant to Resolution No. 2003-874, the issuance of its General Obligation Bonds (Parks and Land Preservation Projects), Series 2004, in an original aggregate principal amount of \$187,770,000 which were issued for the purpose of financing the preservation, planning, constructing, reconstruction, expansion, improving, and equipping of neighborhood and regional park facilities, natural lands and open space.

B. Whereas, the issuance of the Bonds as general obligation bonds of the County confirms that their payment is backed by the full faith and credit and taxing power of the

County. All other resolutions and proceedings required preliminary to the adoption of this Resolution have been adopted and/or followed.

C. The County has previously issued the Refunded Bonds which were previously approved by a majority of the qualified voters voting in referendums held for that purpose; and the Bonds to be issued pursuant to this Resolution are therefore general obligation bonds of the County, the payment for which the full faith and credit and taxing power of the County will be pledged.

D. Article VII, Section 12 of the Constitution of the State of Florida provides that counties may issue bonds payable from ad valorem taxation without approval by a vote of the electors to refund outstanding bonds and interest if such refunding bonds are issued at a lower net average interest cost rate than that which is calculated respecting the refunded bonds.

E. Sections 132.33-132.47, Florida Statutes sets forth certain requirements which must be met prior to the issuance of the Bonds herein authorized.

F. The County deems it necessary and in its best interest to provide for the refunding of the Refunded Bonds. The refunding program herein described will be advantageous to the County by reducing debt service payments owed by the County.

G. From the proceeds of the Bonds and other funds available therefor, there shall be deposited pursuant to one or more the Escrow Deposit Agreements, a sum which, together with the principal and income from Federal Securities to be purchased pursuant to such agreement, will be sufficient to make timely payments of all presently outstanding principal, redemption premium, if any, and interest in respect to the Refunded Bonds, as the same come due and/or

redeemable. Such funds and principal and income from investments shall also be sufficient to pay when due all expenses described in the Escrow Deposit Agreement.

H. The costs associated with issuing the Bonds shall be deemed to include legal expenses, fiscal expenses, escrow agent fees and expenses, verification agent fees and expenses, rating agency fees, expenses for estimates of costs and of revenues, accounting expenses, costs of printing, fees of financial advisor, fees for accrued and capitalized interest, provisions for reserves, costs of the Swap Documents relating to the Series 2007A Bonds (as defined in Section 14) and such other expenses as may be necessary or incidental for the financing herein authorized.

I. The issuance of the Bonds will not exceed any debt limitation prescribed by law, and the Bonds, when issued, will be within the limits of all constitutional or statutory debt limitations and will comply with the provisions set forth in Sections 132.33 – 132.47, Florida Statutes.

J. Pursuant to Section 218.385 of the Florida Statutes, as amended, the County has determined that the offering of the Bonds pursuant to a negotiated sale rather than a public sale by competitive bid is in the best interests of the County; and the County hereby further finds and determines that the following reasons necessitate the offering of the Bonds pursuant to a negotiated sale:

(i) The offering of bonds generally involves specialized situations and transactions which need detailed analysis, structuring and explanation throughout the course of the offering by sophisticated financial advisors, underwriters, investment bankers and similar parties experienced in the structuring of offerings of bonds such as

the Bonds, much of which would not generally be available on a timely basis from the ultimate underwriter/remarketing agent of the bonds if they were offered pursuant to a public competitive sale; and

(ii) For the foregoing and related reasons, most offerings of bonds such as the Bonds heretofore offered throughout the United States have involved participation throughout the structuring and offering process of underwriters who have purchased or who have arranged for the purchase of the bonds through a negotiated sale rather than through a public sale by competitive bid.

SECTION 4. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the County and the Registered Owners of the Bonds. The covenants and agreements herein set forth to be performed by the County shall be for the equal benefit, protection and security of the legal Registered Owners of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION OF BONDS AND REFUNDING. Subject and pursuant to the provisions hereof, there is hereby authorized the issuance of the Bonds to enable the refunding of the Refunded Bonds to be redeemed in the manner provided herein, and to pay certain costs of issuance of the Bonds. Subject and pursuant to the provisions hereof, the Series 2007A Bonds are authorized to be issued in the aggregate principal amount of not exceeding \$100,000,000 and Series 2007B Bonds in the aggregate principal amount of not

exceeding \$85,000,000 for the purpose of refunding a portion of each series of the Refunded Bonds; provided, however, that the refunding of a portion of each series of the Refunded Bonds shall be authorized only if such sale of the Bonds produces a net present value savings of 3.0% to the County, as shall be determined by the County Administrator, with the advice of the Finance Officer and the Financial Advisor. The County hereby authorizes and approves the Escrow Deposit Agreement in substantially the form attached as Exhibit B hereto. The Chair and the County Administrator are hereby authorized to execute and deliver the Escrow Deposit Agreement, substantially in the form of Exhibit B hereto with such changes, omissions, additions and filling in of the blanks as may be approved by the County Administrator, with the advice of the County Attorney, Bryant Miller Olive and Steve Bullock, P.A. ("Co-Bond Counsel"). The Bonds shall be dated as of the first day of the month of their issuance, or such other date as may be designated by the Finance Officer.

SECTION 6. AUTHORIZATION OF BOND PURCHASE AGREEMENT. Provided that the conditions for refunding a portion of each series of the Refunded Bonds set forth in Section 5 of this Resolution are met, the County Administrator is hereby authorized to award the sale of the Bonds provided the TIC defined above on the Bonds does not exceed a maximum TIC rate of 4.75%. The Series 2007A Bonds shall be subject to optional redemption prior to maturity and such optional redemption provisions shall be no later than January 1, 2021 and no call premium may exceed 1.0% of the portion of each series of the Series 2007A Bonds subject to redemption, all as shall be determined by the County Administrator with the advice of the Finance Director and the Financial Advisor. The Series 2007B Bonds shall be subject to optional redemption prior to maturity and such optional redemption provisions shall be no later than

January 1, 2021 and no call premium may exceed 1.0% of the portion of each series of the Series 2007B Bonds subject to redemption, all as shall be determined by the County Administrator with the advice of the Finance Director and the Financial Advisor.

Any Bonds issued as Term Bonds shall have such Amortization Installments and shall be subject to mandatory redemption at par prior to maturity from such Amortization Installments, all as shall be determined by the County Administrator, with the advice of the Finance Officer and the Financial Advisor.

Execution and delivery by the Mayor and the County Administrator of the Bond Purchase Agreement shall be conclusive evidence of the approval by the County of the above details of the Bonds.

The County hereby authorizes and approves the Bond Purchase Agreement in substantially the form attached as Exhibit D hereto. The County reserved the right and option to sell the two series of Bonds at separate times and dates, however both such separate sales shall be undertaken with the form attached as Exhibit D hereto. Upon compliance by the Original Purchaser with the requirements of Section 218.385(2) and (3), Florida Statutes, and Section 218.385(6), Florida Statutes, by filing the "truth-in-bonding statement" and the "disclosure statement" required by said statutory provisions, the Mayor and the County Administrator are hereby authorized to execute and deliver one or more Bond Purchase Agreements, substantially in the form of Exhibit D hereto with such changes, omissions, additions and filling in of the blanks as may be approved by the County Administrator, with the advice of Co-Bond Counsel, but subject to the provisions hereof, and to award the Bonds to the Original Purchaser provided that the Original Purchaser's discount shall not exceed 0.5%

(one-half of one percent) of the principal amount of the Bonds, not inclusive of original issue discount or costs of issuance. Execution and delivery by the Mayor and the County Administrator of the Bond Purchase Agreement shall be conclusive evidence of approval by the County of such changes, omissions, additions and filling in of blanks and the award of the Bonds to the Original Purchaser.

SECTION 7. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form; may be Capital Appreciation Bonds, Term Bonds, Serial Bonds and/or current interest bonds; shall be numbered; shall be in the denomination of \$5,000 each, or integral multiples thereof for the current interest bonds and in \$5,000 maturity amounts for the Capital Appreciation Bonds or in \$5,000 multiples thereof, or such other denominations as shall be approved by the County Administrator prior to the delivery of the Bonds; shall bear interest at such rate or rates not exceeding the maximum rate allowed by Florida law, the actual rate or rates for the Bonds to be set forth in the Bond Purchase Agreement set under the parameters herein set forth. The Bonds may have bifurcated maturities.

Each current interest bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication payment of any interest which is due and payable has not been made, such current interest bond shall bear interest from the date to which interest shall have been paid.

The Capital Appreciation Bonds shall bear interest only at maturity or upon redemption prior to maturity in the amount determined by reference to the Accreted Value.

The principal of and the interest and redemption premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The interest on the current interest bonds shall be payable by the Paying Agent on each interest payment date to the person appearing on the registration books of the County hereinafter provided for as the registered Holder thereof, by wire transfer or check mailed to such registered Holder at his address as it appears on such registration books. Payment of the principal of all current interest bonds and the Accreted Value with respect to the Capital Appreciation Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be executed in the name of the County by, or bear the facsimile signature of, the Mayor or Vice Mayor of the Board of County Commissioners of the County and shall be countersigned and attested by, or bear the facsimile signature of, the County Administrator and ex officio Clerk of the Board of County Commissioners of Broward County, Florida and a facsimile of the official seal of the County shall be imprinted on the Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he has remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Bond, shall be the

proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds are hereby authorized to be executed and sealed as set forth in this Section 8 in accordance with the terms of this resolution.

SECTION 9. AUTHENTICATION OF BONDS. Only such of the Bonds as shall have been endorsed thereon a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Bond Registrar, as authenticating agent, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

SECTION 10. EXCHANGE OF BONDS. Subject to the provisions of Section 11 hereof regarding the use of the book-entry system, any Bond, upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the principal amount of the Bond or Bonds so surrendered. The Bond Registrar shall make provision for the exchange of Bonds at the principal corporate trust office of the Bond Registrar.

SECTION 11. DTC BOOK ENTRY; NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Bonds shall be registered in the name of Cede & Co., all payments of principal on the Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Bonds.

With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the County, the Registrar and the Paying Agent shall have no responsibility or obligation to any participant in the DTC book-entry program (a "Participant") or to any indirect participant. Without limiting the immediately preceding sentence, the County, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal, interest or redemption premium, if any, of the Bonds. The County, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of

payment of principal, interest or redemption premium, if any, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal, interest or redemption premium, if any, of the Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of principal, interest or redemption premium, if any, of the Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the County to make payments of principal or redemption premium, if any, pursuant to the provisions hereof. Upon delivery by DTC to the County of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to transfers during the fifteen (15) days next preceding a payment date or mailing of notice of redemption, the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the County shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the County of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the

functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the County that such book-entry only system is burdensome to the County, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the County shall issue and the Registrar shall authenticate, transfer and exchange Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the blanket letter of representation executed previously by the County and the Registrar and delivered to DTC in order to induce DTC to act as securities depository for the Bonds shall apply to the payment of principal, interest and redemption premium, if any, on the Bonds.

The Bond Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar.

Subject to the foregoing provisions regarding the book-entry system of registration, in all cases in which Bonds shall be exchanged, the County shall execute and the Bond Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds of the same type in accordance with the provisions of this Resolution. All Bonds surrendered in any such

exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The County or the Bond Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the County nor the Bond Registrar shall be required to make any such exchange or registration of transfer of Bonds on or subsequent to the Record Date prior to the next interest payment date.

The Bonds issued hereunder shall be and shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Registered Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 12. OWNERSHIP OF BONDS. The County and the Bond Registrar may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. Payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bond, shall be made only to or upon the order of the Registered Owner thereto or his legal representative. Interest on the Bonds shall be paid to the Registered Owner whose name appears on the books of the Bond Registrar on the Record Date. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid. The person in whose name

any Bond is registered may be deemed the Registered Owner thereof by the County and the Bond Registrar, and any notice to the contrary shall not be binding upon the County or the Bond Registrar.

Notwithstanding the foregoing provisions of this section, the County reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules and regulations of the United States and/or the State of Florida relating thereto.

SECTION 13. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. Subject to the provisions regarding the book-entry system of registration, in case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the County and the Bond Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County and the Bond Registrar may prescribe and paying such expenses as the County and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same, upon the County and Bond Registrar being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 14. TERMINATION OF SWAP PURSUANT TO SWAP DOCUMENTS; AUTHORIZATION OF PAYMENT OR RECEIPT OF SETTLEMENT AMOUNT. By a resolution adopted on March 6, 2007 (the "Swap Resolution"), the County approved and authorized the execution of an International Swap Dealers Association Master Swap Agreement (the "Master Agreement"), a schedule to the Master Agreement (the "Schedule"), and a transaction confirmation to the Master Agreement (the "Confirm") (such documents collectively referred to as the "Swap Documents") with UBS AG (the "Counterparty") (as further described in the Swap Resolution) relating to the County's Series 2001A Bonds. Also pursuant to the Swap Resolution, the County evidenced its intent to issue the Bonds to refund the Series 2001A Bonds. On March 8, 2007, the proper officials of the County duly executed the Swap Documents. The Swap Documents provide for the termination of the County's and the Counterparty's rights, duties and obligations under the Swap Documents upon a payment of a settlement amount (the "Settlement Amount").

Based on advice of the County's Financial Advisor, the County has now determined that it is in the best economic interest of the County to terminate the Swap Documents and to either pay or receive the Settlement Amount and to terminate, cancel and unwind the transaction contemplated by the Swap Documents. The termination, cancellation and unwinding serves a

paramount public purpose, and it is necessary and in the best economic interests of the County to terminate, cancel and unwind the County's rights, duties and obligations pursuant to the Swap Documents and to refund the Refunded Bonds on a fixed interest rate basis in order to achieve debt service savings. The costs of the transaction evidenced by the Swap Documents are authorized to be paid from the Cost of Issuance Fund set forth in Section 20. B. hereof from the proceeds of the Series 2007A Bonds, the County having entered into the Swap Documents as part of developing its Refunding Financial Plan (as defined in F.S. 132.34(20)).

SECTION 15. FORM OF BONDS. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof:

[Remainder of Page Left Blank Intentionally]

[FORM OF BOND]

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY
GENERAL OBLIGATION REFUNDING BONDS, [SERIES 2007A][SERIES 2007B]

INTEREST
RATE

MATURITY
DATE

DATE OF
ORIGINAL ISSUE

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL:

Broward County, Florida (the "County"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assignees, on the Maturity Date specified above, the principal sum shown above, upon the presentation and surrender hereof at the office of U.S. Bank National Association, acting as the paying agent and bond registrar (collectively, the "Bond Registrar"), and to pay interest thereon from the date of this bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum, at the rate per annum set forth above, payable on _____, and semiannually thereafter on the first day of _____ and the first day of _____ of each year, by check or draft mailed to the Registered Owner at his address as it appears on the registration books on the 15th day of the month preceding the applicable interest payment date. Both

principal of and interest on this bond are payable in lawful money of the United States of America.

This bond is one of an authorized issue of bonds, in the aggregate principal amount of \$_____ issued to refund a portion of the County's outstanding General Obligation Bonds, Series _____, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Sections 132.33-132.47, Florida Statutes, the County's Charter and other applicable provisions of law, and a referendum held on _____, _____. This bond is issued pursuant to a resolution duly adopted by the County on _____, 2007, as supplemented (the "Resolution"), and is subject to all the terms and conditions of such Resolution.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist, and to be performed, precedent to and in the issuance of this bond, have happened, exist, and have been performed in due time, form and manner as required by the Constitution and laws of the State of Florida applicable thereto; that the issues of bonds which this bond is refunding have been approved at a bond election held in accordance with the Constitution and Statutes of the State of Florida; and that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the County, without limitation as to rate or amount, sufficient to pay the principal of and interest on the bonds of this issue of which this bond is a part, as the same shall become due, which tax shall be levied and collected at the same time and in the same manner as other ad valorem taxes are assessed, levied and collected.

[insert redemption provisions]

This bond may be transferred only upon the books of the County kept by the Bond Registrar upon surrender hereof to the Bond Registrar with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and upon surrender and cancellation of this bond. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new fully registered bond or bonds in authorized denominations and in the same aggregate principal amount, series, maturity and interest rate as this bond.

In like manner, subject to such conditions and upon the payment of such charges, if any, the Registered Owner of this bond may surrender the same (together with a written authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations of the same series, maturity and interest rate as this bond.

This bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Bond Registrar.

IN WITNESS WHEREOF, the Broward County, Florida, has issued this bond and has caused the same to be signed by the manual or facsimile signature of the Mayor of the Board of County Commissioners of Broward County, Florida and the corporate seal of the County, or a facsimile thereof, to be affixed or reproduced hereon, and attested and countersigned by the manual or facsimile signature of the Clerk of such County, all as of the ____ day of _____, 2007.

BROWARD COUNTY BOARD OF
COUNTY COMMISSIONERS

(SEAL)

By: _____
Title: Mayor

ATTESTED:

By: _____
Title: County Administrator and
ex officio Clerk of the Board
of County Commissioners of
Broward County, Florida

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This bond is one of the bonds of the issue described in the Resolution.

As Bond Registrar

By: _____
Authorized Signature

Date of Authentication

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in
common

UNIF GIF MIN ACT - _____
(Cust.)

TEN ENT - as tenants by the
entireties

Custodian for _____
(Minor)

JT TEN - as joint tenants with
right of survivorship
and not as tenants
in common

under Uniform Gifts to Minors Act
of _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within bond and does hereby irrevocably constitute and appoint _____ as his agent to
transfer the bond on the books kept for registration thereof, with full power of substitution in
the premises.

Dated:

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The signature to this assignment
must correspond with the name of the
registered owner as it appears upon the face
of the within bond in every particular,
without alteration or enlargement or any
change whatever.

*** END OF BOND FORM ***

SECTION 16. OFFERING OF BONDS. The County Administrator, the Finance Officer and the Financial Advisor are hereby authorized to prepare and mail (or cause to be prepared and mailed) copies of a "Preliminary Official Statement" for the Bonds substantially in the form attached hereto as composite Exhibit C. At closing, the appropriate officers of the County are authorized and directed to furnish a certificate to the effect that the Preliminary Official Statement did not as of its date and does not contain any untrue statement or omission of a material fact. The Mayor and County Administrator are authorized to deem final the Preliminary Official Statement prepared pursuant to this section for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission. The Mayor and County Administrator are authorized to deliver a certificate to the Original Purchaser indicating compliance with such Rule. The County shall provide the Original Purchaser with a reasonable number of copies of the Official Statement substantially in the form of the Preliminary Official Statement with certain terms and conditions of the sale contained in the final Bond Purchase Agreement reflected in the Official Statement. Upon sale of the Bonds, the Mayor and the County Administrator are hereby authorized to execute an Official Statement and the Original Purchaser shall be responsible for distributing the Official Statement in accordance with the law. The County shall provide and execute a separate Official Statement for each series of the Bonds if the County determines to have separate sale dates for the Series 2007A Bonds and the Series 2007B Bonds. The County Administrator, the Finance Officer and the Financial Advisor are hereby further authorized and directed to cooperate with requests for information received from the Original Purchaser. The County Administrator is hereby authorized and directed to select a financial printer having a favorable reputation in the printing of a preliminary official

statement and official statement to serve as the printer of the Preliminary Official Statement and the final Official Statement, and the payment of such printer's reasonable fees and expenses for such services is hereby authorized.

SECTION 17. CONTINUING DISCLOSURE. County hereby covenants and agrees that, in order to assist the Original Purchaser in complying with SEC Rule 15c2-12(b)(5) with respect to the Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Commitments which are hereby authorized to be executed and delivered by the Finance Officer prior to the time the County delivers the Bonds to the Original Purchaser, as may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Commitments substantially in the form attached hereto as composite Exhibit A, are hereby approved and ratified. Notwithstanding any other provision of this Resolution, failure of the County to comply with such Continuing Disclosure Commitments shall not be considered an event of default hereunder or thereunder. However, the Continuing Disclosure Commitments shall be enforceable by the Bondholders in the event that the County fails to cure a breach thereunder within a reasonable time after written notice from a Bondholder to the County that a breach exists. Any rights of the Bondholders to enforce the provisions of the covenant shall be on behalf of all Bondholders and shall be limited to a right to obtain specific performance of the County's obligations thereunder.

SECTION 18. PROVISIONS FOR REDEMPTION. The Bonds shall be subject to redemption prior to their maturity as shall be set forth in the Bond Purchase Agreement, which specific redemption provisions as are set pursuant to the limitations in Section 6 hereof.

Notice of such redemption shall be given by the Paying Agent, at least thirty (30) days prior to the redemption date, be filed with the Bond Registrar and mailed, first class mail, postage prepaid, to all Holders of the Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for, but failure to mail such notice to one or more Holders of the Bonds shall not affect the validity of the proceedings for such redemption with respect to Holders of the Bonds to which notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of one maturity are to be called, the distinctive numbers of such Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Subject to the rules regarding the book-entry system of registration, upon surrender of any Bond for redemption in part only, the Bond Registrar shall authenticate and deliver to the Bondholder thereof, the cost of which shall be paid by the County, a new Bond of an authorized denomination equal to the unredeemed portion of the Bond surrendered.

In addition to the foregoing notice, further notice shall be given by the County as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given in the manner prescribed above.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest

borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to any bond insurer which shall have insured any of the Bonds being redeemed and to all major registered securities depositories then in the business of holding substantial amounts of obligations of types similar to the type of which the Bonds consist (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

SECTION 19. PLEDGE OF TAXING POWERS; SINKING FUND; LEVY OF AD VALOREM TAX. For the prompt payment of the principal of and interest on the Bonds, the full faith, credit and taxing power of the County are irrevocably pledged. There is hereby created a Sinking Fund to be held by the depository for the County and administered by the County solely for the purpose of paying the principal of and interest on the Bonds as they become due. Pending its use, money on deposit in the Sinking Fund may be invested in Sinking Fund Investments.

In each year while any of such Bonds are outstanding, there shall be levied and collected a tax without limitation as to rate or amount on all taxable property within the County, sufficient in amount to pay the principal of and interest on such Bonds, as the same shall become due, after deducting therefrom any other funds which may be available for such

principal and interest payments and which shall actually be so applied. The proceeds of such tax shall be deposited, as received, into the Sinking Fund. The Accrued Debt Service Funds shall be deposited into the Sinking Fund upon the issuance of the Bonds and shall be expended to the extent needed to refund the Refunded Bonds.

SECTION 20. APPLICATION OF PROCEEDS OF BONDS. All money received from the sale of the Bonds shall be applied by the County as follows:

A. All accrued interest, if any, and interest to accrue on the series of the Bonds for such period shall be deposited into the Sinking Fund.

B. There is hereby created a special account to be designated the "Costs of Issuance Account" from which the County shall pay all legal fees, fees of financial advisors and all other similar costs incurred in connection with the issuance of any of the Bonds, and with respect to the costs of the preparation and execution of the Swap Documents, and termination of the Swap Documents, which shall be from the proceeds of the Series 2007A Bonds. Moneys remaining on deposit in the Cost of Issuance Account six months after the delivery of any of the Bonds shall be transferred to the Sinking Fund and used as provided herein.

C. A sum specified in the Escrow Deposit Agreements which, together with other legally available funds, if any, shall be sufficient to pay, as of any date of calculation, the principal of, premium, if any, and interest on each series of the Refunded Bonds as the same shall become due or are redeemed, whichever is earlier, shall be deposited pursuant to the provisions of the Escrow Deposit Agreements.

Such funds shall be kept separate and apart from all other funds of the County and the moneys on deposit therein shall be withdrawn, used and applied by the County solely for the

purposes set forth herein and in the Escrow Deposit Agreement. All such proceeds shall be and constitute trust funds for such purposes, and there is hereby created a lien in favor of the holders of the Refunded Bonds upon such money until so applied.

Simultaneously with the delivery of the Bonds to the Original Purchaser, the County shall enter into one or more Escrow Deposit Agreements. If the County determines to hold separate sales and deliveries of each series of the Series 2007 Bonds, the County shall enter into separate Escrow Deposit Agreements. At the time of execution of the Escrow Deposit Agreement(s), the County shall furnish to the escrow holder named therein appropriate documentation to demonstrate that the sums being deposited and the investments to be made will be sufficient for such purposes.

SECTION 21. DEFEASANCE. If, at any time, the County shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of the special ad valorem tax levied on all taxable property in the County, in favor of the holders of the Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Defeasance Obligations in an irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, to make timely payment of the principal of, interest, and redemption premiums, if any, on the outstanding Bonds, shall be considered "provision for payment."

SECTION 22. TAX COVENANT. No use will be made of the proceeds of the Bonds, which, if such use were reasonably expected on the date of issuance of the Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as

amended. The County at all times while the Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, as amended, and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Bonds from federal gross income including the creation of any rebate funds or other funds and/or accounts required in that regard.

The County shall at all times do and perform all acts and things permitted by law and this Resolution which are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

SECTION 23. MODIFICATION OR AMENDMENT. No material adverse modification or amendment of this Resolution or of any resolution or ordinance amendatory hereof or supplemental hereto may be made without the consent in writing of the Registered Owners of 51% or more in aggregate principal amount of the Bonds then outstanding, or the Registered Owners of all the Bonds so affected; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the County to pay the principal of and interest on the Bonds as the same shall become due from the proceeds of the ad valorem tax or reduce the percentage of the Registered Owners required to consent to any material modification or amendment hereof, without the consent of the Registered Owners of all such Bonds.

SECTION 24. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof or of the Bonds.

SECTION 25. FURTHER OFFICIAL ACTION. The Mayor, the County Administrator, the Finance Officer, the County Attorney and any other proper officials of the County are hereby authorized and directed to execute and deliver any and all documents, pleadings, tax returns and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution. In the event that the Mayor, the County Administrator, the Finance Officer or the County Attorney is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County. The County Administrator or any deputy County Administrator is hereby authorized and directed to affix and attest the official seal of the County to any agreement or instrument authorized or approved herein that requires such a seal and attestation.

SECTION 26. REPEALING CLAUSE. All resolutions or parts thereof of the County in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 27. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption this 5th day of May, 2007.

APPROVED AND ADOPTED by the Board of County Commissioners of the Broward County, Florida, at regular meeting assembled this 8th day of May, 2007.

/s/ Jose Phus Eggelletion, Jr. _____
Mayor, Broward County, Florida

/s/ Pamela Brangaccio _____
County Administrator and Ex-Officio
Clerk of the Board of County
Commissioners

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APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated as of June 7, 2007, is executed and delivered by Broward County, Florida (the "Issuer") in connection with the issuance of \$86,690,000 General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds"). The Series 2007A Bonds are being issued pursuant to Resolution No. 2007-285 adopted by the Issuer on May 8, 2007, as amended and supplemented from time to time (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2007A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2007A Bonds (including persons holding Series 2007A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2007A Bonds for federal income tax purposes.

"Business Day" shall mean any day other than a Saturday, Sunday or a day when banks in the City of New York, New York, or in Broward County, Florida, or in the cities in which the Principal Offices of the Issuer or the Bond Registrar and Paying Agent are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

"Dissemination Agent" shall mean the County Administrator and ex-officio Clerk of the Board of County Commissioners of the Issuer (the "County Administrator"), or any successor or alternate Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, as such are approved from time to time by the United States Securities and Exchange Commission (a list of such repositories as of the date hereof is attached hereto as Exhibit B).

"Participating Underwriter" shall mean any of the original underwriters of the Series 2007A Bonds required to comply with the Rule in connection with offering of the Series 2007A Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than April 1 of each year, commencing April 1, 2008 with the report for the 2006-2007 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 15 calendar days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection

(a), the Issuer shall send a notice to each Repository, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. To the extent such information is not otherwise included as part of the annual audited financial statement of the Issuer, updated information from that set forth in the Official Statement for the Series 2007A Bonds under the tables entitled:

- (a) Broward County Millage Rates;
- (b) Broward County Net Assessed Property Valuation;
- (c) Broward County Tax Levies and Tax Collection;
- (d) Principal Taxpayers;
- (e) Tax Certificates Held by Broward County;

(f) Broward County Summary Schedule of Revenue, Expenditures and Changes in Fund Balances – General Fund;

(g) Broward County Summary Schedule of Revenue, Expenditures and Changes in Fund Balances – Other Governmental Funds; and

(h) Annual information shall also include a description of the County's outstanding direct debt and debt ratios as provided in the caption "LIABILITIES OF THE COUNTY – Indebtedness of the County."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2007A Bonds, if material:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. modifications to rights of Bondholders.
4. optional, contingent or unscheduled bond calls.
5. defeasances.
6. rating changes.
7. adverse tax opinions or events affecting the tax exempt status of the Series 2007A Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.

10. substitution of the credit or liquidity providers or their failure to perform.

11. release, substitution or sale of property securing repayment of the Series 2007A Bonds.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with each Repository or the Municipal Securities Rulemaking Board. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2007A Bonds pursuant to the Resolution.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2007A Bonds. If such termination occurs prior to the final maturity of the Series 2007A Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. DISSEMINATION AGENT. For purposes of this undertaking, the Issuer has designated the County Administrator and ex-officio Clerk of the Board of County Commissioners of the Issuer (the "County Administrator") as its Dissemination Agent and has delegated to the County Administrator the duties, functions and responsibilities of the Issuer undertaken by the Issuer in this Disclosure Certificate. The Issuer may, from time to time, appoint or engage an alternate or substitute Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor alternate or substitute Dissemination Agent. The Dissemination Agent other than the County Administrator shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) (unless the amendment or waiver is necessary or appropriate for the Issuer to achieve compliance with any applicable federal law or rule, or to cure any ambiguity, inconsistency, formal defect or omission in the provisions of this Disclosure Certificate), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2007A Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2007A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2007A Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2007A Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this

Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. DEFAULT. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Series 2007A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2007A Bonds.

SECTION 12. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Series 2007A Bonds, and shall create no rights in any other person or entity.

SECTION 13. EXTENT OF COVENANTS; NO PERSONAL LIABILITY. All covenants, stipulations, obligations and agreements of the Issuer are contained in this Disclosure Certificate and shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the Issuer contained in this Disclosure Certificate shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Issuer in other than that person's official capacity.

SECTION 14. CENTRAL POST OFFICE. In lieu of providing the Annual Report and Notice of Listed Events to the Repositories as described in Sections 3 and 5 hereof, the Issuer may provide such information and notices to (a) the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>, provided the SEC has not withdrawn the interpretive advice in its letter to the MAC dated

September 7, 2004, or (b) another entity which functions as a central post office and is approved by the SEC to fulfill such function.

BROWARD COUNTY, FLORIDA

(SEAL)

By: _____
Josephus Eggelletion, Jr., Mayor

ATTEST:

By: _____
Pamela Brangaccio, County
Administrator and Ex-Officio Clerk of
the Board of County Commissioners of
Broward County, Florida

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Broward County, Florida

Name of Bond Issue: General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds")

Date of Issuance: June 7, 2007

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the Series 2007A Bonds as required by Section 3 of the Continuing Disclosure Certificate executed by the County relating to the Series 2007A Bonds. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____

EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

- (A) Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: 609/279-3225
Fax: 609/279-5962
Email: Munis@Bloomberg.com
- (B) Interactive Data Pricing and Reference Data Inc.
Attn: NRMSIR
100 William Street, 15th Floor
New York, New York 10038
Phone: 212/771-6999
Fax: 212/771-7390
Email: NRMSIR@interactivedata.com
- (C) Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Phone: 212/438-4595
Fax: 212/438-3975
Email: nrmsir_repository@sandp.com
- (D) DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: 201/346-0701
Fax: 201/947-0107
Email: nrmsir@dpcdata.com
- (E) A list of the names and addresses of all designated NRMSIRs and SIDs as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document number 0206 or by visiting the SEC's website at www.sec.gov/info/municipal/nrmsir.htm. However, in lieu of filing with the NRMSIRs and SIDs, the Dissemination Agent may provide the required information to:

DisclosureUSA.org
P.O. Box 684667
Austin, Texas 78768-4667
<http://www.disclosureusa.org>
Phone: 212/438-6518
Fax: 512/476-6403

APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

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FORM OF CO-BOND COUNSEL OPINION

June 7, 2007

Board of County Commissioners
of Broward County, Florida
Fort Lauderdale, Florida

Re: \$86,690,000 Broward County, Florida General Obligation Refunding Bonds,
Series 2007A

Ladies and Gentlemen:

We have acted as Co-Bond counsel in connection with the issuance by Broward County, Florida (the "Issuer"), of its \$86,690,000 General Obligation Refunding Bonds, Series 2007A (the "Bonds"), pursuant to the Constitution and laws of the State of Florida, Chapter 125, Florida Statutes, the Issuer's Charter and other applicable provisions of law and Resolution No. 2007-285 adopted by the Board of County Commissioners of the Issuer on May 8, 2007, (the "Resolution"). Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds or in the Official Statement for the Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the

underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Bonds.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of the County Attorney for the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, and the compliance by the Issuer with certain conditions precedent to the issuance of the Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, as of the date of delivery of and payment for the Bonds, as follows:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer in accordance with its terms.

2. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding full faith and credit general obligations of the Issuer, the payment for which the Issuer is obligated to exercise its ad valorem taxing power, without limit as to rate or amount, upon all taxable property within Broward County, Florida, and shall levy and collect an ad valorem tax on all the taxable property within Broward County, Florida sufficient to pay all principal and interest on the Bonds as the same shall mature and become due.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Issuer has covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds.

Subject to compliance by the Issuer with the aforementioned covenants, interest on the Bonds is (a) excluded from gross income for purposes of federal income taxation, and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,

BRYANT MILLER OLIVE P.A.

LAW OFFICES OF STEVE E. BULLOCK, P.A.

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