



December 15, 2000

To the Citizens, Chair and
Members of the Board of
County Commissioners
of Broward County, Florida

Ladies and Gentlemen:

We are pleased to present Broward County's (the County) Comprehensive Annual Financial Report for the fiscal year ended September 30, 2000. The financial statements included in this report, which have earned an unqualified audit opinion, conform with generally accepted accounting principles established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. Included within this report are the funds and account groups of all agencies, boards, commissions, and authorities that have been identified as the primary government or a component unit (more fully described in the subsection "Reporting Entity"). The data presented in this report is believed to be accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the County's financial activities have been included.

This report (and particularly this transmittal letter) is intended to provide informative and relevant financial information for the citizens of the County, Board Members, investors, creditors and other concerned readers. All are encouraged to contact the Department of Finance and Administrative Services with any comments or questions concerning this report. This report may also be accessed via the internet at <http://www.broward.org/accounting.htm>.

This report is divided into three sections:

- The **Introductory Section** includes this letter of transmittal (providing an overview of the County's economy, achievements and its financial condition), and an organizational overview of the County government.
- The **Financial Section** contains the independent auditors' report, the general purpose financial statements and related footnotes, the combining and individual fund statements, and the account group statements and schedules for all the organizations, activities and functions of the County as the primary government and its component units.
- The **Statistical Section** includes a number of tables of unaudited data depicting the financial history of the County for the past ten years, as well as demographic trends and other information.

The remainder of this letter provides an overview of local economic conditions and prospects for the future, a report on some of the County's current and future initiatives and highlights of the County's financial results.

REPORTING ENTITY

For financial reporting purposes, the County's reporting entity consists of (1) the County as primary government, (2) other entities, though legally separate, which are in substance, part of the primary government's operations and for which the primary government is financially accountable (blended component units), and (3) other organizations which are financially accountable to the primary government, or whose relationship with the primary government is such that an exclusion would cause the reporting entity's financial statements to be misleading or incomplete (discrete component units). Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government and to differentiate their financial position and results of operations, from those of the primary government. The entities incorporated into the financial statements as components units are:

Blended Component Units

Broward County Commission Governmental Leasing Corporation
Broward County Community Redevelopment Agency
Broward County Educational Facilities Authority
Broward County Water Control District No. 2
Broward County Water Control District No. 4
Broward Economic Development Board
Cocomar Water Control District
Ravenswood Water Control District
Twin Lakes Water Control District

Discretely Presented Component Units

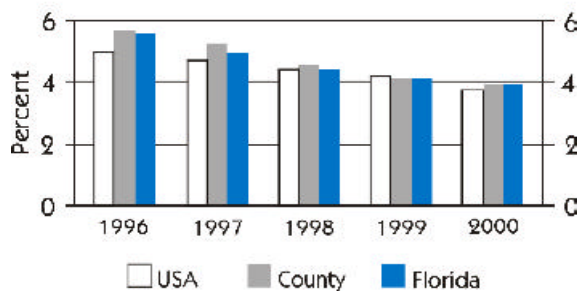
Broward County Housing Finance Authority
Broward County Health Facilities Authority

The School Board of Broward County, and the North and South Broward Hospital Districts have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

THE BROWARD COUNTY ECONOMY IN 2000

The County enjoys a diverse and growing economy and a low unemployment rate, thanks to a vibrant tourism industry, an active construction industry, and other dynamic industry sectors. There are approximately 77,000 businesses established in Broward County. Although many of these are classified as small businesses, approximately 100 of these businesses are Fortune 500 companies or divisions thereof.

Unemployment Rates



During fiscal year 2000, the Civil Labor Force within the County grew by approximately 17,000 or 2% over the last year. The County's unemployment rate at September 30, 2000 was 3.9% compared to 4.1% at September 30, 1999. In comparison, the unemployment rates for Florida and the United States were 3.9% and 3.8%, respectively.

Tourism is an important economic factor in the County. The combination of a favorable climate (an average year-round temperature of 75.9 degrees Fahrenheit), together with diverse recreational opportunities, including theaters, parks, famous public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred racing, jai alai, and water recreational facilities, have made the County a major tourist center. Tourists visit the County year round and come from around the world. In calendar year 2000, approximately 7.7 million visitors spent approximately \$4 billion.

Building permits for residential construction, a measure of future construction activity, decreased from 12,584 units in 1999 to 11,166 in 2000. However, the County's population and tax base have increased.

MAJOR INITIATIVES

During fiscal year 2000, the County achieved many significant accomplishments in furtherance of the goals established by the Board of County Commissioners. Those goals are to: enhance economic development efforts; protect the environment; strengthen the connections between the Airport and Seaport; increase Mass Transit ridership and reduce traffic congestion; develop a new organizational culture; and develop strategies to assist children, the elderly and low income families. The accomplishments included:

- Inventoried 660 acres of conservation land, 700 acres of green space, and 11,000 acres of other open space in the County.

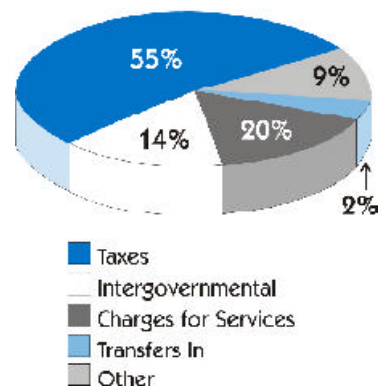
- Proposed a \$400 million bond issue to voters that would acquire and restore some of these environmentally sensitive lands as well as enhance the County's park system. This proposal was overwhelmingly approved in the November General Election.
- Completed a map of existing and future greenways and trails corridors to expand opportunities for hikers, bicyclists, pedestrians, boaters and equestrians.
- 120 companies relocated to or expanded in the County, creating 17,000 new jobs.
- Branded the InternetCoast logo, and the organization achieved approximately 1,200 members.
- The Airport joined the ranks of large hub airports with a record 15.1 million passengers.
- Port Everglades attracted five new cruise ships, and revenues from cruise ships grew 5% while cargo revenues continued to exceed the standards of other U.S. East Coast ports.
- Expanded Mass Transit routes and hours of evening service, increasing ridership during the first six months of calendar year 2000 by 11%.
- Implemented SunSational Service Training for all employees to improve individual customer service skills.
- Added an emphasis on e-government to the goals and completed several steps to enable our customers and citizens to access their government globally and around the clock.
- Implemented the Family Success Initiative, bringing together government, neighborhood and nonprofit services in a one-stop, easily accessible and responsive manner.

Broward County Government is reexamining how it does business and transitioning to a modern and accessible, regional service provider. Its core regional services include public safety, libraries, parks, environmental protection, transportation and planning. Even as it evolves to meet these challenges, the County has succeeded in reducing its property tax rates while increasing its emphasis on quality customer service.

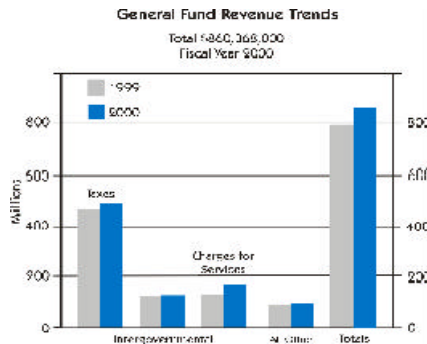
GENERAL FUND SUMMARY

The following is a summary of the General Fund operations for the years ended September 30, 2000 and 1999 (in thousands):

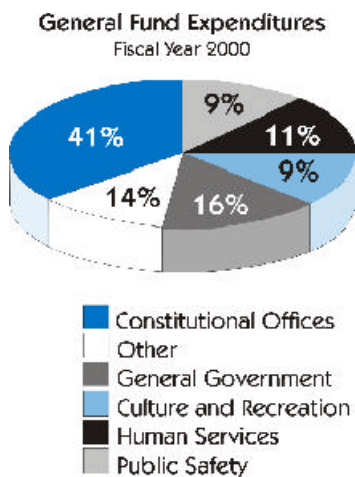
General Fund Revenue Sources
Fiscal Year 2000



Revenue and Other Sources	2000	1999	Increase (Decrease)
Taxes	\$471,678	\$442,526	6.6 %
Special Assessments	24,653	25,673	(4.0)
Licenses and Permits	13,681	13,171	3.9
Intergovernmental Revenues	123,125	121,206	1.6
Charges for Services	171,369	140,363	22.1
Fines and Forfeitures	6,540	6,261	4.5
Interest Income	18,858	14,537	29.7
Other	13,348	13,889	(3.9)
Transfers	17,116	17,859	(4.2)
Total	\$860,368	\$795,485	8.2%



Expenditures and Other Uses	2000	1999	Increase (Decrease)
General Government	\$138,015	\$127,804	8.0%
Public Safety	70,824	66,632	6.3
Human Services	95,584	88,280	8.3
Culture and Recreation	75,182	69,853	7.6
Other	34,483	28,674	20.3
Transfers:			
To Debt Service Funds	32,593	31,342	4.0
To Constitutional Offices	349,664	303,986	15.0
To Other Funds	51,734	51,658	0.1
Total	\$848,079	\$768,229	10.4%



Revenue and Other Sources increased by 8.2%, reflecting increases in ad valorem taxes and charges for services of \$28,571,000 and \$31,006,000 respectively. Ad valorem taxes increased 6.7% primarily due to the continued development of the western portion of the County as well as rising property values elsewhere. Charges for services increased 22.1% mainly due to higher revenue from the Broward Sheriff's Office for contractual services with cities. During 2000 a number of cities decided to contract with the Broward Sheriff's Office rather than maintain their own police departments.

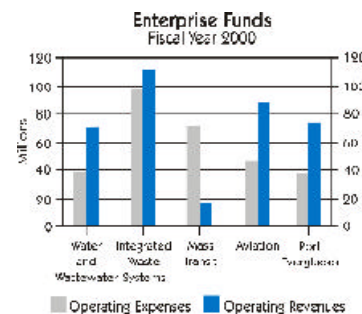
Expenditures and Other Uses increased \$79,850,000 or 10.4%, slightly higher than the rate of revenue increase. One principal reason for the increase was that transfers to the Broward Sheriff's Office rose \$43,877,000 for expanded police services including contracts for services to other cities mentioned above. General increases in other costs primarily related to increased personnel and benefits costs.

The unreserved fund balance represents the uncommitted resources available for reappropriation to meet General Fund operational costs in ensuing fiscal years. The unreserved fund balance at September 30, 2000 was \$145,623,000 or approximately 17.2% of 2000 expenditures and other uses.

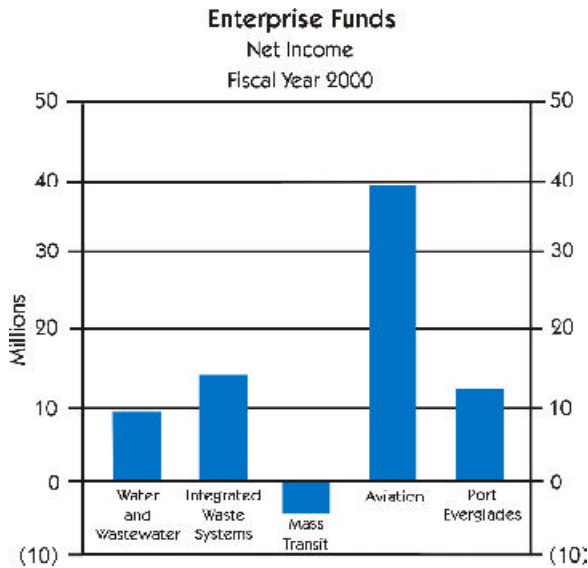
ENTERPRISE FUNDS

The County maintains seven Enterprise Funds: Water and Wastewater, Solid Waste, Resource Recovery System, Unincorporated Area Waste Collection, Mass Transit, Aviation and Port Everglades. Enterprise Funds are established to finance and account for the acquisition, operation and maintenance of facilities and services which are intended to be entirely or predominantly self-supported by charges collected from the users served.

A combined summary of Enterprise Funds operations is as follows (dollars in thousands):



	2000	1999	Change
Operating Revenue	\$361,503	\$338,438	6.8%
Operating Expenses	292,216	269,957	8.2
Depreciation Expense	45,539	42,965	6.0
Operating Income	23,748	25,516	(6.9)
Net Non-Operating Income (Expenses)	9,241	12,974	(28.8)
Operating Transfers In	38,858	36,686	5.9
Operating Transfers Out	(427)	(1,231)	(65.3)
Net Income	\$ 71,420	\$ 73,945	(3.4)%



The following is a brief discussion of the operating results of the various Enterprise Funds:

Water and Wastewater Fund: This Fund accounts for the revenue and expenses of the County's Water and Wastewater Facilities. Operating revenue and operating expenses increased 1.9% and 1.8%, respectively. The Fund reported a net income of \$9,623,000 in fiscal year 2000, compared to a net income of \$16,706,000 in fiscal year 1999.

Integrated Waste Funds: The Solid Waste, Resource Recovery System and Unincorporated Area Waste Collection Funds, collectively referred to as the Integrated Waste Management System, posted net income of \$14,270,000 in 2000 against \$14,020,000 in 1999.

The Solid Waste Fund accounts for the cost of the County's closed landfill and recycling programs. The Fund's net income was \$27,000 in 2000 compared to \$181,000 in 1999.

The Resource Recovery System Fund reflects the activities of the County's Waste to Energy System. Operating revenue increased 5.4% due in part to an increase in tonnage. Operating expenses increased 10%. As a result, the Fund realized a net income of \$13,127,000 compared to net income of \$13,386,000 in 1999.

The Unincorporated Area Waste Collection Fund accounts for the trash collections in the unincorporated areas of the County. Operating revenue in 2000 increased 7.2%. Operating expenses decreased 3.7%, resulting in net income for 2000 of \$1,116,000 substantially greater than the net income for 1999 of \$453,000.

Mass Transit: Mass Transit ridership increased 4.2% to approximately 27 million passenger trips. The operating loss before operating grants and the County subsidy was \$60,765,000 in 2000 and \$53,895,000 in 1999.

Aviation Fund: The Aviation Department serves the air travel needs of the citizens of Broward County and the surrounding area. This Department operates Fort Lauderdale/Hollywood

International and North Perry Airports. Aviation Fund revenue increased from \$72,706,000 to \$86,643,000 or 19.2% primarily due to increases in parking revenues, concession revenues and terminal rentals. Operating expenses increased by \$4.9 million or 11.4%. The number of passengers served increased by more than 13% to 15.3 million during 2000.

The County collected Passenger Facility Charges (PFC) totaling \$20.4 million in 2000 and \$19.3 million in 1999. The Fund posted net income of \$39,913,000 in 2000 as compared with \$31,940,000 in 1999.

Port Everglades Fund: The Port Everglades Department serves the seaport needs of the citizens of Broward County and the surrounding area. Economic activity supported at the Port include import/export cargo, including fuel, and passenger cruise operations. Revenues at the Port increased 2% from \$74,190,000 to \$75,642,000, while operating expenses increased by 3.8%. The Fund posted net income of \$12,485,000 in 2000 compared to net income of \$14,684,000 in 1999, a decrease of 15%.

FIDUCIARY FUNDS

The County maintains six expendable trust funds and four agency funds. Trust and Agency Funds are established to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units or other funds.

The largest agency funds of the County are the Revenue Collection Fund and the Clerk's Agency Fund. The Revenue Collection Fund, which has assets of \$21,954,000 accounts for the collection and distribution of taxes and licenses for the County and other taxing bodies. The Clerk's Agency Fund, which has assets of \$17,134,000, accounts for funds collected and held in a fiduciary capacity for governmental units and others. The total assets for all the Trust and Agency Funds was \$84,955,000 as of September 30, 2000.

CASH MANAGEMENT

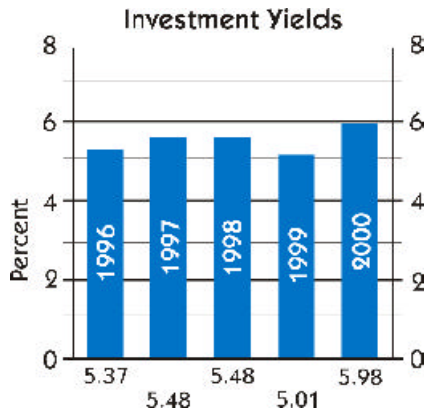
The Finance Department strives to keep abreast of current trends in cash and investment management in order to achieve maximum financial return on available cash resources. Idle cash balances are invested on a daily basis within the constraints imposed by Florida Statutes and the County's investment policy. The primary objective of the County's policy is preservation of capital.

Substantially all of the County's investments are either insured, registered or physically held in the County's name. The significance of this is that the County has prudently safeguarded its investments to mitigate potential losses which could occur upon the bankruptcy or failure of an investment house/broker.

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 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:

	2000	1999
Average Portfolio Balance (in thousands)	\$1,379,000	\$1,225,000
Average Investment Yield	5.98%	5.01%
Total Investment Earnings (in thousands)	\$79,869	\$62,659



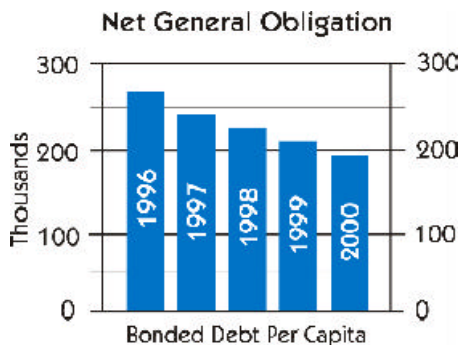
During 2000 the County's interest yield consistently exceeded the 90 day U.S. Treasury bill rates which the County uses as a performance benchmark.

DEBT MANAGEMENT

The County continues to meet its financial needs through prudent use of its revenues and creative debt financing programs.

At September 30, 2000, the County had \$1,739,949,000 of long-term obligations outstanding consisting of:

General Obligation Bonds	\$292,880,000
Special Obligation Bonds	292,130,000
Revenue Bonds	978,237,000
Loans Payable	77,330,000
Commercial Paper and Other Obligations	99,372,000



The following table provides information relative to the County's general obligation debt:

	2000	1999
Net Taxable Assessed Property Valuation January 1 (in thousands)	\$70,294,093	\$65,586,763
Net Direct General Obligation Debt September 30 (in thousands)	\$290,370	\$311,644
Net Direct General Obligation Debt as a Percent of Net Taxable Assessed Property Valuation	.41%	.48%
Population (in thousands)	1,496	1,474
Net Direct General Obligation Debt per Capita	\$194.12	\$211.43

The County's continued financial strength and sound financial management practices are reflected in its investment ratings, which represent the highest levels attained by Florida counties:

Aa2 Moody's Investor Services
 AA Standard & Poor's Corporation
 AA+ Fitch IBCA, Inc.

SELF-INSURANCE

Broward County is self-insured for general liability, professional, automobile liability, medical malpractice, workers' compensation, and Mass Transit bus liability through its Self-Insurance Fund. This fund also provides centralized procurement of all commercial insurance coverages, including group health and life insurance. 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 and unreported for incidents during the period as determined by actuarial computation. As of September 30, 2000, the County has fully funded its estimated liability of \$40,583,000 on a discounted basis and has retained earnings of \$12,075,000.

GENERAL FIXED ASSETS

General fixed assets of the County are those fixed assets used in the performance of general government functions and do not include the fixed assets of Enterprise and Internal Service Funds, which are reported in the Balance Sheets of those funds. Depreciation of general fixed assets is not recognized in the County's accounting system. As of September 30, 2000, the cost of General Fixed Assets of the County was \$1,552,922,000 which represented an increase of 10.6% over that of 1999.

INTERNAL AND BUDGETARY CONTROLS

The County's management is responsible for the establishment and maintenance of accounting and other internal controls to ensure compliance with applicable laws and County policies, that assets are safeguarded and financial transactions are properly recorded and documented. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls

should not exceed the benefits obtained, and the valuation of costs and benefits requires estimates and judgments by management. The County's external auditors performed a study and evaluation of the County's internal control as required by generally accepted auditing standards, in connection with the audit of the accompanying financial statements. The results of their study and evaluation are the subject of a separate report.

Budgetary control by the Board of County Commissioners is maintained at the fund level. The accounting system maintains budgetary control by line item by division and rejects encumbrance or expenditure transactions for which there is insufficient remaining appropriation. Open capital purchase orders are reported as reservations of fund balance at year-end and are subsequently reappropriated in the new year via supplementary budgets.

INDEPENDENT AUDIT

The September 30, 2000 general purpose financial statements were audited by Ernst & Young LLP, and their opinion resulting from the audit is included in this Comprehensive Annual Financial Report. Their audit was performed in accordance with generally accepted auditing standards, Government Auditing Standards, and the rules of the Auditor General of the State of Florida.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Broward County, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Broward County, Florida has received a Certificate of Achievement for the last fifteen consecutive years (fiscal years ended 1985-1999). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

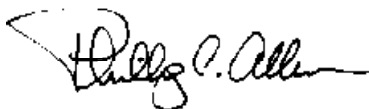
ACKNOWLEDGEMENTS

The timely preparation and publication of this Comprehensive Annual Financial Report represents a significant effort by many of the accountants throughout the County as well as the excellent cooperation and assistance of other County employees who contributed to its preparation. In particular, we wish to express our appreciation to the entire Accounting Division Staff who were responsible for assimilating and compiling the data comprising this report and to the Public Information/Graphics Office staff

whose efforts have greatly enhanced the appearance of this report. We also wish to thank the County's independent auditors, Ernst & Young LLP for their cooperation and assistance in the preparation of this report.

Sincere appreciation is also expressed to the Commissioners, County Administrator and Directors of Divisions, Departments and Offices, for their assistance throughout the year in matters pertaining to the financial affairs of this County.

Respectfully submitted,



Phillip C. Allen
Director
Finance and Administrative Services Department



John T. Pryor, CPA
Director
Accounting Division