

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2009

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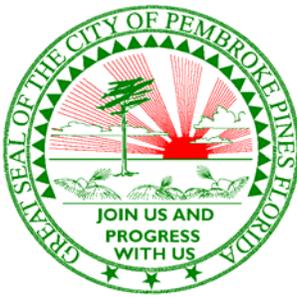
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I. INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement
- List of City Officials
- Organizational Chart





City of Pembroke Pines



Frank C. Ortis, Mayor
Angelo Castillo, Vice Mayor
Charles F. Dodge, City Manager

Jack McCluskey, Commissioner
Carl Schechter, Commissioner
Iris A. Siple, Commissioner

February 11, 2010

To the Citizens of the City of Pembroke Pines, Florida:

State law requires that every general-purpose local government publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2009.

This report consists of management's representations concerning the finances of the City of Pembroke Pines. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the City administration has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Pembroke Pines' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As administrators, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by TCBA Watson Rice LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2009 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pembroke Pines' financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Pembroke Pines was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. There were no Single Audit findings during the fiscal year ended September 30, 2009.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pembroke Pines' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Pembroke Pines is the 11th largest city in Florida, and the second largest city in Broward County. As of September 30, 2009, the most recent official population estimate was 151,193. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

The City of Pembroke Pines was incorporated on January 19, 1960 and operates under a Commission-Manager form of government. The City Commission is comprised of the Mayor, a Vice-Mayor and three other Commissioners who are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of the various advisory boards, the City Manager, the City Attorney, and the Finance Director. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the department directors of the City.

In addition to providing residents with public safety, general government, leisure, and public work services, the City provides water, sanitation, a recycling program, a multi-purpose Walter C. Young Resource Center, recreation facilities, housing residences and services, the Senator Howard C. Forman Human Services Campus, and owns and operates seven Charter Schools, four Early Development Centers, and one Child Daycare Center. The City maintains a Glass Gallery supervised by a curator in the City Hall lobby that displays works by local artists, sculptors and photographers, and also presents or sponsors various arts, cultural, theatrical and festival activities for its citizens throughout the year.

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 6.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated to any department. The City's budget is approved at the department level. The City Manager and the Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented on pages 122-125 as part of the Required Supplementary Information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Pembroke Pines operates.

Local Economy

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the fifty years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (MSA), known as the "Gateway to the Americas", is an ideal location for conducting international business, especially in Latin America. As such, the MSA accounts for the majority of Florida's total export of goods to overseas markets. The total population is estimated at more than 5.4 million and has the largest and most diverse labor force in the State. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the number one cruise ship port in Florida, and among the busiest container ports in the United States.

Essential to its progress is the City's pro-business attitude. It has an open door policy with the private sector, working with business on a daily basis, encouraging international trade, as well as small business enterprises. The City's strict zoning regulations and a balanced land-use plan provide for the orderly development of industrial, commercial, residential, and recreational development.

Last year the City and the nation experienced one of the worst recessions since the Great Depression, and in an official report from Washington, the government stated that this was the worst recession that the United States has experienced in more than 25 years. The recession officially started in December of 2007, but with positive growth on the horizon as shown in the Gross Domestic Product (GDP), all indications are that technically, the recession is over, yet the economic recovery process has been slow. Unemployment remains high and residential home sales and consumer spending continues to be low although positive improvements are being made.

The nation's Gross Domestic Product (GDP), which is the value of all goods and services produced in the economy surged at the end of 2009, as the first estimate of fourth quarter GDP was released by the U.S Department of Commerce. GDP rose at a 5.7% annual rate from October through December, a full percentage point above consensus expectations. GDP has gone up two straight quarters, rising 2.2% in the third quarter ending September 2009. In all of 2009, GDP fell 2.4%, which is the biggest drop for an entire year since 10.9% in 1946. GDP rose 0.4% in 2008, and 2.1% in 2007.

GDP is a broad measure of economic activity in the United States. Most of the 5.7% increase was attributable to a slower drawdown in business inventories. Consumer spending, which accounts for approximately two-thirds of GDP increased by 2.0% in the fourth quarter, which suggests that household spending is expanding at a moderate rate, but remains constrained by a weak labor market, modest income growth, and lower housing values.

The City's average unemployment rate during the year in contrast to the other levels of government is shown below:

	<u>2009*</u>	<u>2008*</u>
City of Pembroke Pines	7.4%	5.2%
Broward County	8.4%	4.7%
State of Florida	9.5%	5.5%
United States	8.5%	5.3%

* Average unemployment data for 2009 & 2008 is on a fiscal year basis October 1st through September 30th.

The latest unemployment rate for the State of Florida, as released by the U.S Department of Labor in January 2010 was 11.8% for December 2009, representing approximately 1.1 million people. Florida posted the seventh highest unemployment rate within the US, a 4.2% increase over the unemployment rate for December 2008. This is the highest rate since May 1975, when unemployment was 11.9%. Florida's job loss began in April 2007 with the hard-hit construction industries experiencing the heaviest job losses. Unemployment since has spread to all industries. For the entire United States, the unemployment rate was 10.0% in December 2009 with approximately 15.3 million people unemployed for the same period. At the start of the recession in December 2007, the number of unemployed persons was 7.7 million, and the unemployment rate was 5.0%. Economists have projected that it may be several years before Florida regains its financial footing and as late as 2018 before the state returns to a more palatable rate below 6%.

Inflation is another important economic indicator that weighs heavily on national policy. Nationwide, the inflation rate as measured by the percent change in the Consumer Price Index (CPI) for all urban consumers, increased by 0.1% in December 2009; and over the last 12 months, the index increased 2.7% before seasonal adjustment. South Florida's inflation rate increased 2.1% over the last 12 months ending December 2009, the highest level in more than a year. The main reason for the increase was due to a 50% increase in gasoline prices. As families and businesses cut spending, overall inflation had been near zero in South Florida since December 2008. In fact, inflation was slightly negative for much of 2009, because gas prices were so far below the 2008 peaks. Even with December's increase, however, South Florida's inflation rate remained below the national rate of 2.7%. The housing component was down 1.1% in South Florida as compared to only 0.3% nationwide.

The housing market has been a critical issue in the recovery process. Falling property values, record levels of foreclosure filings, and the effects of the sub-prime mortgages crippled the housing market and the economy. It sparked one of the biggest financial crises that the US and the global economies ever had to face. However, recent news regarding existing home sales statistics continues to support the economic recovery efforts.

Florida's existing home sales rose in December 2009, marking 16 months that sales activity has increased in the year-to-year comparison, according to the latest housing data released by Florida Realtors®. Existing home sales rose 33% last month with a total of 14,630 homes sold statewide compared to 11,013 homes sold in December 2008.

Existing home sales also increased locally with sales in Broward County increasing by 24%, and 45% in Miami-Dade County in the year-to-year comparison. Prices also are beginning to stabilize as median prices fell only 2% in Broward County, and 5% in Miami-Dade County. Nationwide however, the picture is different. Existing home sales fell in December by 16.7% to an annual rate of 5.45 million units compared with November as home-buyers rushed to complete sales before the original November deadline for the first-time homebuyer tax credit. However, according to the National Association of Realtors (NAR) annual sales remain 15% above the 4.74 million unit level in December 2008. According to an NAR practitioner survey, first-time buyers accounted for 43% of home sales in December and sales of distressed homes accounted for 32%, which accounts for the continued drop in prices. The NAR's latest industry outlook predicts that housing recovery will gain momentum in the second half of 2010, as low mortgage rates and the extension of the homebuyer tax credit should support increased housing demand.

The business environment with the County and the City itself has been through a turbulent year in 2009. There were business closures of some major retailers and even financial institutions. Yet, there are signs that continue to show that the economic recovery process is underway and there is a renewed confidence in the business arena. According to a new Portfolio.com/bizjournals study, the Miami-Fort Lauderdale metropolitan area moved up five spots to rank as the seventh-best place to launch a new business in 2010,

versus twelfth place last year. The rankings are calculated using a formula that takes into account population, employment and small-business growth. The study does give indications of the economic stress in South Florida, as performance has been hampered by the high levels of unemployment and the low population growth. Broward County continues to encourage business investment through numerous incentives, and provides an effective platform for global companies seeking a convenient location to serve Latin America and the Caribbean, as well as national, regional and local enterprises. The City will also continue its efforts to increase business investment within the City limits. These efforts include the continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce. The City's Planning Division staff at the direction of the City Commission is moving forward with the Eastern Pembroke Pines Redevelopment Plan. The plan is comprised of short, medium and long range activities that will assist the private sector to revitalize the commercial and residential properties in Eastern Pembroke Pines.

Pembroke Pines continues to maintain one of the lower tax rates within Broward County, even though it nears build-out. In fiscal year 2009, the City ranked as the sixteenth lowest among the 31 cities in Broward for property taxes, municipal taxes and fees combined. The City's current operating millage rate for the fiscal year ending September 30th, 2010 is 5.7200, which includes a debt service millage of 0.5951. For the fiscal year ended September 30th, 2009, the City's millage rate ranked as the fifteenth lowest in the County at 4.9630 and included a debt service millage of 0.5318. For the past few years, increases in property values have helped to mitigate increases in the City's millage rate, however, the City can no longer rely on this as a result of property tax reform, and the lowering of property values. The City is steadfast in its resolve to continue to be progressive, and by leveraging its current resources in innovative ways, will remain true to its strategic vision and motto "Join us and progress with us". This vision continues to be one that seeks to provide its residents with the highest quality of life, at an affordable cost, and utilizing cost efficiencies in every way practicable.

Long-Term Financial Planning

Financial planning continues to be of paramount importance to the City as we strive to meet the challenges of both the immediate and the foreseeable future. The major projects undertaken by the City have long-term financial implications for the existing as well as future resources of the City, including but not limited to, the existing use of revenues earned for operational and future reserve needs. The planning and decisions undertaken by the City are always weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts. Although there are projects which were initiated this year, there are also projects that continue to be expanded or are already works-in-progress that will take a number of years to complete.

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise, and in light of the recent property tax reform initiatives passed by the State legislature. As the City approaches build-out, the long-term strategic focus had to shift from one of growth to one of redevelopment, yet the overall long-term goals remain targeted on the health, welfare, safety and quality of life for our residents.

The property tax constitutional amendment reform that was approved by the Florida voters in 2008, coupled with the State's legislative actions to cap the City's property tax revenues by limiting tax increases to the growth in personal income and new construction, and the economic recession, will continue to significantly impact the short-term and the long-term financial policy decisions of the City. With property values still on the decline, the impacts of this are far reaching as Florida's economy slowly emerges from the recession. The City has had to re-examine the way it does business, seeking to harness operational efficiencies without an enormous impact to the services it provides residents. In fiscal year 2009, the City initiated an efficiency study for all departments, to identify areas where the City operations can be improved both financially and operationally.

The development of the City's capital improvement plans, as well as the annual budget, has led the City to pursue a moderate and more conservative approach to revenue forecasts, as well as renewed focus on cost-reduction, especially for personnel-related costs which accounted for approximately 76.6% of total General Fund expenditures for the 2010 Adopted Budget, versus 74.1% in the previous fiscal year. The City's 2010 budget was adopted using the operating millage rate of 5.1249, but in order to maintain current levels of service, increases in the fire assessment and other fees had to be implemented. The Budget was adopted eliminating vacancies and reducing capital, operating, and contractual expenditures. The City also increased its water and sewer fees by 25.36%, outsourced the building division, and restructured the Community Services Department by outsourcing the Adult Day Care/Alzheimer Program and transferring all transportation components to a contractor. Additional measures such as negotiations with the various collective bargaining units are also in process.

The City uses its long-term financial and strategic planning in the budget development process. These strategic missions, goals, and objectives are then translated into the day-to-day policy actions of the City.

Long-term financial planning has also been taken into account for some major projects undertaken by the City, including the "Building Our Future Program" whereby the City issued \$90.0 million in General Obligation bonds, and the City Center Project. Both are expected to provide and create new economic opportunities for the City. Another project underway that currently has a long-term impact on the City is the Alternative Water Supply. These projects are discussed in more detail below under "Major Initiatives".

There is a new paradigm in government that calls for a higher level of fiscal discipline and creativity. The City is fully committed to exploring all avenues to ensure that residents continue to be provided excellent services in the most cost-efficient manner while providing a greater level of transparency in government.

Relevant Financial Policies

The City adopts various financial policies in order to facilitate effective goal setting and decision making. These policies establish the framework for sound financial oversight of the City's operations. With the economic and credit crisis, it was important that the debt issues involving swap transactions be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission on November 1, 2006. Understanding and managing the risks associated with these swap transactions is critical to the City's financial health. The City is currently in compliance with its Debt Management and Derivative Policy. The Debt Management Policy also stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal to or exceed \$100,000.

Over the last year, the City has developed the budget in such a way as to preserve unreserved, undesignated fund balance in the General Fund between 10% and 30% of the total annual General Fund expenditures. This also provides a contingency for unexpected future events. The importance of monitoring the City's fund balance levels has become such an integral part of its overall financial planning, that on November 1, 2006 the City formally adopted Ordinance Number 1562 creating a Fund Balance Reserve Policy. Currently this policy only covers the General Fund, and specifies the course of action in the event that the undesignated, unreserved fund balance falls below the target range. The City's General Fund unreserved, undesignated fund balance for 2009 of \$34.1 million; as a percentage of 2010 budgeted expenditures is 20.3% which falls within the established policy guidelines. The City will re-examine this policy to ensure that it meets the new definitions and scope of the Governmental Accounting Standards Board's (GASB), Statement No. 54-Fund Balance Reporting and Governmental Fund Type Definitions, which will be effective for fiscal year 2011.

The City will continue to review its financial policies and procedures it currently has in place to ensure that they continue to meet the regulatory and operational frameworks at the highest level.

Major Initiatives

On January 13, 2005 the City Commission decided to undertake a bold new initiative in the City, which has been dubbed the “Building Our Future Program”. On March 8, 2005 the registered voters of the City passed a bond referendum, authorizing the City to issue up to \$100.0 million in General Obligation (G.O.) Bonds with maturity not exceeding 30 years, which will be repaid from the proceeds of ad valorem taxes. The first series of these bonds were issued on September 30, 2005 for \$47.0 million. On July 25th, 2007 the City issued an additional \$43.0 million, and reduced the number of projects to be funded by the General Obligation Bonds, the most notable being the proposed Civic Center, which was budgeted at \$8.0 million. This brought the total bonds issued for the “Building Our Future Program” to \$90.0 million.

The projects funded from the proceeds of the bonds range from various roadwork projects, and recreational and cultural amenities, to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City’s Mayor and Commissioners. Due to the size of the “Building Our Future Program”, it is expected to have a significant impact that will benefit both the current and future residents of the City, and is expected to take a number of years to complete. Many of the projects have focused on additions and improvements to the City’s parks and recreational facilities, and major improvements to several strategic roadways throughout the City. A total of 138 projects were approved by the City Commission relating the “Building Our Future Program”. As of December 2009, 74 projects were fully completed, 10 projects were in the construction phase, 19 projects were in the design/planning phase, 6 projects had not yet begun, 8 projects were re-allocated and 21 projects were eliminated. Of the \$90.0 million, 87.30% or \$78.6 million has been spent or allocated as of December 31, 2009.

In fiscal year 2009, the City purchased the “Raintree” property for \$9.1 million of which \$7.4 million was funded from the “Building Our Future” G.O. bond proceeds. The remaining \$1.7 million was funded from the Capital Improvement Refunding Revenue Bonds, Series 2006. These 112 acres will be used as the relocation site for the City’s Public Services compound, which in turn will be used for the construction of the Alternative Water Supply (AWS) plant.

The City continues its efforts to enhance the functionality and services provided at the Senator Howard C. Forman Human Services Campus. There have been significant improvements to the site thus far, including the completion of three housing residential complexes, referred to as “Pines Place”, which consists of 614 rental units. The City has also built a 40-unit residential complex, an administrative and treatment building, and an Early Development Center, which is part of an agreement with the Susan B. Anthony Center Inc., a non-profit that provides transitional housing for women with children suffering from substance abuse. The latest project consists of an approximately 11,000-square-foot facility dubbed “Studio 18 in the Pines”. This facility is expected to be completed in February 2010, and was funded by G.O. bond proceeds. It will offer 18 rental studios for artists, classrooms, and gallery and meeting spaces. This artist colony is expected to be a hub for local artists in the community.

On September 16, 2009, City Commission approved entering into a lease agreement with the YMCA of Broward County for an initial period of ten years with the purpose of developing a partnership that will benefit the City and the YMCA, and provide quality programs and services to the residents of Pembroke Pines. The YMCA took over the management of the recreational programs at two City facilities in November 2009, the Pembroke Falls Aquatic Center and the Pembroke Shores Park which has now been renamed the Pembroke Pines YMCA Family Center. The approved partnership requires that the City build a minimum 17,000-square-foot addition to the Pembroke Shores Gym facility and to construct a 200 vehicle parking facility. The estimated cost of this project is \$4.5 million which will come from G.O bond

proceeds, and negotiations are currently underway with the Boca-Raton based firm Kaufman Lynn Inc. for the construction of this project.

The plans for “City Center” remain to be a project of significant importance in terms of both financial implications and resource allocation needed for its development. This project was initially started in fiscal year 2003 with the purchase of approximately 115 acres of undeveloped land adjacent to City Hall, for \$22 million. This site is the last major piece of property along the Pines Boulevard corridor, and will provide a unique opportunity for the City to ensure that the needs and well-being of our residents are properly evaluated and provided for in a controlled environment. The City is overseeing the development of this property as a “City Center” for the benefit of residents. In addition to the initial investment, the City has spent an additional \$45.5 million for spine roads infrastructure and hardscape development.

The City Commission and the administration continue to work to develop strategies to promote the sale of this property. The latest proposal received by the City consisted of a joint proposal from Pines-based PAS Media Inc., and Miami-based Studio of the Americas. The proposal called for the purchase and development of nearly 58 acres of the City Center property. The project’s entertainment complex would include tourist-friendly venues such as three and five-star hotels, four motion picture studios, a 10,000-square-foot movie theatre, a Latin American museum, a lavish conference center, and 35,000-square feet of retail. The project’s estimated cost of \$600.0 million would be financed by real estate developers and other private investors. They have estimated that this would create 4,300 studio and construction jobs and flood the City with tourism. This will be presented to the City Commission in coming months as the purchase of the land is negotiated.

The City will also be undertaking a new project for the Alternative Water Supply (AWS). In 1997, the State of Florida mandated that the South Florida Water Management District (SFWMD) develop and implement a Lower East Coast Water Supply Plan (LEC), which was adopted in 2000 and subsequently amended in 2005. As a result of this State mandate, the City must plan the funding, design and construction of an alternative water supply project that re-claims the Biscayne Aquifer water for re-use. In December 2008, various options were presented to the City Commission and they adopted the option which provides for the long range water supply planning, wastewater treatment, reuse, and ultimate disconnection of wastewater treatment service from the City of Hollywood. The overall project cost projections amount to \$165.0 million over a five-year period. The initial contract was award to Calvin Giordano and Associates Inc. in the amount of \$2.7 million for the preliminary engineering and pre-design services. The fiscal year 2010 budget includes a \$20.0 million appropriation for this project that will be funded by a bond issue.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. This was the twenty-fourth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report (CAFR) continues to meet the Certificate of Achievement for Excellence in Financial Reporting program’s requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate.

Additionally, the City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2008. The City of Pembroke Pines has received this award consecutively for twelve years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

A Distinguished Budget Presentation Award is valid for a period of one year only. We believe that our current budget continues to meet the Distinguished Budget Presentation Award program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

The City's Charter Schools' budget also received the GFOA Distinguished Budget Presentation Award for their fiscal year beginning July 1, 2009. This is the sixth consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004.

On November 10, 2008 BusinessWeek magazine named Pembroke Pines as the best Florida community in which to raise kids in 2009, based on its education system and low crime rate. The selection criteria were made for cities with at least 50,000 residents and a median family income ranging from \$40,000 to \$100,000. BusinessWeek conducted this survey working with OnBoard Informatics, a New York-based provider of real estate analysis, and also based its criteria for selecting Pembroke Pines on the number of schools, affordability, air quality, job growth, family income, cultural amenities and diversity.

Pembroke Pines is the fourth safest large city in Florida according to "City Crime Rankings 2009-2010: Crime in Metropolitan America," a new report put together by criminologists based on 2008 data compiled by the Federal Bureau of Investigation. The report, released by Washington-based publisher CQ Press, ranked 393 cities with populations higher than 75,000. On a national scale, Pembroke Pines ranked 160th in population, but only 79th in the national crime rankings.

On November 3, 2009, U.S. Education Secretary Arne Duncan designated the two City of Pembroke Pines' Charter Middle Schools as "National Blue Ribbon Schools" at an awards ceremony in Washington, D.C. which awarded the National Blue Ribbon Status to 321 schools nationwide. Of the twelve honored schools in Florida, these were only one of two Middle Schools selected, and the only middle schools from Broward County, Florida. The City's two Charter Middle Schools were counted as one school for purposes of this award. In order to achieve this status, the schools must place in the top ten percent on state or national assessments, or have shown dramatic improvement in student performance to high levels on these assessments.

Sincerely,



Charles F. Dodge
City Manager



René González, CPA, CGFO, CPFO
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines
Florida

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

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



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

List of City Officials

City Commission:

Frank C. Ortis, Mayor

Angelo Castillo, Vice Mayor

Jack McCluskey, Commissioner

Carl Shechter, Commissioner

Iris A. Siple, Commissioner

City Manager:

Charles F. Dodge LLC

City Attorney:

Goren, Cherof, Doody & Ezrol, P.A.

City Clerk:

Judith A. Neugent

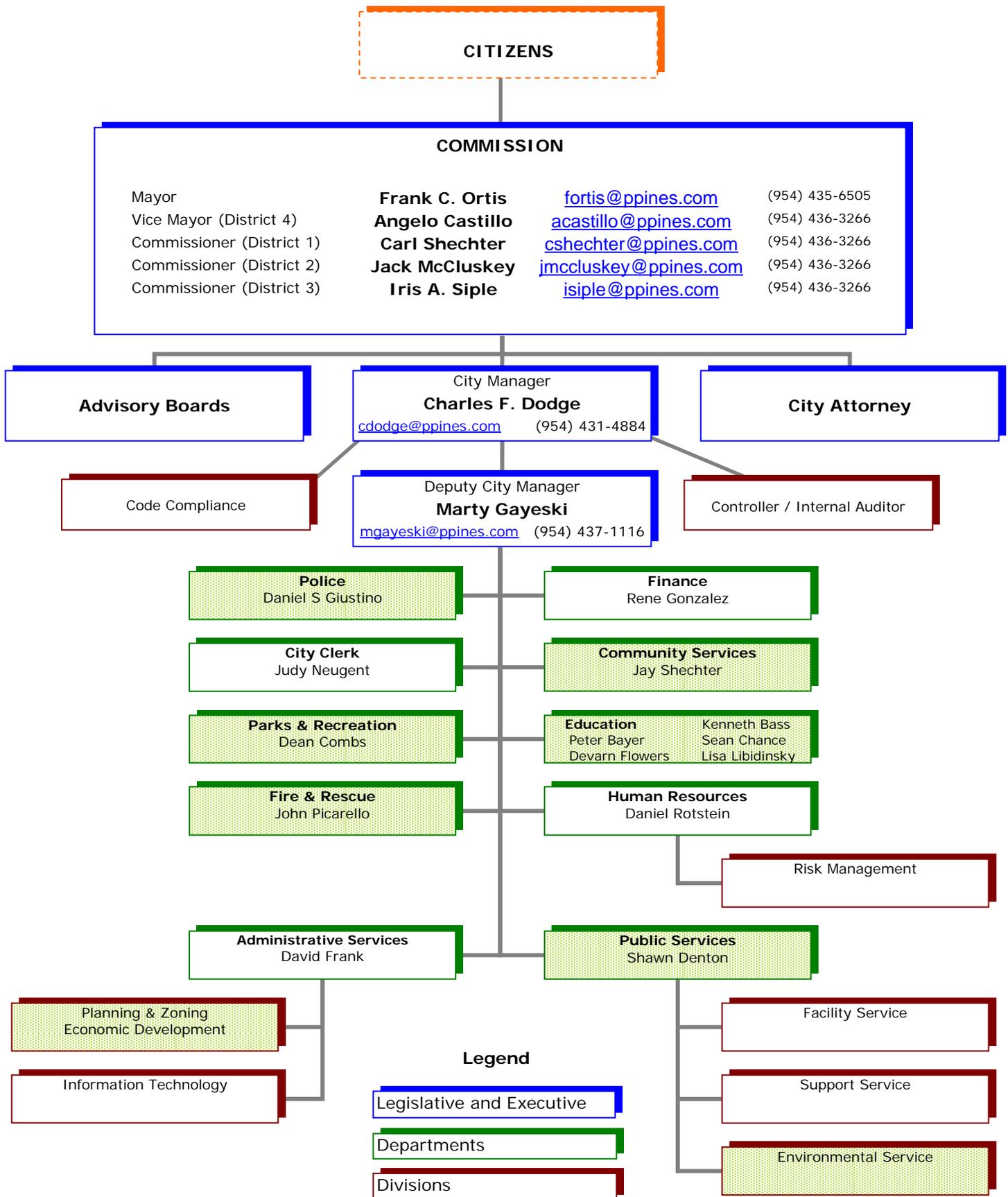
Finance Director:

René D. González



CITY OF PEMBROKE PINES, FLORIDA

Organizational Chart



II. FINANCIAL SECTION

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements:**
 - **Government-wide Financial Statements**
 - **Fund Financial Statements**
 - **Notes to Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**



Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Pembroke Pines, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, (the "City") as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 63% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 22 and 120 through 125, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. 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 City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, state projects and local awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Fort Lauderdale, Florida
March 3, 2010

Handwritten signature in black ink that reads "TCBA Water Rise LLP". The signature is written in a cursive, slightly slanted style.

Management's Discussion and Analysis



City of Pembroke Pines, Florida

Management's Discussion and Analysis

As management of the City of Pembroke Pines, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to ix of this report.

Financial Highlights

- The assets of the City of Pembroke Pines exceeded liabilities at the close of the most recent fiscal year by \$330.8 million (*net assets*), as compared with \$334.7 million for the previous fiscal year. Of this amount, \$47.3 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$3.9 million (-1.2%) during the current fiscal year. Included in the total net assets are governmental net assets which decreased by \$1.3 million (-1.1%), and the business-type net assets which decreased by \$2.6 million (-1.2%). The reasons for the decrease in net assets are analyzed on pages 8-12.
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities had a deficit of \$16.6 million, or -6.7% of total governmental activities expenses. The unrestricted net assets of the business-type activities were \$63.9 million, or 154.8% of total business-type expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$90.9 million, a decrease of \$3.2 million (-3.4%) in comparison with the prior year. Approximately \$31.8 million (34.9%) of this total amount is available for spending at the City's discretion (*unreserved, undesignated fund balance*). The reasons for the decrease in fund balance are analyzed on page 13.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Pembroke Pines' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these basic financial statements, this report contains other supplementary information.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type*

City of Pembroke Pines, Florida **Management's Discussion and Analysis**

activities). The governmental activities of the City include general government services, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and interest on long-term debt. The business-type activities of the City include water, sewer and wastewater operations.

The government-wide financial statements can be found on pages 23-24 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) 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 the City'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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several 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, Debt Service and Capital Projects funds, all of 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 on pages 126-129 of this report.

The City adopts an annual budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with this budget, on pages 122-125. The basic governmental fund financial statements can be found on pages 25-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. An *internal service fund* is used to account for the City's insurance coverage's provided to all departments on a cost reimbursement basis. The City of Pembroke Pines is self-insured.

The basic proprietary fund financial statements can be found on pages 29-33 of this report.

City of Pembroke Pines, Florida **Management's Discussion and Analysis**

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 36-119 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes information concerning the City's progress in funding its obligation to provide pension benefits to its employees and the budgetary comparison schedule of the General Fund.

Required supplementary information can be found on pages 120-125 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

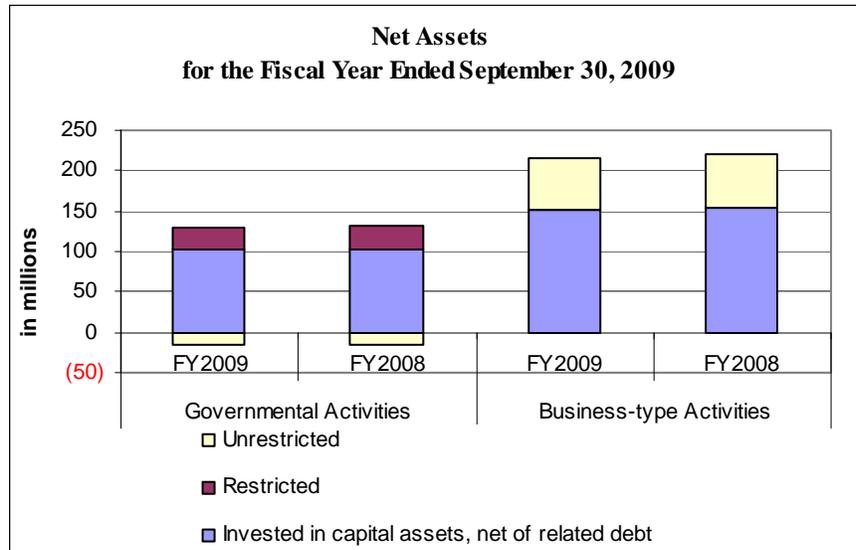
Combining and individual fund statements and schedules can be found on pages 126-129 of this report.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets exceeded liabilities by \$330.8 million at the close of the most recent fiscal year, which represents a -1.2% decrease compared to last year's net assets of \$334.7 million. By far the largest portion of the City's net assets, \$254.9 million (77.0%), represents investment in capital assets, net of related debt. This includes land, construction-in-progress,



buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net assets, \$28.6 million (8.7%), represent resources that are subject to external restrictions on how they may be used. This balance increased by approximately \$0.6 million (2.2%), all related to governmental activities. At the end of the fiscal year there were no restricted assets relating to the business-type activities. The restricted net assets of the governmental funds increased mainly as a result of an increase in net assets relating to the road and bridge fund of \$0.6 million. The remaining balance is unrestricted net assets of \$47.3 million (14.3%), which decreased by \$2.8 million (-5.7%) over last year.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The City's net assets for the last two fiscal years are summarized, in millions, as follows:

	Net Assets (in millions) **					
	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 131.4	\$ 134.9	\$ 4.4	\$ 3.7	\$ 135.8	\$ 138.6
Restricted assets	47.7	59.4	2.7	2.7	50.4	62.1
Negative net pension obligation	59.0	62.0	3.1	3.3	62.1	65.3
Unamortized bond issue costs	6.1	6.5	-	-	6.1	6.5
Capital assets, not being depreciated	66.6	101.3	20.6	16.1	87.2	117.4
Capital assets, being depreciated, net	310.1	275.7	132.2	137.3	442.3	413.0
Total assets	<u>620.9</u>	<u>639.8</u>	<u>163.0</u>	<u>163.1</u>	<u>783.9</u>	<u>802.9</u>
Long-term liabilities	424.0	424.7	0.9	1.0	424.9	425.7
Other liabilities	82.8	99.7	(54.6)	(57.2)	28.2	42.5
Total liabilities	<u>506.8</u>	<u>524.4</u>	<u>(53.7)</u>	<u>(56.2)</u>	<u>453.1</u>	<u>468.2</u>
Invested in capital assets, net of related debt	102.1	103.1	152.8	153.4	254.9	256.5
Restricted	28.6	28.1	-	-	28.6	28.1
Unrestricted	(16.6)	(15.8)	63.9	65.9	47.3	50.1
Total net assets	<u>\$ 114.1</u>	<u>\$ 115.4</u>	<u>\$ 216.7</u>	<u>\$ 219.3</u>	<u>\$ 330.8</u>	<u>\$ 334.7</u>

** Amounts may differ from the Government-wide Financial Statements due to rounding.

Despite an overall decrease in total net assets of \$3.9 million, the City continues to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate business-type activities. However, governmental activities had a deficit of \$16.6 million in unrestricted net assets.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Governmental activities. Net assets of the City's governmental activities decreased by -1.1% (\$1.3 million) from \$115.4 million in the last fiscal year to \$114.1 million in the current fiscal year.

Changes in Net Assets (in millions) **

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for services	\$116.0	\$114.0	\$37.3	\$31.8	\$153.3	\$145.8
Operating grants & contributions	14.7	10.5	-	-	14.7	10.5
Capital grants & contributions	5.5	11.9	0.7	7.3	6.2	19.2
General Revenues:						
Property taxes	51.6	52.3	-	-	51.6	52.3
Utility taxes	10.0	9.9	-	-	10.0	9.9
Communications services tax	8.5	7.4	-	-	8.5	7.4
Franchise fees	16.4	15.3	-	-	16.4	15.3
Other taxes	8.4	8.7	-	-	8.4	8.7
Intergovernmental - unrestricted	11.2	12.6	-	-	11.2	12.6
Investment earnings - not restricted	4.9	3.5	0.7	2.5	5.6	6.0
Other miscellaneous	1.4	0.6	-	0.1	1.4	0.7
Total revenues	<u>248.6</u>	<u>246.7</u>	<u>38.7</u>	<u>41.7</u>	<u>287.3</u>	<u>288.4</u>
Expenses:						
General government services	20.9	23.2 (1)	-	-	20.9	23.2
Public safety	102.4	102.9 (1)	-	-	102.4	102.9
Physical environment	3.1	3.7	-	-	3.1	3.7
Transportation	16.7	12.0	-	-	16.7	12.0
Economic environment	11.0	10.7	-	-	11.0	10.7
Human services	56.3	53.9	-	-	56.3	53.9
Culture/recreation	20.7	21.6	-	-	20.7	21.6
Interest on long-term debt	18.8	18.0	-	-	18.8	18.0
Water utility services	-	-	4.9	5.3	4.9	5.3
Sewer/wastewater services	-	-	10.8	13.1	10.8	13.1
Water-sewer combined service	-	-	25.6	24.8	25.6	24.8
Total expenses	<u>249.9</u>	<u>246.0</u>	<u>41.3</u>	<u>43.2</u>	<u>291.2</u>	<u>289.2</u>
Change in net assets	<u>(1.3)</u>	<u>0.7</u>	<u>(2.6)</u>	<u>(1.5)</u>	<u>(3.9)</u>	<u>(0.8)</u>
Net assets, beginning	115.4	114.7	219.3	220.8	334.7	335.5
Net assets, ending	<u>\$114.1</u>	<u>\$115.4</u>	<u>\$216.7</u>	<u>\$219.3</u>	<u>\$330.8</u>	<u>\$334.7</u>

** Amounts may differ from the Government-wide Financial Statements due to rounding.

Note:

(1) - FY2008 includes a reclass of \$3.8 million of OPEB expense from General government services to Public safety.

Revenues:

Revenues from Governmental activities increased by \$1.9 million (0.8%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contribution decreased overall by \$0.2 million (-0.2%); while general revenues increased by \$2.1 million (1.9%).

City of Pembroke Pines, Florida

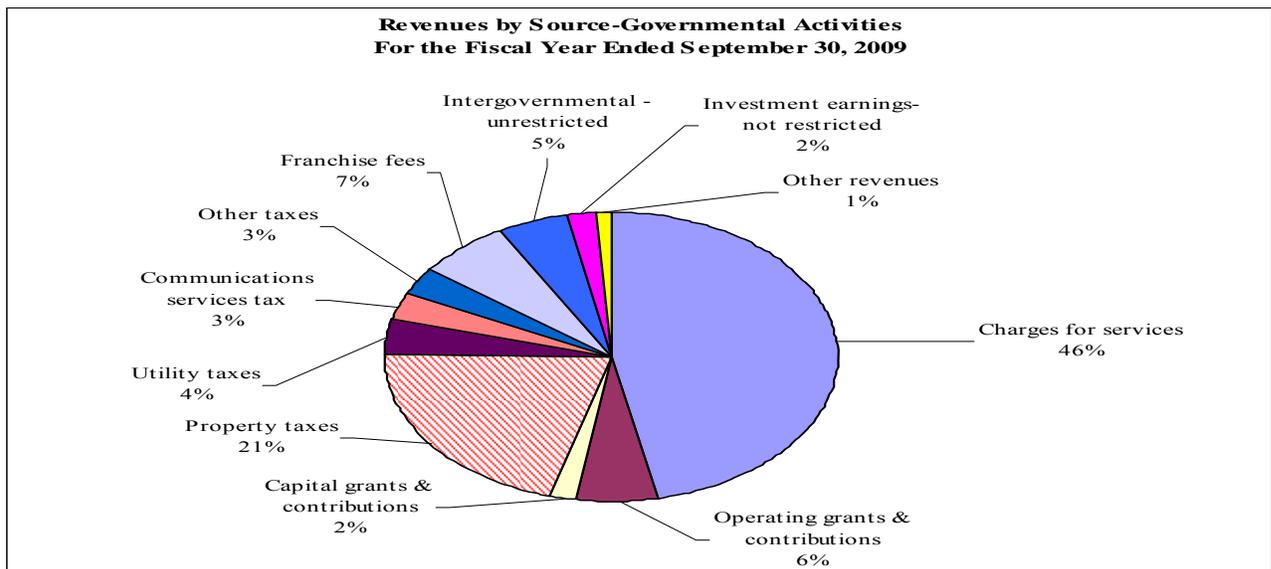
Management's Discussion and Analysis

The main contributing factors to this increase in General revenues are increases of \$1.1 million in Franchise Fees, a \$1.1 million increase in Communications Services Tax revenues and a \$1.4 million increase in Investment Earnings-not restricted. These increases were offset by a decrease in Intergovernmental-unrestricted revenues of \$1.4 million.

The franchise fees increase included a \$0.4 million retro-active adjustment. Communications Services Tax increased by \$1.1 million over last year based on an audit conducted by the State of Florida that resulted in a favorable adjustment for the City. The total adjustment will amount to \$1.5 million, of this amount \$0.8 million was received in 2009, and the balance will be paid to the City over a period of three years. Investment Earnings-not restricted increased over last year by \$1.4 million due to an increase in the investment performance of the City's portfolio. Fiscal year 2008 was marked by a sharp decline in the investments due to the economic and credit crisis that plagued the stock and bond markets. Intergovernmental-unrestricted revenues declined by \$1.4 million as the City collected less from the State of Florida for its share of sales tax proceeds and proceeds from the Half-cent Sales Tax. Both revenues combined declined by \$1.3 million.

Program revenues showed a \$2.0 million increase in charges for services, a \$4.2 million increase in operating grants and contributions and a \$6.4 million decrease in capital grants and contributions.

Charges for services are intended to fully recover the costs of providing those services. The increase in charges for services amounted to \$2.0 million (1.8%). Of this increase, General Government services increased by \$1.7 million as a result of inter-departmental charges of \$1.0 million increase in the administrative fees, and a \$0.7 million increase in rentals revenues for the City's fire control buildings. Interest on long-term debt also increased by \$1.3 million related to the increase in debt service for the City's charter school facilities and senior housing rental units. Economic Environment increased by \$1.2 million as a result of increased rental units located at "Pines Place". In 2009 the City relaxed its age restrictions to allow the rental of the units as workforce units. These increases were offset by a \$2.1 million decrease in charges for services related to the City's Charter Schools. This decline in revenues was as a result of reduced funding from the State of Florida.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

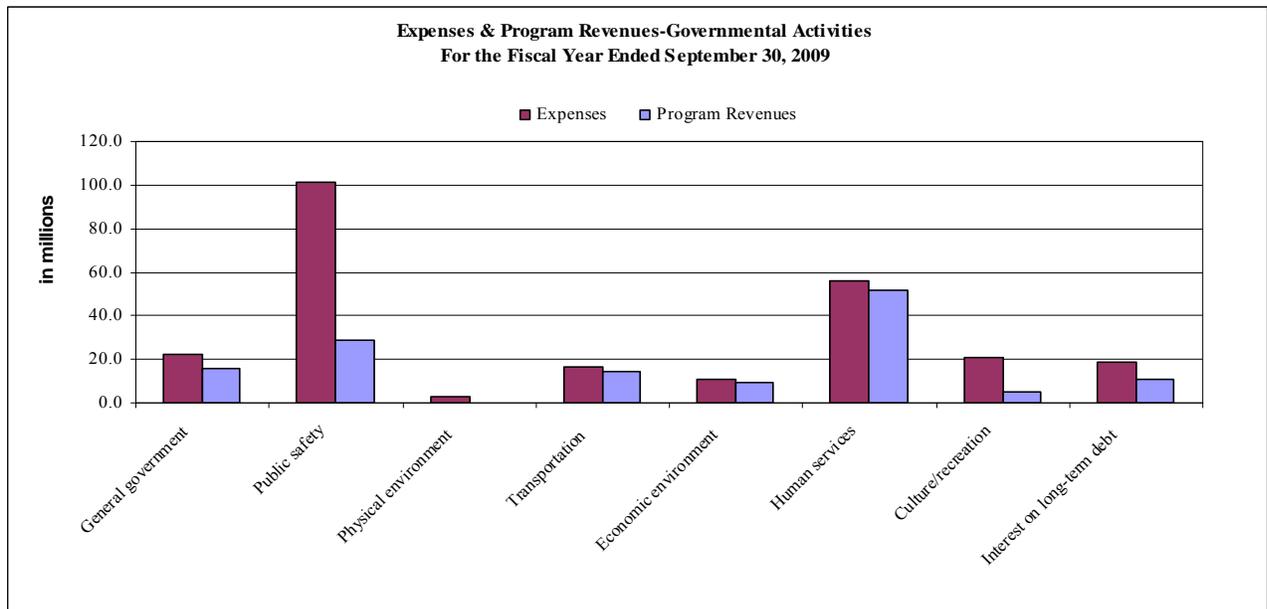
Expenses:

Expenses increased by \$3.9 million (1.6%) over last year. The increase in governmental expenses were mainly centered around an increase in Transportation of \$4.7 million, and an increase in Human Services of \$2.4 million. These increases were offset by a decline in General Government Services of \$2.3 million, and a decline in Culture and Recreation of \$0.9 million.

Transportation expenses increased by \$4.7 million mainly relating to the modification project of Pines Boulevard and the "I-75" Interchange. In December 2008, the City signed a Local Agency Program (LAP) agreement with the Florida Department of Transportation to modify the interchange of Pines Boulevard and "I-75" from a rural interchange to an urban interchange. In October 2008, the City awarded the construction contract to Bergeron Land Development Inc. in the amount of \$11.2 million.

Human Services expenses increased by \$2.4 million, primarily due to salary and benefit cost increases for the City's Charter Schools. Total Salary and benefit increases amounted to \$3.1 million. Although there were some staff increases as a result of the Charter School expansion project, salary and benefit increases are attributable to negotiated contract obligations. The increase in Public Safety expenses are as a result of an increase in pension costs. The City's annual required contribution to the Police and Fire Pension increased by \$4.3 million from last year.

General government services decreased by \$2.3 million. Of this amount, \$1.3 million related to a reduction in insurance costs, as the City re-negotiated its insurance policies.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

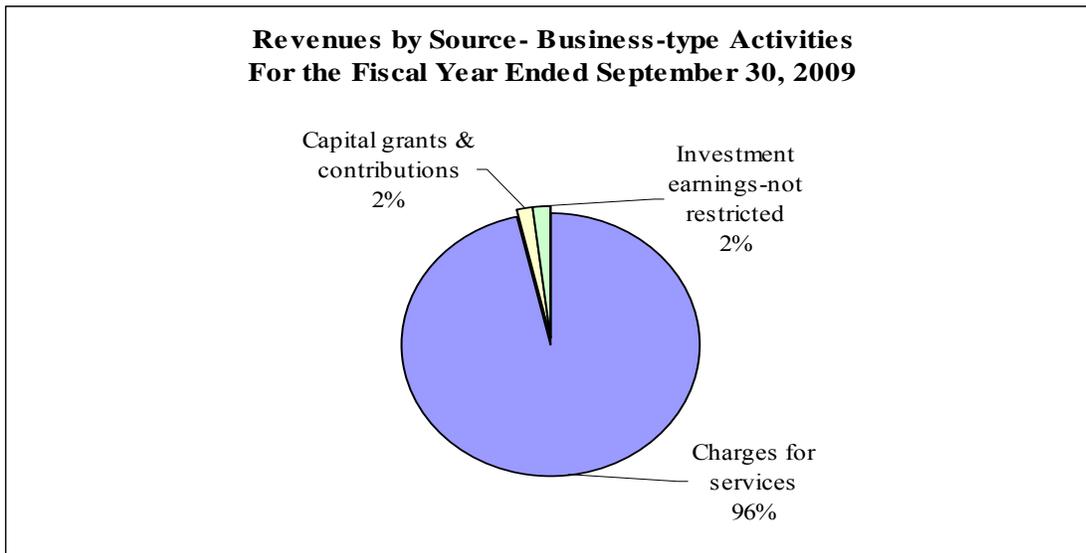
Business-type activities. The net assets of the City's business-type activities decreased by \$2.6 million (-1.2%) from \$219.3 million in the last fiscal year to \$216.7 million in the current fiscal year.

Revenues:

Revenues decreased over last year by \$3.0 million (-7.2%). The main factors contributing to this was a decrease of \$6.6 million in capital grants and contributions, a decrease in investment earnings of \$1.8 million and an increase in charges for services of \$5.5 million.

Capital grants and contributions decreased by \$6.6 million as a result of a \$5.0 million decrease in capital contributed by developers. In 2008, capital contributed by developers for water and sewer was \$5.4 million versus \$0.4 million in 2009. Additionally, water and sewer connection fees decreased by \$1.6 million over last year as the economic activity throughout the City declined. The decrease in Investment earnings-not restricted of \$1.8 million is a result of the Utility Fund not having any investments throughout the year; investments were liquidated in order to meet immediate cash needs.

The increase in charges for services of \$5.5 million was mainly attributable to an increase in water and sewer charges which were increased by 25.36% for the fiscal year ended September 30, 2009. The rate increase for all residential and commercial customers was based on the need to fund capital needs and compensate for decreases in connection fees and investment revenues.

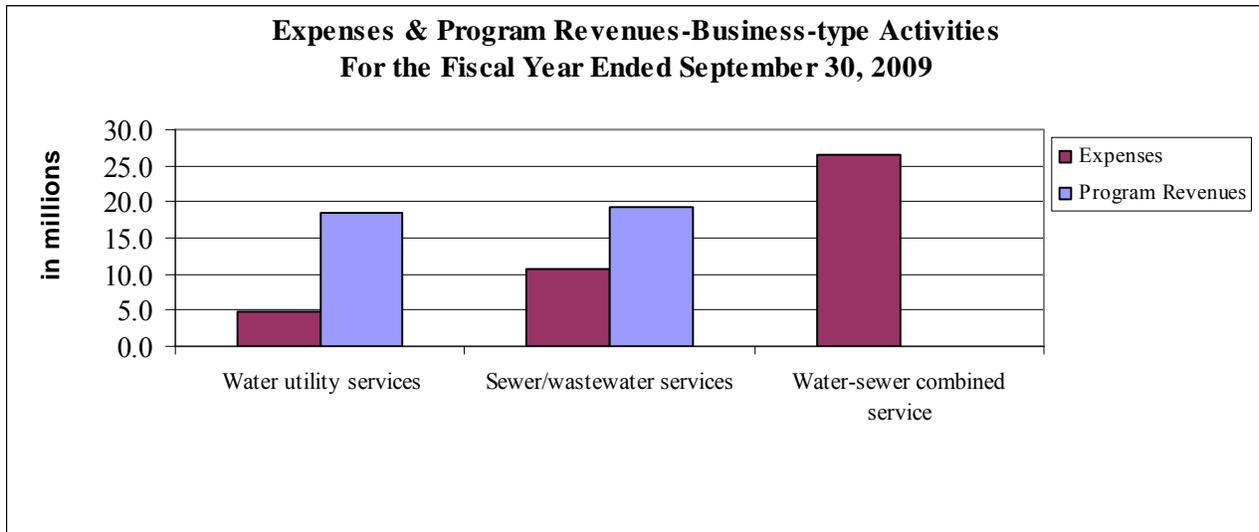


City of Pembroke Pines, Florida

Management's Discussion and Analysis

Expenses:

Expenses of the business-type activities were lower over last year by \$1.9 million (-4.4%). This was attributable to a decrease in sewer/wastewater services in the amount of \$2.3 million mainly as a result of decreases in operating expenses for the large-user agreement with the City of Hollywood. This was offset by an increase in water-sewer combined service of \$0.8 million (3.2%) as a result of an increase in operating and administrative charges.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

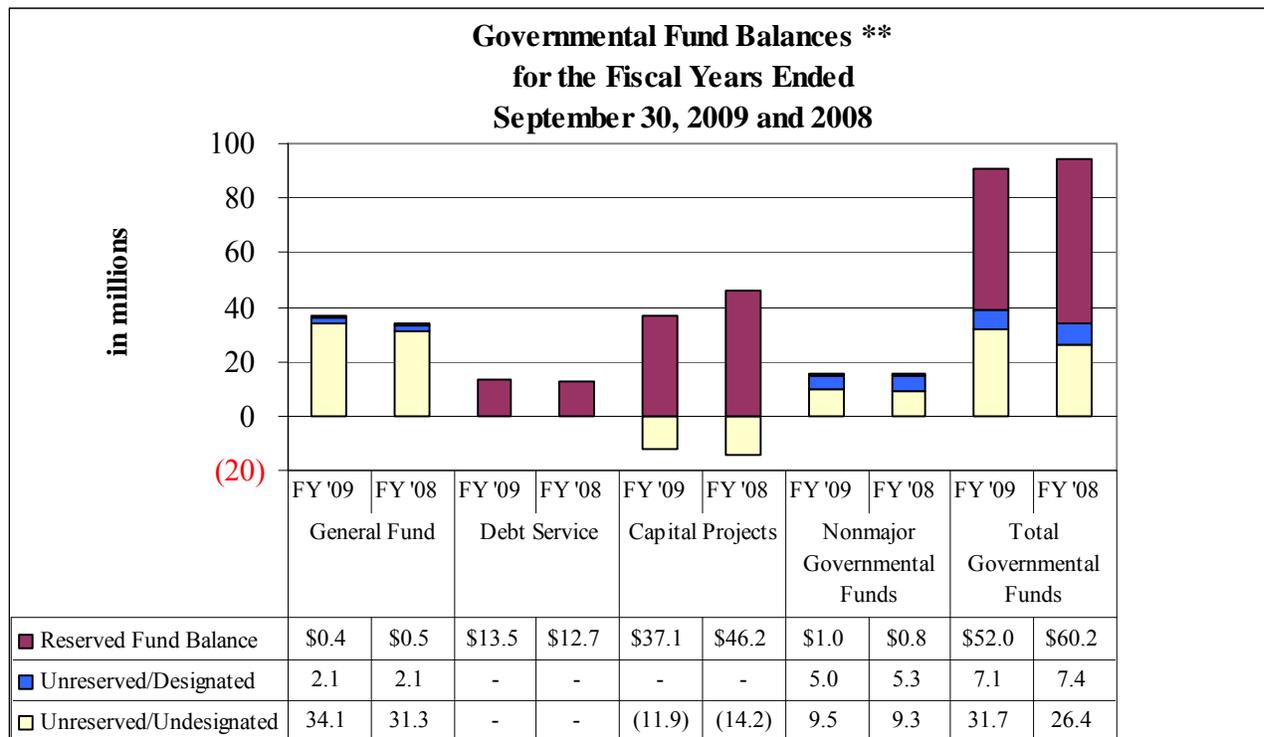
Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances (both reserved and unreserved) of \$90.9 million, a decrease of \$3.2 million in comparison with the \$94.1 million prior year balance. This decrease was attributable to a decrease in assets of \$11.0 million and a decrease in liabilities of \$7.8 million.

Approximately \$31.8 million of this total amount (34.9%) represents unreserved-undesignated fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed for a variety of restricted purposes, such as construction projects, debt service, grant expenditures, and encumbrances; or designated by the City administration for disaster assistance and rent payments.



** Amounts may differ from the Fund Financial Statements due to rounding.

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The General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$34.1 million, as compared with \$31.3 million in the prior year. Reserved fund balance decreased by \$0.1 million to \$0.4 million. Unreserved, designated fund balance remained unchanged at \$2.1 million, as designated for disaster assistance.

The amount of General Fund revenue by type, their percent of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Revenue Sources</u>	General Fund Revenues (in millions) **					
	2009 Amount	Percent of Total	2008 Amount	Percent of Total	Increase (Decrease) From 2008	Percentage Increase (Decrease)
Property taxes	\$46.1	31%	\$47.1	32%	(\$1.0)	(2)%
Utility taxes	8.2	6%	8.3	5%	(0.1)	(1)%
Communications services tax	2.1	1%	0.9	1%	1.2	133%
Other taxes	5.7	4%	5.9	4%	(0.2)	(3)%
Special assessments	19.7	13%	17.6	12%	2.1	12%
Permits, fees and licenses	15.4	10%	18.1	12%	(2.7)	(15)%
Intergovernmental	10.6	7%	15.2	10%	(4.6)	(30)%
Charges for services	27.6	18%	25.7	17%	1.9	7%
Fines and forfeitures	1.2	1%	1.1	1%	0.1	9%
Investment income	3.4	2%	0.3	0%	3.1	1033%
Rental revenues	10.5	7%	8.6	6%	1.9	22%
Other revenues	0.4	0%	0.5	0%	(0.1)	(20)%
Total revenues	\$150.9	100%	\$149.3	100%	\$1.6	1%

** Amounts may differ from the Fund Financial Statements due to rounding.

Compared to the prior fiscal year, total General Fund revenues increased by \$1.6 million or 1.0% in fiscal year 2009. This was mainly attributable to a \$3.1 million increase in investment income due to better investment returns over the prior year.

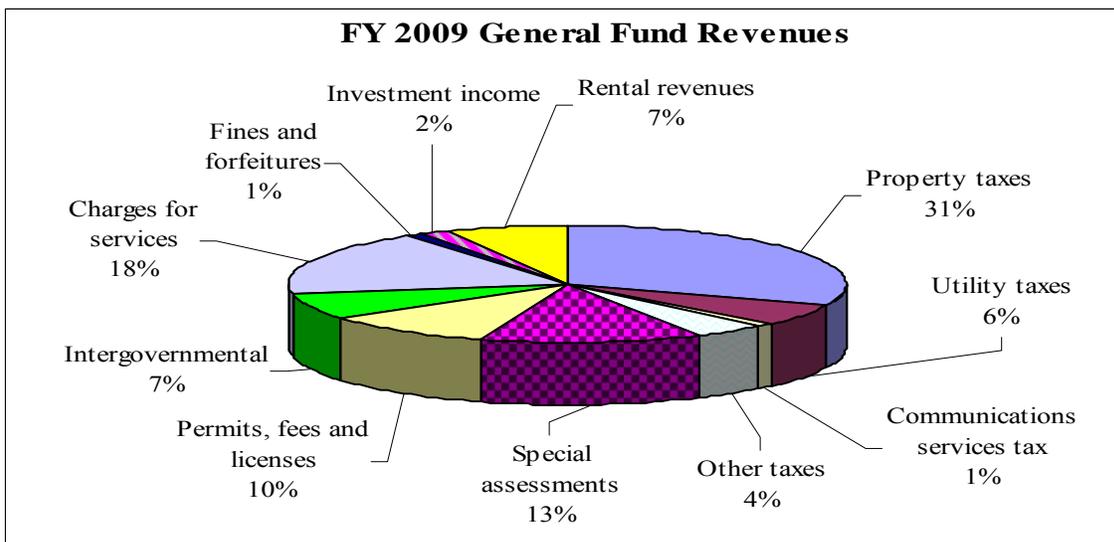
Special Assessment revenues increased by \$2.1 million as the City increased its fire assessment rates by approximately 36.6% in order to recover 100% of the fire control costs. Rental revenues also increased by \$1.9 million (22%) over last year as occupancy increased for the City's housing facilities. In 2009, the City revised its eligibility requirements for residency at its Senior Housing facilities to allow for their rental as workforce units. Charges for services also increased by \$1.9 million, as a result of a \$1.1 million increase in the administrative fees charged other departments and funds, a \$0.3 million increase in revenues collected for ambulance fees and a \$0.3 million increase in 911 Service Fee Distribution. Communications Services Tax revenues increased by \$1.2 million (133%) as a result of a State audit that was conducted which resulted in a positive adjustment for the City. The total adjustment to be made is \$1.5 million of which the City received \$0.8 million in fiscal year 2009.

City of Pembroke Pines, Florida

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These increases in General Fund revenues were mainly offset by a decrease in intergovernmental revenues, permits fees and licenses, and property taxes. Intergovernmental revenues declined by \$4.6 million (-30%) from last year. This was mainly attributable to a non-reoccurring federal grant of \$3.5 million that was received last year from the Florida Department of Transportation as reimbursement for Hurricane Wilma. Additionally, State Shared revenues decreased by \$1.3 million, due to the decline in revenues collected Statewide for sales tax as consumer spending declined. Permits, fees and licenses decreased by \$2.7 million (-15%) as a result of a \$3.4 million decrease in building permits revenues. In July 2009, the City privatized the services of its building division to an outside firm that currently rents space in the City's office buildings. The building permit revenues and the personnel and operating expenditures for this department were no longer recorded by the City after July 2009.

Property tax revenues decreased by \$1.0 million (-2%), as the City adopted an operating millage rate for FY2009 of 4.4312 which required a super-majority vote of the City Commission. The millage rate for FY2008 was 4.1725. Despite the millage rate increase of 0.2587 mills, the actual taxes collected were reduced as a result of decreases in assessed property tax values.



Expenditures of the General Fund are shown in the schedule below:

General Fund Expenditures (in millions) **

	<u>2009</u>	<u>Percent</u>	<u>2008</u>	<u>Percent</u>	<u>Increase</u>	<u>Percentage</u>
	<u>Amount</u>	<u>of</u>	<u>Amount</u>	<u>of</u>	<u>(Decrease)</u>	<u>Increase</u>
		<u>Total</u>		<u>Total</u>	<u>From 2008</u>	<u>(Decrease)</u>
Expenditures:						
General government services	\$ 19.5	13%	\$ 21.4	14%	\$ (1.9)	(9)%
Public safety	97.6	66%	93.8	63%	3.8	4%
Physical environment	2.9	2%	3.6	3%	(0.7)	(19)%
Economic environment	6.3	4%	5.5	4%	0.8	15%
Human services	5.6	4%	6.4	4%	(0.8)	(13)%
Culture/Recreation	15.7	11%	18.0	12%	(2.3)	(13)%
Total expenditures	\$ 147.6	100%	\$ 148.7	100%	\$ (1.1)	(1)%

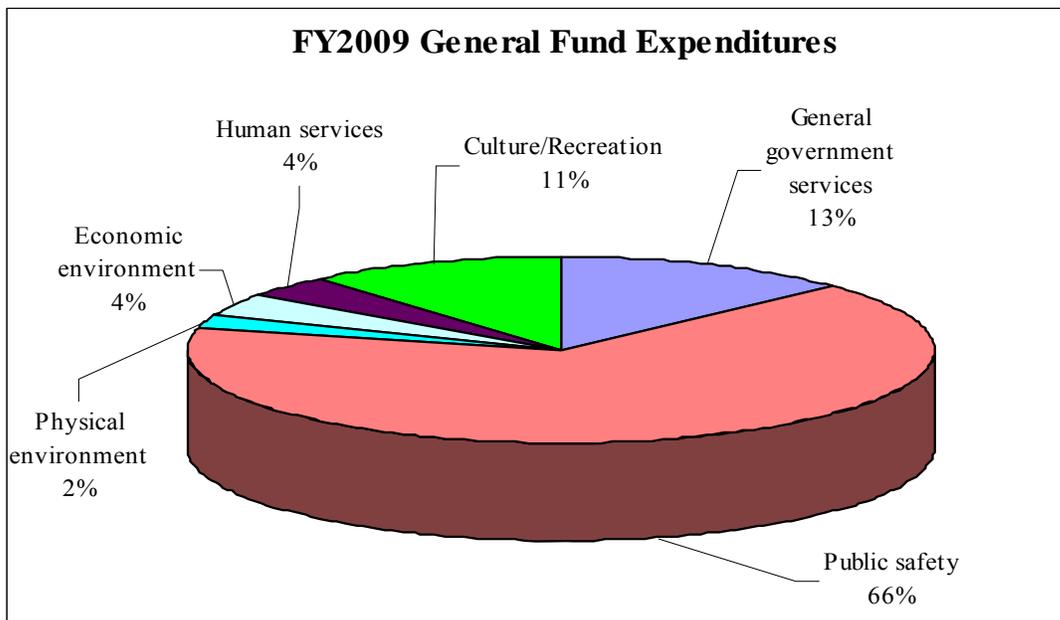
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City of Pembroke Pines, Florida **Management's Discussion and Analysis**

In fiscal year 2009, total General Fund expenditures decreased by \$1.1 million or -1.0% compared to the prior year, as the City made deliberate efforts to curtail spending. The offsetting increases and decreases in various functions has resulted in an overall net decrease in the General Fund. Public Safety expenditures increased by \$3.8 million due to increases in pension costs, which were affected by the performance of the investments of the fund. The City's annual required contribution to the pension increased by \$4.1 million or 23.3%. Expenditures related to Economic Environment increased by \$0.8 million or 15% mainly as a result of debt service expenditures for the "Pines Place" rental facilities.

These increases were offset by decreases in General Government expenditures of \$1.9 million (-9.0%) and a \$2.3 million (-13%) decrease in Culture/Recreation spending. General Government expenditures were mainly affected by decreases in public services department of \$1.1 million; city manager department of \$0.5 million and finance department of \$0.2 million. Public Services expenditures declined by \$1.1 million. Of this amount, \$0.8 million related to a decrease in operating expenses of the City. The City reduced its contractual services for building maintenance, City Manager and Finance departments' expenditure reductions were a result of various personnel retirements during the year.

Culture/Recreation expenditures decreased by \$2.3 million as the City reduced park hours and maintenance; privatized services such as the swim team, and closed pools due to under-utilization. The parks and recreation department reduced total staffing by approximately twenty-six (26) full-time and seven (7) part-time positions, which resulted in the significant decrease in expenditures.



City of Pembroke Pines, Florida

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Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund increased by \$0.8 million or (6.3%), as compared with 2008 mainly as a result of sinking fund and reserve balance requirements for the City's bond issues. Additional information can be found in the Capital Assets and Debt Administration section on pages 19-21.

Capital Projects Fund

The deficit in the unreserved, undesignated fund balance of the Capital Projects Fund improved by \$2.3 million from a deficit of \$14.2 million in fiscal year 2008 to a deficit of \$11.9 million in fiscal year 2009. The reserved fund balance decreased by \$9.1 million over last year to \$37.1 million, and represented reserved for encumbrances of \$8.6 million and reserved for capital projects of \$28.5 million. The reduction was mainly attributable to progress payments on construction projects related to the General Obligation Bonds, and various other construction projects being undertaken by the City.

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

Unrestricted net assets at the end of the year for the Utility Fund amounted to \$63.9 million compared to \$65.9 million in the prior year. Other factors concerning the finances of this major fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Expenditures

Over the past year aggregate adjustments to the budget reduced appropriations by \$1.1 million mainly as a consequence of an anticipated revenue shortfall. The reductions consist primarily of \$0.9 million for replacement of self contained breathing apparatus (SCBA); \$0.9 million related to the construction of classrooms, offices and vehicle storage at the Fire Training Facility; \$0.6 million connected to the replacement of police patrol cars; and \$0.5 million for fuel. These were partially offset by a \$1.9 million in carryovers from fiscal year 2008, associated principally with encumbered capital items. Actual expenditures were \$10.4 million or 6.6% below final budget due largely to the following budgetary savings:

- **Public safety** - \$5.3 million composed of \$3.8 million in personnel, \$1.0 million in operating and \$0.5 million in capital. Budget savings in personnel comprise of \$1.7 million in health insurance reflecting to some extent the change in the health insurance plan design and network, \$1.4 million in workers compensation due to prior year adjustments along with fiscal year 2009 claims and \$0.7 million in wages and salaries linked to positions that were vacant or partially filled during the year. The savings in operating expense were spread over a multiplicity of accounts. The major saving in capital was \$0.2 million related to equipment not purchased.
- **General government** - \$2.2 million principally in the Non-departmental and Public services divisions. The most significant savings consisted chiefly of \$1.1 million associated with lower than expected property insurance as well as an increase in subrogation recoveries and liability insurance claims, \$0.4 million in unutilized appropriations for contingencies and \$0.2 million in health insurance.

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- **Culture and recreation** - \$1.5 million comprised of \$0.8 million in personnel, \$0.4 million in operating and \$0.2 million in capital. Savings in personnel were linked mainly to \$0.3 million in health insurance, \$0.2 million in workers' compensation and \$0.2 million in wages for part-time positions due to reduced staffing hours stemming mostly from low program registration associated with the weak economy. There were small budgetary savings in a myriad of operating accounts, chiefly the summer program as a result of lower than anticipated registration. Capital expenditures were below budget because of the incomplete renovations at the Academic Village Recreation Complex and delays in completing the pool lighting at the Academic Village due to technical difficulties. The unspent funds associated with the latter were carried over to fiscal year 2010. Budget and appropriations pertaining to the renovations at the Academic Village Recreation Complex were included in the fiscal year 2010 adopted budget. The renovations are expected to be completed by April 2010.

- **Human services** - \$0.8 million including \$0.2 million related to unexpended funds for Transitional Housing that has been carried forward to fiscal year 2010. In addition, there were \$0.5 million in unspent funds from the Early Development Centers mainly as a result of unmet enrollment expectations.

Revenues

Actual revenues were \$1.6 million or 1.1% below the final budget due mostly to budget shortfalls in:

- **Charges for services** of \$0.8 million tied principally to \$0.6 million in Early Development Centers fees due to lower than expected enrollment in both the regular and summer programs.

- **Intergovernmental revenues** of \$0.6 million of which \$0.4 million is linked to the Local Government ½ Cent Sales Tax and Sales Tax Proceeds, despite a downward budget revision of \$1.6 million for these two revenues. This underperformance is directly related to the economic decline.

- **Permits, fees and licenses** of \$0.6 million connected chiefly to building permits even with a \$3.7 million budget reduction in this sub-category. The collapsed housing market is responsible for this shortfall.

Originally the change in fund balance was projected to decrease by \$1.3 million and subsequent amendments revised the negative change to \$6.3 million. However, the actual fund balance change was a \$2.7 million increase attributable largely to savings in health insurance. Therefore, the variance between actual and projected was a positive \$9.0 million.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of September 30, 2009, amounted to \$529.5 million (net of accumulated depreciation), compared with \$530.4 million last fiscal year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was -0.2%.

Capital Assets (net of depreciation, in millions) **

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Capital assets, not being depreciated:						
Land	\$65.6	\$56.4	\$3.1	\$3.0	\$68.7	\$59.4
Construction in progress	1.0	44.8	17.5	13.1	18.5	57.9
Total capital assets, not being depreciated	<u>66.6</u>	<u>101.2</u>	<u>20.6</u>	<u>16.1</u>	<u>87.2</u>	<u>117.3</u>
Capital assets, being depreciated, net						
Buildings	201.6	192.8	15.3	15.9	216.9	208.7
Improvements other than buildings	93.3	65.9	116.0	120.1	209.3	186.0
Machinery and equipment	11.5	12.9	0.9	1.3	12.4	14.2
Infrastructure	3.7	4.2	-	-	3.7	4.2
Total capital assets, being depreciated, net	<u>310.1</u>	<u>275.8</u>	<u>132.2</u>	<u>137.3</u>	<u>442.3</u>	<u>413.1</u>
Total capital assets	<u><u>\$376.7</u></u>	<u><u>\$377.0</u></u>	<u><u>\$152.8</u></u>	<u><u>\$153.4</u></u>	<u><u>\$529.5</u></u>	<u><u>\$530.4</u></u>

** Amounts may differ from the Fund Financial Statements due to rounding.

Additions to capital assets for governmental activities were approximately \$16.5 million and included the following items:

- In April 2009, the City purchased approximately 112 acres of land from Raintree Development of Broward, LLC in the amount of \$9.1 million. This land purchase was funded using General Obligation Bond proceeds of \$7.4 million and \$1.7 million from the Capital Improvement Refunding Revenue Bonds, Series 2006.
- Completed construction of the Charter School Expansion project which included the addition of 50 new classrooms. This construction was undertaken by the City as part of the State's unfunded mandate for Class Size Reduction. During fiscal year 2008, the City spent approximately \$10.9 million on this project and in fiscal year 2009 spent an additional \$1.8 million for all the schools.
- Continued various transportation projects throughout the City utilizing the 2007 and 2005 General Obligation Bond proceeds. In 2009, the City spent an additional \$1.1 million on road improvements throughout the City.
- In fiscal year 2009, the General Fund expended approximately \$2.4 million for various capital purchases including, but not limited to, \$0.6 million for 3 rescue ambulances and \$0.4 million for portable radios for the Police and Fire Departments.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

- During the year 2009, the City spent approximately \$0.5 million for the complete renovation of a 11,000-square-foot facility dubbed “Studio 18 in the Pines”. This Artist Colony facility will offer 18 rental studios, gallery space, and classrooms. The facility is expected to be fully completed in February 2010.
- Continued various improvements to recreational facilities. In fiscal year 2009, the City spent approximately \$0.2 million of General Obligation Bond funds on various park facility improvements.

Additions to capital assets for business-type activities were approximately \$5.2 million and included the following:

- Water plant expansion project phase III for approximately \$3.0 million.
- Engineering fees related to the City’s Alternative Water Supply project for approximately \$1.3 million.
- Continued upgrading of the odor control system and lift stations.
- Capital contributed by developers of \$0.7 million.

Additional information on the City's capital assets can be found in Note 3.d. starting on page 59 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$393.5 million. The majority of the City's outstanding debt is secured by specified revenue sources; fiscal year 2008 was the first time that the City has entered into swap interest rate transactions. The City did not issue any new debt in fiscal year 2009.

Outstanding Debt (in millions)		
Revenue and General Obligation Bonds		
Governmental		
Activities		
	<u>2009</u>	<u>2008</u>
Revenue Bonds	\$ 308.6	\$ 314.0
General Obligation Bonds	<u>84.9</u>	<u>86.6</u>
	<u>\$ 393.5</u>	<u>\$ 400.6</u>

- During the current fiscal year, the City's net outstanding debt decreased by \$7.1 million (-1.8%), as a result of bond payments.

All of the outstanding bonds are insured and have been having the highest bond rating until the recent downgrade of the bond insurers by the Rating Agencies, and consequently the insured rating on these bonds were downgraded. Such ratings reflect only the respective views of such Rating Agencies. Generally, Rating Agencies base their ratings information, materials, investigations, studies and assumptions made by them.

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There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any one of them, if in their or its judgment, circumstances warrant the change.

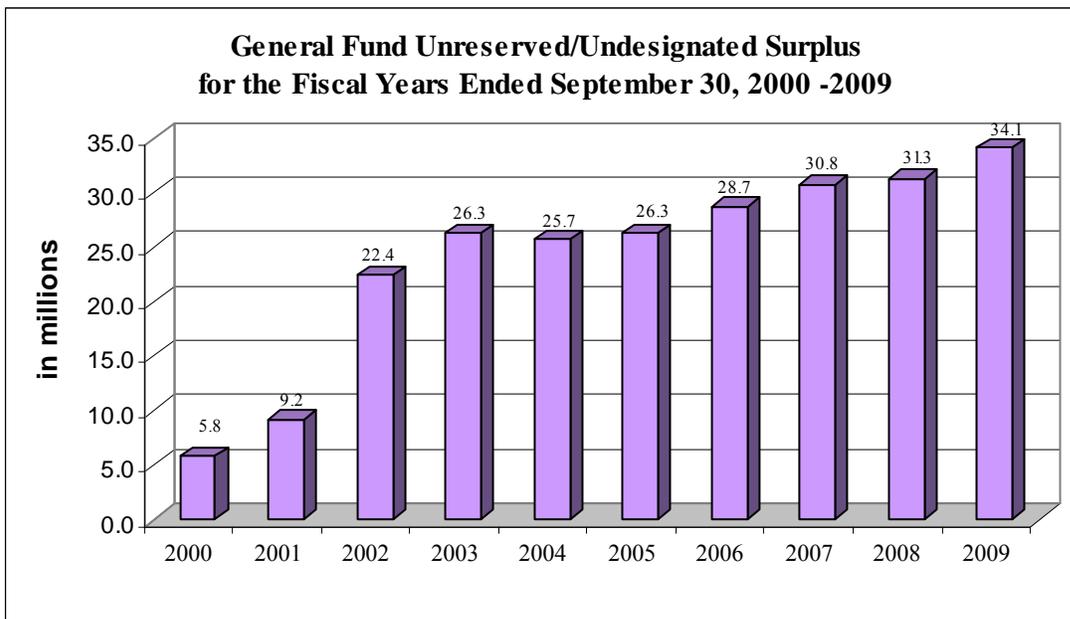
Both General Obligation Bonds received an underlying rating from Moody's of Aa3, and AA- from Fitch. Additional information on the City's long-term debt can be found in Note 3.g. starting on page 66 of this report.

Economic Factors, and Next Year's Budgets and Rates

The City's local economy is primarily based upon retail and service activities. The occupancy rate of the City's retail establishments and office structures remains at approximately 94%. Only 5% of the City remains undeveloped. The City's focus will be on redevelopment issues for the future, as it nears build-out.

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2009 was 7.4%, which is an increase from the 5.2% a year ago. This compares to unemployment rates for Broward County, which was 8.4%, and 9.5% for the State of Florida for the same period.

During the current fiscal year, unreserved/undesignated fund balance in the General Fund increased to \$34.1 million, compared to \$31.3 million from last year. The \$34.1 million is approximately equal to three months of the General Fund operating expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph.

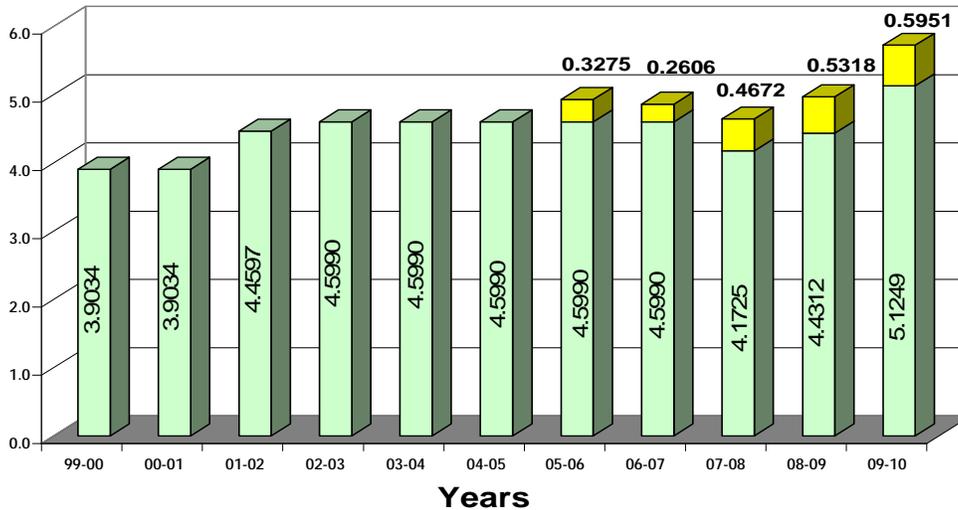


In 1995, the State of Florida limited all local governments' ability to increase homestead residential property taxable values in any given year to 3% or the cost of living increase, whichever is lower. However, for fiscal year 2008, the State required all local governments to decrease taxes by rolling back the millage rate, and any future increases would be based on the rolled back rate and the change in personal income for the State.

City of Pembroke Pines, Florida

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Millage Rate History



For 2010, the City Commission by super-majority vote increased the tax rate by almost 7/10th of a mill to 5.1249; however, this will result in the City collecting approximately \$1.0 million less in property tax revenues. For many years, the City, just like many other cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect. State legislative changes in effect for fiscal year 2009 and beyond have reduced the City's ability to increase taxes, without a super-majority vote of the City Commission.

The water and sewer rates effective October 1, 2009 remained unchanged over last year for all residential and commercial properties. In fiscal year 2009, the rates were increased by 25.36%. The 2010 Budget includes \$20.0 million from bond proceeds in the Utility Fund for the Alternative Water Supply Project. This project has been mandated by the South Florida Water Management District, whereby, wastewater will be converted to raw water and used to recharge the Biscayne Aquifer.

The development of the City's budget for fiscal year 2010 required a more conservative approach to revenue projections in order to minimize exposure to revenue fluctuations, and to focus on expenditure reductions due to the rising costs for retirement benefits for pensions. Personnel increases reflected only contractually agreed-upon merit increases. Cost of living increases were not factored into the 2010 budget. Operating costs do not reflect training, travel or memberships unless required for professional certification, and capital expenditures were budgeted based on the priority needs of the City.

All these and other factors were considered in preparing the City's budget for fiscal year 2010.

Requests for Information

This financial report is designed to provide a general overview of the City of Pembroke Pines' finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rene Gonzalez, Finance Director, Finance Department, City of Pembroke Pines, 10100 Pines Boulevard, FL4, Pembroke Pines, Florida 33026-6041.

Basic Financial Statements



Government-wide Financial Statements



City of Pembroke Pines, Florida

Statement of Net Assets

September 30, 2009

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$21,697,120	\$499,977	\$22,197,097
Investments	93,489,673	58,148	93,547,821
Receivables, net	15,727,803	3,795,194	19,522,997
Inventories	484,715	24,396	509,111
Restricted assets:			
Pooled cash and cash equivalents	1,055,234	-	1,055,234
Investments	46,661,405	2,747,275	49,408,680
Prepaid costs	30,250	-	30,250
Negative net pension obligation	59,033,340	3,134,537	62,167,877
Unamortized bond issue costs	6,079,380	-	6,079,380
Capital assets, not being depreciated	66,597,142	20,552,493	87,149,635
Capital assets, being depreciated, net	310,053,429	132,245,288	442,298,717
Total assets	620,909,491	163,057,308	783,966,799
Liabilities			
Accounts payable and accrued liabilities	17,323,570	522,158	17,845,728
Deposits	1,968,772	-	1,968,772
Internal balances	57,848,106	(57,848,106)	-
Unearned revenue	5,643,609	-	5,643,609
Payable from restricted assets:			
Deposits	-	2,747,275	2,747,275
Noncurrent liabilities:			
Due within one year	23,644,821	553,171	24,197,992
Due in more than one year	400,426,408	367,490	400,793,898
Total liabilities	506,855,286	(53,658,012)	453,197,274
Net assets			
Invested in capital assets, net of related debt	102,055,175	152,797,781	254,852,956
Restricted for:			
\$2 Police Education	191,525	-	191,525
ADA/Paratransit Program	284,238	-	284,238
Charter schools	4,219,207	-	4,219,207
Debt Service	13,939,443	-	13,939,443
FDLE - Confiscated	1,607,854	-	1,607,854
Justice - Confiscated	242,134	-	242,134
Older Americans Act	26,663	-	26,663
Road & Bridge Fund	7,283,083	-	7,283,083
Treasury - Confiscated	249,830	-	249,830
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	144,533	-	144,533
Unrestricted	(16,635,595)	63,917,539	47,281,944
Total net assets	\$114,054,205	\$216,715,320	\$330,769,525

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Activities

Fiscal Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$20,915,269	\$16,026,118	\$21,763	\$ -	\$(4,867,388)	\$ -	\$(4,867,388)
Public safety	102,368,029	28,257,835	72,015	468,354	(73,569,825)	-	(73,569,825)
Physical environment	3,108,385	-	-	-	(3,108,385)	-	(3,108,385)
Transportation	16,653,981	358,348	9,252,223	4,634,069	(2,409,341)	-	(2,409,341)
Economic environment	10,984,230	6,211,809	2,763,607	-	(2,008,814)	-	(2,008,814)
Human services	56,340,121	49,472,143	2,523,277	-	(4,344,701)	-	(4,344,701)
Culture/recreation	20,744,104	4,797,806	20,800	380,740	(15,544,758)	-	(15,544,758)
Interest on long-term debt	18,753,360	10,906,060	-	-	(7,847,300)	-	(7,847,300)
Total governmental activities	<u>249,867,479</u>	<u>116,030,119</u>	<u>14,653,685</u>	<u>5,483,163</u>	<u>(113,700,512)</u>	<u>-</u>	<u>(113,700,512)</u>
Business-type activities:							
Water utility services	4,933,388	18,042,310	-	435,738	-	13,544,660	13,544,660
Sewer/wastewater services	10,742,197	19,150,659	-	281,406	-	8,689,868	8,689,868
Water-sewer combined service	25,614,616	109,946	-	-	-	(25,504,670)	(25,504,670)
Total business-type activities	<u>41,290,201</u>	<u>37,302,915</u>	<u>-</u>	<u>717,144</u>	<u>-</u>	<u>(3,270,142)</u>	<u>(3,270,142)</u>
Total	<u>\$291,157,680</u>	<u>\$153,333,034</u>	<u>\$14,653,685</u>	<u>\$6,200,307</u>	<u>(113,700,512)</u>	<u>(3,270,142)</u>	<u>(116,970,654)</u>
General revenues:							
Property taxes, levied for debt service					5,520,777	-	5,520,777
Property taxes, levied for general purposes					46,044,021	-	46,044,021
Utility taxes					10,012,094	-	10,012,094
Communications services tax					8,524,622	-	8,524,622
Insurance premium taxes					2,429,576	-	2,429,576
Local option gas taxes					2,696,917	-	2,696,917
Franchise fees					16,378,799	-	16,378,799
Local business tax					3,307,733	-	3,307,733
Intergovernmental revenue - unrestricted					11,229,891	-	11,229,891
Miscellaneous revenues					1,320,308	11,723	1,332,031
Investment earnings not restricted					4,912,870	665,173	5,578,043
Total general revenues					<u>112,377,608</u>	<u>676,896</u>	<u>113,054,504</u>
Change in net assets					(1,322,904)	(2,593,246)	(3,916,150)
Net assets, beginning					<u>115,377,109</u>	<u>219,308,566</u>	<u>334,685,675</u>
Net assets, ending					<u>\$114,054,205</u>	<u>\$216,715,320</u>	<u>\$330,769,525</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida
Balance Sheet
Governmental Funds
September 30, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and cash equivalents	\$ 11,420,168	\$ -	\$ -	\$ 10,148,852	\$ 21,569,020
Investments	75,678,678	-	-	6,782,990	82,461,668
Receivables:					
Franchise fees and taxes	5,277,915	-	-	441,667	5,719,582
Other	8,398,621	-	-	413,497	8,812,118
Inventories	412,405	-	-	72,310	484,715
Prepaid costs	-	-	-	30,250	30,250
Due from other funds	18,671,864	-	-	-	18,671,864
Due from other governments	154,754	-	55,066	986,283	1,196,103
Restricted assets:					
Pooled cash and cash equivalents	-	-	464,586	590,648	1,055,234
Investments	-	13,529,020	33,132,385	-	46,661,405
Total assets	<u>\$ 120,014,405</u>	<u>\$ 13,529,020</u>	<u>\$ 33,652,037</u>	<u>\$ 19,466,497</u>	<u>\$ 186,661,959</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 7,235,858	\$ -	\$ -	\$ 41,025	\$ 7,276,883
Accrued liabilities	14,881	-	-	1,066	15,947
Due to other funds	-	-	-	635,698	635,698
Interfund payables	-	-	2,337,360	-	2,337,360
Due to other governments	4,336,559	-	-	-	4,336,559
Deposits	1,501,922	-	-	466,851	1,968,773
Deferred revenue	2,792,121	-	-	2,851,488	5,643,609
Advances from other funds	<u>67,450,177</u>	<u>-</u>	<u>6,096,734</u>	<u>-</u>	<u>73,546,911</u>
Total liabilities	<u>83,331,518</u>	<u>-</u>	<u>8,434,094</u>	<u>3,996,128</u>	<u>95,761,740</u>
Fund balances:					
Reserved for:					
Wetland Mitigation Trust:					
Nonexpendable	-	-	-	446,115	446,115
Expendable	-	-	-	144,533	144,533
Capital projects	-	-	28,532,561	-	28,532,561
Prepaid costs	-	-	-	30,250	30,250
Encumbrances	2,635	-	8,557,417	251,479	8,811,531
Inventory	412,405	-	-	72,310	484,715
Debt service	-	13,529,020	-	-	13,529,020
Unreserved, reported in:					
General fund:					
Designated for disaster assistance	2,125,000	-	-	-	2,125,000
Undesignated	34,142,847	-	-	-	34,142,847
Special revenue funds:					
Designated for rent payments	-	-	-	4,541,904	4,541,904
Designated for capital replacements	-	-	-	497,226	497,226
Undesignated	-	-	-	9,486,552	9,486,552
Capital projects fund:					
Undesignated	-	-	(11,872,035)	-	(11,872,035)
Total fund balances	<u>36,682,887</u>	<u>13,529,020</u>	<u>25,217,943</u>	<u>15,470,369</u>	<u>90,900,219</u>
Total liabilities and fund balances	<u>\$ 120,014,405</u>	<u>\$ 13,529,020</u>	<u>\$ 33,652,037</u>	<u>\$ 19,466,497</u>	<u>\$ 186,661,959</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
September 30, 2009

Fund Balances - Total governmental funds (page 25)	\$ 90,900,219
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	376,650,571
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	6,079,380
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,668,957)
Net OPEB obligation is not due and payable in the current period and, therefore, not reported in the funds.	(7,330,648)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(393,455,000)
Deferred amounts for issuance discounts/premiums, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	7,456,315
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(19,566,572)
Negative net pension obligation created through treatment of Taxable Communications Services Tax Revenue Bonds as employer contribution to defined benefit pension plans is not recognized in the funds.	58,988,897
Net assets of governmental activities (page 23)	\$ 114,054,205

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 46,044,021	\$ 5,520,777	\$ -	\$ -	\$ 51,564,798
Utility taxes	8,226,426	1,785,668	-	-	10,012,094
Communications services tax	2,082,237	6,442,385	-	-	8,524,622
Insurance premium taxes	2,429,576	-	-	-	2,429,576
Local option, use and fuel taxes	-	-	-	2,696,917	2,696,917
Local business tax	3,307,733	-	-	-	3,307,733
Special assessments	19,734,363	-	-	-	19,734,363
Permits, fees and licenses	15,394,029	816,710	2,298,024	-	18,508,763
Intergovernmental	10,610,203	-	8,361,210	46,094,525	65,065,938
Charges for services	27,599,338	-	-	1,878,641	29,477,979
Fines and forfeitures	1,205,725	-	-	388,860	1,594,585
Investment income	3,347,555	104,744	345,408	237,740	4,035,447
Contributions	82,537	-	4,597,826	980,538	5,660,901
Rental revenue	10,543,817	10,906,060	-	1,675,920	23,125,797
Other	255,880	-	-	2,104,154	2,360,034
Total revenues	<u>150,863,440</u>	<u>25,576,344</u>	<u>15,602,468</u>	<u>56,057,295</u>	<u>248,099,547</u>
Expenditures					
Current:					
General government	19,556,146	-	18,316	22,644	19,597,106
Public safety	97,571,898	-	-	649,971	98,221,869
Physical environment	2,955,500	-	-	-	2,955,500
Transportation	-	-	9,595,927	5,869,265	15,465,192
Economic environment	6,263,770	-	-	2,763,607	9,027,377
Human services	5,585,203	-	2,303,194	47,163,992	55,052,389
Culture and recreation	15,690,148	-	9,875,342	-	25,565,490
Debt service:					
Principal	-	7,140,000	-	-	7,140,000
Interest	-	17,812,377	-	-	17,812,377
Other debt service costs	-	416,391	-	-	416,391
Total expenditures	<u>147,622,665</u>	<u>25,368,768</u>	<u>21,792,779</u>	<u>56,469,479</u>	<u>251,253,691</u>
Excess (deficiency) of revenues over expenditures	<u>3,240,775</u>	<u>207,576</u>	<u>(6,190,311)</u>	<u>(412,184)</u>	<u>(3,154,144)</u>
Other financing sources (uses):					
Transfers in	-	605,731	-	1,547,869	2,153,600
Transfers out	(515,311)	-	(605,731)	(1,032,558)	(2,153,600)
Total other financing sources (uses)	<u>(515,311)</u>	<u>605,731</u>	<u>(605,731)</u>	<u>515,311</u>	<u>-</u>
Net change in fund balances	2,725,464	813,307	(6,796,042)	103,127	(3,154,144)
Fund balances, beginning	<u>33,957,423</u>	<u>12,715,713</u>	<u>32,013,985</u>	<u>15,367,242</u>	<u>94,054,363</u>
Fund balances, ending	<u>\$ 36,682,887</u>	<u>\$ 13,529,020</u>	<u>\$ 25,217,943</u>	<u>\$ 15,470,369</u>	<u>\$ 90,900,219</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2009

Amounts reported for governmental activities in the statement of activities (page 24) are different because:

Net change in fund balances - total governmental funds (page 27) \$(3,154,144)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

The details of the difference are as follows:

Capital outlay	\$ 16,472,730	
Depreciation expense	<u>(16,779,114)</u>	
Net adjustment		(306,384)

The net effect of various miscellaneous transactions involving capital assets (46,153)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets.

The details of the difference are as follows:

Principal payments:		
Taxable Revenue Bonds	1,690,000	
General Obligation Bonds	1,725,000	
Capital Improvement Revenue Bonds	1,520,000	
Public Improvement Revenue Bonds	1,715,000	
Refunded Capital Improvement Revenue Bonds	475,000	
Refunded Public Improvement Revenue Bonds	<u>15,000</u>	
Total principal payments	7,140,000	
Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	<u>(669,296)</u>	
Net adjustment		6,470,704

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

The details of the difference are as follows:

Rebatable arbitrage	460,112	
Compensated absences	624,191	
Accrued interest	144,706	
Net OPEB obligation	(2,571,325)	
Amortization of negative pension obligation	(2,944,611)	

Change in net assets of governmental activities (page 24) \$ (1,322,904)

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Assets		
Current assets:		
Pooled cash and cash equivalents	\$ 499,977	\$ 128,100
Investments	58,148	11,028,005
Accounts receivable:		
Customer accounts, net	3,795,194	-
Inventory	24,396	-
Total current assets	<u>4,377,715</u>	<u>11,156,105</u>
Noncurrent assets:		
Restricted assets:		
Investments	<u>2,747,275</u>	-
Total restricted assets	<u>2,747,275</u>	-
Advances to other funds	<u>73,546,911</u>	-
Negative net pension obligation	<u>3,134,537</u>	<u>44,443</u>
Capital Assets:		
Land	3,056,488	-
Buildings and utility plant	196,397,260	-
Construction-in-progress	17,496,005	-
Machinery and equipment	5,918,900	-
Less accumulated depreciation	<u>(70,070,872)</u>	-
Total capital assets (net of accumulated depreciation)	<u>152,797,781</u>	-
Total noncurrent assets	<u>232,226,504</u>	<u>44,443</u>
Total assets	<u>\$ 236,604,219</u>	<u>\$ 11,200,548</u>

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2009
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 60,171	\$ 25,224
Retainage payable	461,987	-
Interfund payable	15,698,805	-
Compensated absences	553,171	17,539
Claims payable	-	11,143,278
Total current liabilities	<u>16,774,134</u>	<u>11,186,041</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	2,747,275	-
Noncurrent liabilities:		
Compensated absences	<u>367,490</u>	<u>14,507</u>
Total noncurrent liabilities	<u>3,114,765</u>	<u>14,507</u>
Total liabilities	<u>19,888,899</u>	<u>11,200,548</u>
Net Assets:		
Invested in capital assets	152,797,781	-
Unrestricted	<u>63,917,539</u>	<u>-</u>
Total net assets	<u>216,715,320</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 236,604,219</u>	<u>\$ 11,200,548</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended September 30, 2009

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 37,288,499	\$ 13,778,097
Other	<u>26,139</u>	<u>2,232,565</u>
Total operating revenues	<u>37,314,638</u>	<u>16,010,662</u>
Operating expenses:		
Operating, administrative and maintenance	35,502,666	16,427,974
Depreciation	<u>5,784,962</u>	<u>-</u>
Total operating expenses	<u>41,287,628</u>	<u>16,427,974</u>
Operating loss	<u>(3,972,990)</u>	<u>(417,312)</u>
Nonoperating revenues & expenses:		
Interest income	665,173	417,312
Loss on disposal of capital assets	<u>(2,573)</u>	<u>-</u>
Total nonoperating revenues & expenses	<u>662,600</u>	<u>417,312</u>
Loss before contributions	(3,310,390)	-
Capital contributions	<u>717,144</u>	<u>-</u>
Change in net assets	(2,593,246)	-
Net assets, beginning	<u>219,308,566</u>	<u>-</u>
Net assets, ending	<u>\$ 216,715,320</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2009

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities		
Cash received from customers:		
For services	\$ 36,768,972	\$ 13,778,097
For deposits	7,529	-
Cash payments to suppliers for goods and services	(12,884,936)	(16,729,936)
Cash payments to employees for services	(6,809,899)	(170,388)
Interfund services used	(15,591,025)	-
Other operating revenues	26,139	2,232,565
Net cash provided (used) by operating activities	<u>1,516,780</u>	<u>(889,662)</u>
Cash flows from noncapital financing activities		
Increase in advances to other funds	(1,911,114)	-
Decrease in prepaid costs	-	32,367
Increase in due to other funds	4,379,003	-
Interest earned from other funds	552,138	-
Net cash provided by noncapital financing activities	<u>3,020,027</u>	<u>32,367</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(4,835,253)	-
Proceeds from sale of equipment	643	-
Capital contributions provided by developers	355,883	-
Net cash used by capital and related financing activities	<u>(4,478,727)</u>	<u>-</u>

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2009
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from investing activities		
Purchase of investment securities	\$ (1,166,824)	\$ (6,917,053)
Proceeds from sale and maturity of investments	-	5,058,522
Interest on cash and cash equivalents	-	87,136
Net cash provided (used) by investing activities	<u>(1,166,824)</u>	<u>(1,771,395)</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(1,108,744)	(2,628,690)
Pooled cash and cash equivalents at beginning of year	<u>1,608,721</u>	<u>2,756,790</u>
Pooled cash and cash equivalents at end of year	<u>\$ 499,977</u>	<u>\$ 128,100</u>
 Displayed as:		
Unrestricted	<u>\$ 499,977</u>	<u>\$ 128,100</u>
Total, September 30, 2009	<u><u>\$ 499,977</u></u>	<u><u>\$ 128,100</u></u>
 Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (3,972,990)	\$ (417,312)
 Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	5,784,962	-
 Change in assets and liabilities:		
Receivables:		
Increase in customer accounts, net	(519,527)	-
Decrease in negative net pension obligation	174,361	2,472
Increase (decrease) in accounts payable	117,806	(172,855)
Increase (decrease) in compensating absences	(75,361)	7,428
Decrease in insurance claims payable	-	(309,395)
Increase in customer deposits	<u>7,529</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,516,780</u>	<u>\$ (889,662)</u>
 Noncash investing, capital, and financing activities:		
Property contributed by developers	\$ 361,261	\$ -
Increase in fair value of investments	113,038	330,176

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2009

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short-term investments	\$ 8,915,790	\$ -
Receivables		
Accrued interest and dividends	1,098,622	-
Other	<u>402,924</u>	<u>4,193,102</u>
Total receivables	<u>1,501,546</u>	<u>4,193,102</u>
Investments, at fair value		
U.S. Government securities	20,662,556	-
Corporate bonds	62,744,804	-
Common stocks	106,566,957	-
Foreign bonds	2,383,912	-
Domestic equity fund	24,231,706	-
International equity fund	18,507,516	-
Real estate fund	16,680,183	-
Mutual funds	<u>116,881,321</u>	<u>-</u>
Total investments	<u>368,658,955</u>	<u>-</u>
Capital Assets:		
Property and equipment, net	<u>457,984</u>	<u>-</u>
Total capital assets	<u>457,984</u>	<u>-</u>
Total assets	<u>379,534,275</u>	<u>4,193,102</u>
Liabilities		
DROP participants payable	52,375,082	-
Reserve for health insurance claims	739,911	-
Accounts payable	300,429	1,532,637
Accrued liabilities	<u>-</u>	<u>2,660,465</u>
Total liabilities	<u>53,415,422</u>	<u>4,193,102</u>
Net Assets		
Net assets held in trust for pension benefits and other purposes	<u>\$ 326,118,853</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended September 30, 2009

	Pension and OPEB <u>Trust Funds</u>
Additions	
Contributions:	
Plan members	\$ 5,416,410
Employee buybacks	1,226
Employer	36,878,976
State	<u>2,429,576</u>
Total	<u>44,726,188</u>
Investment income:	
Investment earnings and appreciation (depreciation)	(8,488,809)
Less investment expense	<u>1,121,380</u>
Net investment income (loss)	<u>(9,610,189)</u>
Other additions:	
Specific stop loss and medical claims recovery	473,502
Medicare Part D subsidy	72,757
Other income	<u>59,000</u>
Total other additions	<u>605,259</u>
Total additions	<u>35,721,258</u>
Deductions	
Benefit payments and insurance premiums	28,498,010
Refunds of contributions	115,068
Administrative expenses	<u>738,694</u>
Total deductions	<u>29,351,772</u>
Change in net assets	6,369,486
Net assets, beginning	<u>319,749,367</u>
Net assets, ending	<u>\$ 326,118,853</u>

See notes to basic financial statements.

Notes to Basic Financial Statements



City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pembroke Pines (the City) was incorporated in 1960. The City operates under a Commission-Manager form of government. In addition to police and fire services, general government, recreation, and public works services provided to its residents, the City operates water and sewer utilities and maintains various trust and agency funds in a fiduciary capacity. The City also provides to its residents educational facilities with the seven (7) Charter Schools that it owns and operates in addition to those facilities provided by the School Board of Broward County.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Financial Reporting Entity

The City's financial reporting entity comprises the City of Pembroke Pines as the primary government with no component units. In determining the financial reporting entity, the City complies with the provisions of GASB Statements No.14 and No. 39 relating to "The Financial Reporting Entity," and would have included all component units had one of the following conditions existed:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City, its component units, or its constituents.
2. The City, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the City, or its component units, is entitled to, or has the ability to otherwise access, are significant to the City.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same, or substantially the same, as the City Commission or the component unit provides services entirely to the City. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the City recognizes revenue at the time the expenditure is incurred. The City considers the availability period of revenues susceptible to accrual to be a year.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees and communications taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *debt service fund* accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City. Pledged revenues are used for the debt service payments of principal and interest.

The *capital projects fund* is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The City reports only one Capital Projects Fund, and it is used to account for the acquisition and construction of capital assets from bond proceeds.

The City reports the following nonmajor governmental funds:

The *special revenue funds* accounts for the proceeds of specific revenue sources (other than those for major capital projects) that are restricted legally to expenditures for specified purposes. These include, but are not limited to, various grant funds and the City's Charter School funds.

The City owns and operates seven charter schools: three Elementary Schools, two Middle Schools and one High School are operated under individual charters of the sponsoring Broward County School Board, and one Elementary School is operated by charter granted by Florida State University. These schools are accounted for as special revenue funds of the City. The Charter Schools have a fiscal year of July 1st through June 30th, and are included in the financial statements of the City as of June 30th. The Charter Schools are required to legally adopt budgets in accordance with Section 30.30(F) of the City's Code of Ordinances, and are also required to issue separately audited financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

In previous years, the Charter Schools were aggregated and shown as two separate columns for financial statement purposes; however, each class of school (Elementary, Middle, High, Florida State University Elementary) is a separate fund for general purpose external financial reporting purposes. Therefore, in the current fiscal year each class of school has been disaggregated, and shown as separate columns in the nonmajor governmental funds combining financial statements.

The *permanent fund (Wetland Mitigation Trust Fund)* accounts for resources which are legally restricted to the extent that only the earnings, and not the principal, may be used for purposes that support the City's long-term obligations to maintain its wetlands areas.

The City reports the following major proprietary fund:

The *utility fund* accounts for activities of providing water and wastewater services to the public.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for general liability, workers' compensation and health and life insurance coverage provided to other departments or agencies of the City on a cost reimbursement basis.

The *agency funds* are used to account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

<u>Fund</u>	<u>Brief Description</u>
General Trust Fund	Used to account for fiduciary resources held by the City for individuals, private organizations, or other governments.
Sanitation Fund	Used to account for assets held by the City as an agent for private organizations.

The *Pension and Other Post-Employment Benefit (OPEB) trust funds* account for the activities of the General Employees Pension Plan (GEPP) and the City's Pension Fund for the Firefighters and Police Officers (CPFFPO), which accumulate resources for pension benefits. The OPEB Trust Fund accounts for activities related to the City's retiree health and life insurance benefits.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utility fund and internal service fund are charges for services. Operating expenses for the utility fund and the internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

d. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's "Pooled cash and cash equivalents" are considered to be cash on hand, demand deposits, money market deposits and deposits held with the State Board of Administration (SBA) Investment Pool. For the purpose of the proprietary fund's Statement of Cash Flows, "Pooled cash and cash equivalents" include all demand and savings accounts, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities and Net Assets or Equity (continued)

Deposits and Investments (continued)

All investments of the City, except the SBA Investment Pool and the investment in real estate, are reported at fair value, which is based on quoted market price. The SBA Investment Pool is recorded at its value of the pool shares (2A-7 Pool), which is fair value, and the investment in real estate is valued at cost. Additional deposits and investment disclosures are presented in Note 3.a.

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other 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.

3. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. Major receivable balances for the governmental activities include franchise fees and utility taxes, and amounts due from other governments. Business-type activities report utility billings as the major receivable.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities and Net Assets or Equity (continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost of \$1,000 or more, except computers which retain the threshold of \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

All infrastructure assets acquired after July 1, 1980 are reported in the government-wide financial statements at estimated historical cost provided by the City's engineering division.

The costs 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 for capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Useful Lives (Years)</u> <u>Estimated</u>
Buildings	20-50
Improvements other than buildings	5-50
Machinery and equipment	3-10
Infrastructure	10-50

5. Inventories and Prepaid Items

Inventories of governmental funds, which consist of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased, (consumption method). The inventories of supplies, diesel fuel and gasoline are recorded at cost using the moving average method.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities and Net Assets or Equity (continued)

6. Restricted Assets

Restricted assets include cash and investments of the governmental and enterprise funds that are legally restricted as to their use. The primary restricted assets of the governmental funds are related to amounts that the City is required to segregate in connection with the issuance of bonds, including sinking fund and reserve requirements, as well as amounts segregated for construction projects. The primary restricted assets of the enterprise fund are related to customer utility deposits. See Note 3.c. for more details on the restricted assets.

7. Compensated Absences

The City's policy regarding vacation time is to encourage employees to use it within one year of having earned the leave. With regard to sick leave, employees are paid each September for the hours that they have accumulated in excess of 480 for General Employees. Police Officers are compensated for the excess of 1,000 hours in September of each fiscal year. Firefighters working shifts are paid for accumulated hours in excess of 1,006.50. Non-shift employees are paid for accumulated hours in excess of 864 hours. Upon separation from service, employees receive full payment for unused vacation and sick leave, if they have passed their probationary period, with the exception of Fire which allows employees to use and get paid sick time before passing probation. Employees must give two weeks notice, and termination cannot be for just cause.

The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability due and payable at September 30th and paid from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities and Net Assets or Equity (continued)

8. Long-Term Obligations (continued)

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

9. Rebatable Arbitrage

Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued.

Governmental units that issue no more than \$5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes.

10. Property Taxes

Under State law, municipalities are able to levy up to 10 mills (\$1 per \$1,000 of taxable value) for operating purposes. In addition, they are permitted to levy additional millage for general obligation debt service purposes, provided a referendum to that effect is approved by the voters. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due by March 31. Uncollected Ad Valorem taxes as of May 31 are sold as Tax Certificates to investors. The Broward County Revenue Collector bills and collects the property taxes and remits to the City its portion. Due to the immaterial amount of any additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements, or in the fund financial statements.

11. 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. Designations of fund balance represent tentative management plans that are subject to change.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities and Net Assets or Equity (continued)

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables, the realization of pension obligations and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. The City has no material violations of finance-related legal and contractual obligations.

a. Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements, bond covenants, and segregation for management purposes.

b. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, bridges, sidewalks, and streetlights
School Board of Broward County	Charter School Expenditures
Florida State University	Charter School Expenditures
Older Americans Act Grant	Grant Program Expenditures
Community Development Block Grant (CDBG)	Grant Program Expenditures
State Housing Initiative Program Grant (SHIP)	Grant Program Expenditures

For the year ended September 30, 2009, the City complied, in all material respects, with these revenue restrictions.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS

a. Deposits and Investments

The City pools substantially all cash, cash equivalents, and investments, except for accounts that are maintained separately in accordance with legal restrictions.

Deposits and investments as of September 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets

Cash and cash equivalents	\$ 22,197,097
Investments	93,547,821
Restricted cash and cash equivalents	1,055,234
Restricted investments	49,408,680
Statement of Fiduciary net assets	
Cash and short-term investments	8,915,790
Investments	368,658,955
Total cash and investments	<u>\$ 543,783,577</u>

Cash on hand, deposits and investments as of September 30, 2009 consist of the following:

Governmental and Business-type investments

Cash on hand	\$ 21,835
Deposits with financial institutions	9,955,242
Money market funds held with financial institutions	1,128,880
Local Government Investment Pool (LGIP)	12,630,993
Fund B Surplus Trust Fund (Fund B)	22,905
Florida Municipal Investment Trust (FMIvT)	62,782,000
Investments held with external Investment manager	12,216,800
Investment in real estate	67,450,177
Firefighters and Police Officers Pension Fund:	
Cash and short-term investments	8,331,891
Investments	251,777,634
General Employees Pension Fund:	
Investments in mutual funds	108,011,531
Other Post-Employment Benefits (OPEB):	
Cash and short-term investments	583,899
Investments	8,869,790
Total cash and investments	<u>\$ 543,783,577</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments in External Investments Pools

State Board of Administration (SBA)

The State Board of Administration's Local Government Surplus Trust Fund Investment Pool, also known as the Local Government Investment Pool (LGIP) is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration (SBA). These rules provide guidance and establish the general operating procedures for the administration of the Local Government Investment Pool. Additionally, the Office of the Florida Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, currently referred to as the LGIP, consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. Through September 30, 2009 investors cumulatively received distributions from Fund B totaling nearly \$1.49 billion or 74.1% of their original balances. Additionally, the SBA has made significant changes to the investment strategy of the pool and has adopted legislative changes to the administration of the pool to strengthen controls, including the creation of a Participant Advisory Council, a six-member panel to regularly review the administration of the LGIP and make recommendations to the Trustees.

The LGIP (formerly Pool A) is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value factor for Fund B as of September 30, 2009 is 0.54915069, and the fair value is calculated by multiplying the factor by the account balance. As at September 30, 2009, the City had \$12,630,993 invested in the LGIP and \$22,905 invested in Fund B. The investments of the LGIP are not restricted as to deposits or withdrawals. Fund B cash holdings are being distributed as they become available from maturities, sales, investment interest and other income received from the assets in Fund B. The investment objective of Fund B is to maximize the present value of distributions to participants.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments in External Investments Pools (continued)

Florida Municipal Investment Trust (FMIVT)

The Florida Municipal Investment Trust (FMIVT) was created under the laws of the State of Florida to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor.

The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Local Government Investment Pool (LGIP) and the Florida Municipal Investment Trust (FMIVT) are not registrants with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. The City invests operating funds in the 0-2 Year High Quality Government Fund, the 1-3 Year High Quality Bond Fund, and the Intermediate Bond Fund which had the following balances as of September 30, 2009, \$122,528, \$46,547,093 and \$16,112,379 respectively.

The Other Post Employment Benefit (OPEB) Trust Fund also invests in the Florida League of Cities' in both the fixed income and equity funds as shown in the table below:

	Balance
	as of 9/30/09
FLOC Investment Accounts:	
1-3 Year High Quality Bond Fund	\$ 4,131,686
High Quality Growth Equity Portfolio	1,425,937
Diversified Small Cap Equity Portfolio	478,475
Russell 1000 Enhanced Index Equity Portfolio	947,198
International Blend Equity Portfolio	477,094
Large Cap Diversified Value Equity Portfolio	1,409,400
	<u>\$ 8,869,790</u>

The investments of the General Employees Pension Fund are managed by the Principal Financial Group. These are pooled as separate investment accounts, under a group annuity contract and operate similar to a mutual fund. These investments are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair market value of an investment.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table on the following page as of September 30, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
<u>Managed by External Investment Manager:</u>			
Temporary investments	\$ 374,235	-	0.4%
Treasuries	1,401,857	2.38	1.6%
Federal agencies	2,855,489	0.59	3.3%
Mortgage pass-through	1,102,416	1.85	1.3%
Collateralized mortgage obligations	735,542	12.70	0.9%
Mortgages -collateralized mortgage-backed securities	378,903	0.45	0.4%
Asset-backed securities	725,948	0.97	0.8%
Corporate	4,642,410	1.33	5.3%
<u>Investment in External Investment Pools:</u>			
FMIvT -0-2 Year high quality bond fund	122,528	0.57	0.1%
FMIvT -1-3 Year bond fund	46,547,093	1.27	53.1%
FMIvT -Intermediate high quality bond fund	16,112,380	2.81	18.4%
Local Government Investment Pool (LGIP)	12,630,993	-	14.4%
Fund B Surplus Trust Fund (Fund B)	22,905	-	0.0%
Total Governmental & Business-type Fixed Income	\$ 87,652,699		100.0%
Weighted average effective duration of the Governmental & Business-type activities		1.47	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
Federal agencies	\$ 20,662,556	2.55	24.1%
Corporate bonds	62,744,804	4.66	73.1%
State of Israel bonds	2,383,912	not available	2.8%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 85,791,272		100.0%
Weighted average effective duration of Police & Fire Pension Fund		4.02	
General Employees Pension Fund:			
<u>Investment in separate fixed income investments accounts:</u>			
Principal core plus 1	\$ 13,523,870	4.51	31.9%
Principal bond and mortgage	13,654,825	4.39	32.2%
Principal inflation protection	5,649,741	7.43	13.3%
Principal high yield	4,851,156	3.82	11.4%
Principal US property	4,693,395	-	11.1%
Total Fixed Income General Employees Pension Fund	\$ 42,372,987		100.0%
Weighted average effective duration of the General Employees Pension Fund		4.28	
Other Post-Employment Benefit (OPEB) Trust Fund:			
<u>Investment in Funds of the Florida League of Cities</u>			
FMIvT -1-3 Year bond fund	4,131,686	1.27	100.0%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	\$ 4,131,686		100.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

The City limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio. The Operating Investment Policy of the City states that the average effective duration of the portfolio as a whole may not exceed five (5) years, and that no more than 30% of the total investment in debt securities shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes the maturities of the underlying securities of a repurchase agreement. The Operating Investment Policy of the City limits the investment in collateralized mortgage obligations to a maximum of 30% of the portfolio. The maximum effective duration for an investment in any mortgage-backed security issued by a Federal Instrumentality is ten (10) years, and for a private corporation is five (5) years. A maximum of 50% of the City's operating investments may be directly invested in the combined categories of commercial paper and corporate obligations. The maximum duration for corporate obligations is five (5) years for both fixed and variable rate securities.

The weighted average days to maturity of the LGIP as of September 30, 2009 is 33 days and the weighted average life of Fund B as of September 30, 2009 is 6.69 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

As a result of the economic downturn and the credit crisis, the City held investments, as shown in the table below with a fair market value as of September 30, 2009 of \$490,832 that were not in compliance with the Operating Investment Policy in relation to the effective duration requirements. The Operating Investment Policy states that for mortgage-backed securities issued by a private corporation, the maximum effective duration is 5 years. However, the expected prepayments slowed dramatically thus increasing the estimated average life above 5 years. As a result of the loss that would be suffered, the City decided not to sell these holdings, but they would be monitored by the Investment Manager for an opportune time to sell, as there was currently no market for these securities. The Operating Investment Policy allows the Investment Manager to adjust the existing portfolio to the provisions of the policy so as not to require the premature liquidation of any investment.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments (continued)

The City is also reviewing its Operating Investment Policy to make changes that will ensure the safety of principal.

Type of Investment	Name	CUSIP	Ratings		Fair Market Value*
			Standard & Poor's	Moody's	
Mortgage-backed Securities	Countrywide Home Loans	170256AD3	CC	Caa1	\$ 223,835
Mortgage-backed Securities	Credit Suisse Mtg. Backed	12629EAD7	CCC	Caa2	201,644
Mortgage-backed Securities	Indymac Index Mtg.	45660LYD5	B	B3	65,354
Total fair market value					\$ 490,832

Firefighters and Police Officers Pension Investments

The investment portfolio of the Firefighters and Police Officers pension fund are managed by a separate Board of Trustees, which have established an Operating Investment Policy, and detailed guidelines to manage the risk, diversification, maturity and liquidity requirements of the Fund. As a means of limiting its exposure to interest rate risk, the Firefighters and Police Officers Pension Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

General Employees Pension Investments

The Operating Investment Policy allows for various authorized investments including all the separate accounts offered by the Principal Financial Group. In the event that the Principal Financial Group deems it necessary to offer or discontinue any separate account (s), the City Administration is authorized to execute the necessary documents to implement the change. Currently, all the investments of the General Employees Pension Fund are invested in the separate accounts of the Principal Financial Group which operate like a mutual fund, since the investments are not evidenced by securities that exist in physical or book entry form. The Operating Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

b. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy allows for various authorized investments including all the investment accounts offered by the Florida League of Cities. Currently, the investments of the OPEB Trust Fund are invested money markets funds, and in the pooled accounts of the Florida League of Cities which operate like a mutual fund, since the investments are not evidenced by securities that exist in physical or book entry form. The OPEB Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk: Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The City of Pembroke Pines utilizes portfolio diversification and credit quality rating in order to control this risk.

Investment Type	Credit Quality Rating			Fair Value
	Fitch	S&P	Moody's	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments		AAA	Aaa	\$ 374,235
Treasuries		AAA	Aaa	1,401,857
Federal agencies		AAA	Aaa	2,855,489
Mortgage pass-through		AAA	Aaa	1,102,416
Collateralized mortgage obligations		BBB	Baa3	735,542
Mortgages -collateralized mortgage-backed securities		AAA	Aaa	378,903
Asset-backed securities		AAA	Aaa	725,948
Corporate		A	A2	4,642,410
<u>Investment in External Investment Pools:</u>				
FMIvT -0-2 Year high quality bond fund			AAAf/S1	122,528
FMIvT -1-3 Year bond fund	AAA/V2			46,547,093
FMIvT -Intermediate high quality bond fund	AAA/V3			16,112,380
Local Government Investment Pool (LGIP)			AAAm	12,630,993
Fund B Surplus Trust Fund (Fund B)			Not rated	22,905
Total Governmental & Business-type Fixed Income				\$ 87,652,699
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed			Not applicable	\$ 20,662,556
Corporate bonds		AAA		1,079,820
Corporate bonds		AA+		2,094,062
Corporate bonds		AA		3,048,209
Corporate bonds		AA-		4,243,445
Corporate bonds		A+		15,102,770
Corporate bonds		A		21,961,778
Corporate bonds		A-		8,964,996
State of Israel bonds		A		2,383,912
Corporate bonds		BBB+		3,159,944
Corporate bonds		BBB		1,234,778
Corporate bonds		BBB-		1,334,236
Corporate bonds		BB+		520,766
Total Fixed Income Firefighters and Police Officers Pension Fund				\$ 85,791,272
General Employees Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal core plus 1			Not rated	\$ 13,523,870
Principal bond and mortgage			Not rated	13,654,825
Principal inflation protection			Not rated	5,649,741
Principal high yield			Not rated	4,851,156
Principal US property			Not rated	4,693,395
Total Fixed Income General Employees Pension Fund				\$ 42,372,987
Other Post-Employment Trust Fund:				
<u>Investment in Funds of the Florida League of Cities</u>				
FMIvT -1-3 Year bond fund			AAA/V2	4,131,686
Total Fixed Income -Other Post-Employment Benefits Trust Fund				\$ 4,131,686

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The City of Pembroke Pines utilizes portfolio diversification and credit quality rating in order to control this risk.

The Operating Investment Policy of the City does not specify a credit quality rating for its mortgage-backed securities. Currently, the mortgage pass-through and collateralized mortgage obligations are Federal Agencies (AGY), and the commercial mortgage-backed securities (CMBS) are rated "AAA" by Standard and Poor's. The Operating Investment Policy limits the exposure of mortgage-backed securities to a maximum of 30% of the portfolio.

The Operating Investment Policy stipulates that corporate bonds must have two (2) of the following three minimum ratings: A-, A3, or A-, as rated by Standard and Poor's, and/or Moody's, and or Fitch Investor Service rating services. However, if such obligations are rated by one rating service, then such rating shall be at least AA-, Aa3, or AA by Standard and Poor's, Moody's or Fitch. The City's operating investments in corporate bonds were rated A+ by Standard and Poor's and A1 by Moody's.

The LGIP is currently rated AAAM by Standard and Poor's, while Fund B is not rated by any nationally recognized statistical rating agency.

During the fiscal year, the investment portfolio held one security that has been downgraded below the ratings established by the Operating Investment Policy, with regards to credit ratings. These securities are listed below. The Investment Manager and the City are monitoring these investments, and will sell at an opportune time. Currently there is no market demand for these securities, and Lehman Brothers Inc. has filed for Chapter 11 bankruptcy. The City will continue to monitor these securities, and is also reviewing its Operating Investment Policy to make changes that will ensure the safety of principal.

Type of Investment	Name	CUSIP	Ratings		Fair Market Value*
			Standard & Poor's	Moody's	
Corporate Bond	Lehman Brothers Inc.	52517PXT3	NR	WR	83,470
Total fair market value					\$ 83,470

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk (continued)

Firefighters and Police Officers Pension Investments

Credit risk is the risk that a security will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Firefighters and Police Officers Pension Plan uses portfolio diversification in order to control this risk. The Operating Investment Policy stipulates that fixed investments must have a minimum credit quality of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below "BAA" shall be liquidated within a reasonable time as determined by the Investment Manager, but not to the detriment of the Firefighters and Police Officers Pension Plan. If the Investment Manager determines it is prudent to hold an investment that has been downgraded below BAA, they will be required to report to the Board on the status of the bonds and the reason for holding the downgraded bond.

General Employees Pension Investments

The General Employees Operating Investment Policy sets no minimum credit quality rating for the insurance company separate accounts of the Principal Financial Group. The separate accounts are commingled pools, rather than individual securities and, therefore, these accounts are not rated.

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy sets no minimum credit quality rating for the investment accounts of the Florida League of Cities. The investment accounts are commingled pools, rather than individual securities and, therefore, these accounts are not rated.

Concentration of Credit Risk: Concentration risk exists when investments are concentrated in one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investment are excluded from the concentration of credit risk disclosure requirements.

The City of Pembroke Pines' Operating Investment Policy does not allow for an investment in any one issuer that is in excess of five percent (5%) of the City's total investments. This limitation also applies to the Firefighters and Police Officers Pension Plan. The General Employees Pension Plan and the OPEB Trust Fund are not subject to concentration of credit risk, custodial credit risk or foreign currency risk, as the investments of Plan operate like mutual funds, and are not evidenced by securities that exist in physical or book entry form.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2009 are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ -	\$4,231,518	\$ 4,231,518
Franchise fees and taxes	5,277,915	-	441,667	-	5,719,582
Due from other governments	154,754	55,066	986,283	-	1,196,103
Other receivables	8,398,621	-	413,497	-	8,812,118
Gross receivables	<u>13,831,290</u>	<u>55,066</u>	<u>1,841,447</u>	<u>4,231,518</u>	<u>19,959,321</u>
Less: allowance for uncollectible accounts	-	-	-	(436,324)	(436,324)
Net total receivables	<u><u>\$13,831,290</u></u>	<u><u>\$ 55,066</u></u>	<u><u>\$ 1,841,447</u></u>	<u><u>\$3,795,194</u></u>	<u><u>\$19,522,997</u></u>

Receivables not expected to be collected within one year consist of \$572,725 for ICMA-RC Forfeitures. These funds will be used to offset future City Contributions to the defined contribution plans for the Charter Schools and Early Development Centers.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

c. Restricted Assets

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2009 are as follows:

Restricted assets	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Enterprise Fund	Total
Revenue Bonds sinking fund	\$ 10,907,686	\$ -	\$ -	\$ -	\$10,907,686
General Obligation Bonds sinking fund	12,171	-	-	-	12,171
Revenue Bonds reserve fund	2,609,163	-	-	-	2,609,163
Restricted for construction projects	-	33,596,971	-	-	33,596,971
Restricted for wetland mitigation	-	-	590,648	-	590,648
Customer deposits - water and sewer	-	-	-	2,747,275	2,747,275
Total restricted assets	<u>\$ 13,529,020</u>	<u>\$ 33,596,971</u>	<u>\$ 590,648</u>	<u>\$ 2,747,275</u>	<u>\$50,463,914</u>

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 56,420,718	\$ 9,153,435	\$ -	\$ 65,574,153
Construction-in-progress	44,834,858	3,694,257	(47,506,126)	1,022,989
Total capital assets, not being depreciated	<u>101,255,576</u>	<u>12,847,692</u>	<u>(47,506,126)</u>	<u>66,597,142</u>
Capital assets, being depreciated:				
Buildings	225,321,188	13,476,242	(318)	238,797,112
Improvements other than buildings	95,425,403	34,866,075	(340,567)	129,950,911
Machinery and equipment	51,601,019	3,511,815	(2,628,558)	52,484,276
Infrastructure	32,902,818	117,052	-	33,019,870
Total capital assets, being depreciated	<u>405,250,428</u>	<u>51,971,184</u>	<u>(2,969,443)</u>	<u>454,252,169</u>
Less accumulated depreciation for:				
Buildings	(32,566,693)	(4,656,346)	75	(37,222,964)
Improvements other than buildings	(29,529,550)	(7,498,729)	340,567	(36,687,712)
Machinery and equipment	(38,673,853)	(4,084,098)	1,742,628	(41,015,323)
Infrastructure	(28,732,800)	(539,941)	-	(29,272,741)
Total accumulated depreciation	<u>(129,502,896)</u>	<u>(16,779,114)</u>	<u>2,083,270</u>	<u>(144,198,740)</u>
Total capital assets, being depreciated, net	275,747,532	35,192,070	(886,173)	310,053,429
Governmental activities capital assets, net	<u>\$ 377,003,108</u>	<u>\$ 48,039,762</u>	<u>\$ (48,392,299)</u>	<u>\$ 376,650,571</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ 49,926.00	\$ -	\$ 3,056,488
Construction-in-progress	13,072,804	4,423,201	-	17,496,005
Total capital assets, not being depreciated	<u>16,079,366</u>	<u>4,473,127</u>	<u>-</u>	<u>20,552,493</u>
Capital assets, being depreciated:				
Buildings	20,675,280	-	-	20,675,280
Improvements other than buildings	175,008,750	713,230	-	175,721,980
Machinery and equipment	6,246,190	10,157	(337,447)	5,918,900
Total capital assets, being depreciated	<u>201,930,220</u>	<u>723,387</u>	<u>(337,447)</u>	<u>202,316,160</u>
Less accumulated depreciation for:				
Buildings	(4,820,185)	(502,914)	-	(5,323,099)
Improvements other than buildings	(54,867,504)	(4,847,059)	-	(59,714,563)
Machinery and equipment	(4,932,451)	(434,989)	334,230	(5,033,210)
Total accumulated depreciation	<u>(64,620,140)</u>	<u>(5,784,962)</u>	<u>334,230</u>	<u>(70,070,872)</u>
Total capital assets, being depreciated, net	137,310,080	(5,061,575)	(3,217)	132,245,288
Business-type activities capital assets, net	<u>\$ 153,389,446</u>	<u>\$ (588,448)</u>	<u>\$ (3,217)</u>	<u>\$ 152,797,781</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 818,550
Public safety	2,960,491
Physical environment	58,210
Transportation	2,866,064
Economic environment	1,945,490
Human services	3,896,145
Culture/recreation	4,234,164
Total depreciation expense - governmental activities	<u>\$ 16,779,114</u>
Business-type activities:	
Water-sewer combined service	\$ 5,784,962
Total depreciation expense - business-type activities	<u>\$ 5,784,962</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

e. Interfund Receivables, Payables and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor Governmental	\$ 635,698	Provide temporary resources
General	Utility	<u>18,036,166</u>	Provide temporary resources
Total		<u><u>\$18,671,864</u></u>	

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility	Capital Projects	\$ 2,337,360	Capital projects expenditures
Total		<u><u>\$ 2,337,360</u></u>	

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	General Fund	\$67,450,177	Purchase of investments
*Utility	Capital Projects	<u>6,096,734</u>	Capital projects expenditures
Total		<u><u>\$73,546,911</u></u>	

*This amount is not expected to be paid within one year from September 30, 2009.

Interfund Transfers:

Transfer in:				
	Debt Service Fund	Nonmajor Governmental Funds	Total	Purpose
Transfer out:				
General Fund	\$ -	\$ 515,311	\$ 515,311	Supplement other funds
Capital Projects Fund	605,731	-	605,731	Payment of bond principal
Nonmajor Governmental Funds	-	1,032,558	1,032,558	Supplement other funds
Total	<u>\$ 605,731</u>	<u>\$ 1,547,869</u>	<u>\$2,153,600</u>	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases

The City is the lessor in operating leases on various buildings as described below. Depreciation expense on these leased assets for the year ended September 30, 2009 amounted to \$1,912,417. Cost and carrying amounts of these leased assets as of September 30, 2009 were as follows:

Land	\$ 1,068,835
Buildings	<u>95,772,696</u>
Total Cost	96,841,531
Less: Accumulated Depreciation	<u>(10,359,895)</u>
Book Value as of 9/30/09	<u>\$ 86,481,636</u>

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce, 366 square feet to Congressman Kendrick E. Meek, and 200 square feet to the Florida District 101 State Representative in the City Hall Building. In the “Silver Emporium” Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist, 397 square feet to a hair salon, and 270 square feet to a medical doctor. The 11,950 square foot restaurant “Club 19” at the City’s Golf & Racquet Club is also leased out to an operator. As of September 30, 2009, Club 19 leased facilities consisted of \$72,700 in land and \$212,077 in buildings for a total cost of \$284,777. The accumulated depreciation and the net book value of the property as of September 30, 2009 are \$103,465 and \$181,312, respectively. Depreciation expense for the year was \$4,242. Additional office space at City Hall is provided at no cost to several Federal and local elected officials who represent portions of the City.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between \$3,914 and \$51,428 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$1,075,989 from the tower rentals in the year ended September 30, 2009.

On June 11, 1986 the City leased 30 acres of the Walter C. Young Resource Center site to the School Board of Broward County for the purpose of their constructing and operating a Community Education Facility. The terms call for a rental of \$1.00 per year for 50 years. At the termination of the lease, all improvements made on the site by the School Board of Broward County will become the property of the City.

On December 3, 1996 the City leased two acres of the Walter C. Young Resource Center site adjacent to the Walter C. Young Middle School to the School Board of Broward County and to Broward County, jointly, for the purpose of their constructing a Library facility on the site. The terms call for a rental of \$1.00 per year for 30 years, plus a 20-year option to renew.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

At the termination of the lease, all improvements made on the site by the School Board of Broward County and by Broward County will become the property of the City.

On April 20, 1998 the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at \$500,000, and buildings costing \$1,780,834 with a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2009 amounted to \$702,324 and \$1,578,510, respectively. Depreciation expense for the year was \$28,382.

On June 23, 1999 the City leased a site at the Pembroke Pines Academic Village to Broward College for the construction of the 26,000 square foot Southwest Broward County Center of Broward College. The terms call for a rental of \$1.00 per year for 40 years plus two additional 25-year options to renew. At the termination of the lease, all improvements made on the site by the Broward College will become the property of the City.

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 4.c. "Commitments"). As of September 30, 2009 the City had sub-leased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Youth Services International, Citrus Health Network, Jose Maria Vargas University, Bayview Center for Mental Health, Dept. of Children & Families, Green Cross of Pembroke Pines, Safeguard Services, Elan Lawn Services and several other lessees at various rentals and terms. The City also provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City's seven Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of \$1,613,759 from the rental of buildings on the Campus for the year ended September 30, 2009.

On March 13, 2002 the City signed an agreement with Florida International University (FIU), for use of educational facilities located at the Academic Village. The Academic Village is a shared-use facility located on the northeast corner of Sheridan Street and Northwest 172nd Avenue, and includes the City's Charter High School, the Broward County Southwest Regional Library, the Southwest Broward County Campus for Broward College, and the *Susan B. Katz Memorial Auditorium*, a 450-seat shared auditorium. In order to provide for the operation of an integrated educational program, and to offset the costs incurred by the City, the agreement requires FIU to pay to the City an annual rent starting at \$400,000, which increases by an additional \$200,000 for the next two years and an additional \$50,000 in the fourth year. Thereafter, the annual rent will be adjusted by a minimum of 50% of the increase

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

or decrease in the Consumer Price Index (CPI) for Miami, Florida. The lease is for 10 years through December 31, 2012, with one ten-year renewal period. An additional option may be negotiated if requested in writing to the City. The rental income of \$950,760 received in the Charter Schools' fiscal year ended June 30, 2009 was recorded in the City's Charter High School financial statements, and future rentals are included in the table below. The cost of the shared-use facility is \$13,599,845, and accumulated depreciation and net book value as of September 30, 2009 amounted to \$1,411,749 and \$12,188,096, respectively. Depreciation expense for the year was \$282,350.

On November 23, 2004 the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 3.g. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2009 amounted to \$515,929 and \$6,519,458, respectively. Depreciation expense for the year was \$140,708.

The City receives various short-term rentals from religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2009 the City received rental income of \$1,616,308 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$4,537,768 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". Pines Point land cost is \$496,135 and its building costs are \$17,366,392. The accumulated depreciation and net book value of Pines Point as of September 30, 2009 amounted to \$4,185,581 and \$13,676,946, respectively, and depreciation expense for the year was \$340,977. Pines Place cost is \$55,778,161 and its accumulated depreciation and net book value as of September 30, 2009 amounted to \$3,440,847 and \$52,337,314, respectively, and depreciation expense for the year was \$1,115,758. The City also maintains a storage lot for recreational vehicles and boats and trailers, and received storage rentals amounting to \$321,603 for the year ended September 30, 2009. None of these short-term rentals are included in the table below.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

The approximate minimum future rentals to be received, excluding cost of living increases or expected lease renewals, on non-cancelable operating leases as of September 30, 2009 are:

Fiscal year ending September 30:

2010	\$3,674,719
2011	1,861,326
2012	1,479,779
2013	834,888
2014	332,671
2015-2019	2,063,059
2020-2024	2,072,421
2025-2029	2,381,078
2030-2034	2,796,137
2035-2039	<u>3,336,717</u>
Total minimum future rentals	<u>\$20,832,795</u>

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2009 include the following (All capitalized terms are as defined in each bond issue's official documents):

Capital Improvement Revenue Bonds, Series 1999 – On April 27, 1999, the City issued \$45,240,000 bonds for the purpose of providing funds to finance the construction and equipping of the Charter High School and certain other City projects. In addition, the City used \$10,985,000 of these bonds to refund the City's outstanding Capital Improvement Revenue Bonds, Series 1995. The \$28,100,000 outstanding bonds, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds, were advance refunded and defeased on December 1, 2006 by the Capital Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service until they are called for redemption on December 1, 2008. The remaining \$9,000,000 outstanding bonds that were not refunded are due in varying installments through December 1, 2026. They bear interest at rates which range from 4.20 % to 5.25%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues, and rentals from the City's senior housing facility. The bonds maturing on and after December 1, 2009 are subject to redemption at the option of the City, on or after December 1, 2008, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 310,000	\$ 442,820	\$ 752,820
2011	320,000	429,310	749,310
2012	335,000	414,772	749,772
2013	355,000	399,248	754,248
2014	370,000	382,704	752,704
2015-2019	2,135,000	1,624,913	3,759,913
2020-2024	2,755,000	1,011,450	3,766,450
2025-2027	2,420,000	195,038	2,615,038
Total	\$ 9,000,000	\$ 4,900,255	\$ 13,900,255

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2001 – On October 12, 2001, the City issued \$19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The \$10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining \$4,350,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest at rates which range from 4.00% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the City of Pembroke Pines/Florida State University Charter Elementary School. The bonds maturing on and after October 1, 2012 are subject to redemption at the option of the City, on or after October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2010	\$ 800,000	\$ 163,500	\$ 963,500
2011	835,000	130,800	965,800
2012	870,000	96,265	966,265
2013	905,000	59,425	964,425
2014	940,000	20,210	960,210
Total	<u>\$ 4,350,000</u>	<u>\$ 470,200</u>	<u>\$ 4,820,200</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2003A – On October 17, 2003, the City issued \$39,935,000 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of \$38,640,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2004 Bonds and any additional bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. The bonds maturing on and after October 1, 2014 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2013, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 705,000	\$ 2,285,764	\$ 2,990,764
2011	750,000	2,242,332	2,992,332
2012	795,000	2,196,214	2,991,214
2013	840,000	2,147,409	2,987,409
2014	890,000	2,095,768	2,985,768
2015-2019	5,320,000	9,588,715	14,908,715
2020-2024	7,120,000	7,743,984	14,863,984
2025-2029	9,515,000	5,278,227	14,793,227
2030-2034	12,705,000	1,984,280	14,689,280
Total	\$ 38,640,000	\$ 35,562,693	\$ 74,202,693

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2004 – On April 1, 2004, the City issued \$49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$48,065,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 3.50% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2003A Bonds and any additional bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 1,060,000	\$ 2,376,269	\$ 3,436,269
2011	1,095,000	2,337,188	3,432,188
2012	1,135,000	2,293,956	3,428,956
2013	1,180,000	2,246,181	3,426,181
2014	1,230,000	2,193,431	3,423,431
2015-2019	7,065,000	10,034,726	17,099,726
2020-2024	8,955,000	8,092,303	17,047,303
2025-2029	11,490,000	5,467,631	16,957,631
2030-2034	14,855,000	2,029,256	16,884,256
Total	\$ 48,065,000	\$ 37,070,941	\$ 85,135,941

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004A – On May 6, 2004, the City issued \$20,140,000 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of \$20,140,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. These bonds were issued on parity with both of the Public Improvement Revenue Bonds, Series 1998 and 2001. The bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ -	\$ 928,873	\$ 928,873
2011	475,000	921,747	1,396,747
2012	485,000	906,741	1,391,741
2013	500,000	890,110	1,390,110
2014	520,000	871,610	1,391,610
2015-2019	2,920,000	4,027,641	6,947,641
2020-2024	3,595,000	3,331,066	6,926,066
2025-2029	4,530,000	2,365,975	6,895,975
2030-2034	5,780,000	1,084,250	6,864,250
2035	1,335,000	33,375	1,368,375
Total	\$ 20,140,000	\$ 15,361,388	\$ 35,501,388

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004B – On July 14, 2004, the City issued \$15,975,000 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of \$15,975,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.50% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. These bonds were issued on parity with the Public Improvement Revenue Bonds, Series 1998, 2001, and 2004A. The bonds maturing on and after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ -	\$ 757,915	\$ 757,915
2011	365,000	751,527	1,116,527
2012	375,000	738,343	1,113,343
2013	390,000	724,136	1,114,136
2014	405,000	708,879	1,113,879
2015-2019	2,280,000	3,272,507	5,552,507
2020-2024	2,850,000	2,688,029	5,538,029
2025-2029	3,625,000	1,891,875	5,516,875
2030-2034	4,620,000	866,250	5,486,250
2035	1,065,000	26,625	1,091,625
Total	\$ 15,975,000	\$ 12,426,086	\$ 28,401,086

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling \$18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling \$10,985,000. This advance refunding generated a net present value benefit of \$1,268,541. These refunding bonds have an outstanding balance of \$29,690,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. They were issued on parity with the Public Improvement Revenue Bonds, Series 1998, 2001, 2004A, and 2004B. The bonds maturing on and after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 1,005,000	\$ 1,346,850	\$ 2,351,850
2011	1,040,000	1,305,950	2,345,950
2012	1,085,000	1,263,450	2,348,450
2013	1,130,000	1,219,150	2,349,150
2014	1,175,000	1,173,050	2,348,050
2015-2019	12,170,000	4,285,750	16,455,750
2020-2023	12,085,000	1,052,425	13,137,425
Total	\$ 29,690,000	\$ 11,646,625	\$ 41,336,625

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. This advance refunding generated a net present value benefit of \$1,778,037. These refunding bonds have an outstanding balance of \$44,110,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999 and the Variable Rate Capital Improvement Revenue Bonds, Series 2005, which were current refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 1,470,000	\$ 1,902,712	\$ 3,372,712
2011	1,530,000	1,842,713	3,372,713
2012	1,590,000	1,780,312	3,370,312
2013	1,650,000	1,715,513	3,365,513
2014	1,725,000	1,648,012	3,373,012
2015-2019	9,885,000	6,954,788	16,839,788
2020-2024	12,560,000	4,269,963	16,829,963
2025-2029	10,485,000	1,551,400	12,036,400
2030-2032	3,215,000	208,569	3,423,569
Total	\$ 44,110,000	\$ 21,873,982	\$ 65,983,982

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Bonds, Series 2007 – On January 24, 2007, the City issued \$26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of \$26,805,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999, the Variable Rate Capital Improvement Revenue Bonds, Series 2005, which were current refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008, and the Capital Improvement Revenue Refunding Bonds, Series 2006. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2010	\$ 515,000	\$ 1,201,162	\$ 1,716,162
2011	535,000	1,180,163	1,715,163
2012	555,000	1,158,362	1,713,362
2013	580,000	1,135,663	1,715,663
2014	605,000	1,111,962	1,716,962
2015-2019	3,410,000	5,166,407	8,576,407
2020-2024	4,165,000	4,405,000	8,570,000
2025-2029	5,125,000	3,451,750	8,576,750
2030-2034	6,535,000	2,044,375	8,579,375
2035-2037	4,780,000	366,500	5,146,500
Total	<u>\$ 26,805,000</u>	<u>\$ 21,221,344</u>	<u>\$ 48,026,344</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

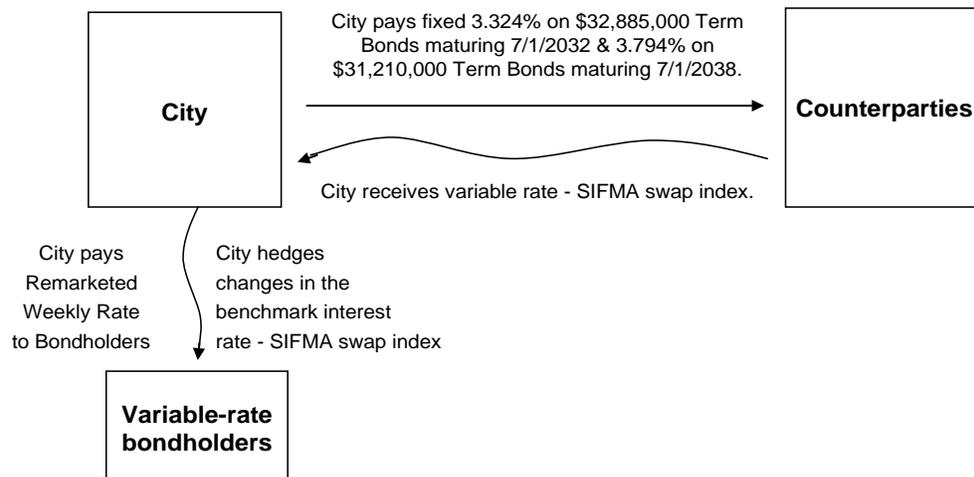
NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - On March 25, 2008, the City issued \$64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing Charter Schools educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of \$29,405,000 and \$17,715,000, respectively. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties.

The following diagram depicts the terms of the Series 2008 Swap Transaction:



The Series 2008 Swap Transaction has an initial notional amount equal to the initial aggregate principal amount of the 2008 Bonds and will terminate at various times with the final termination date on the final maturity date of the 2008 Bonds, unless terminated earlier pursuant to the terms of the applicable 2008 Swap Transaction. The notional amount of the Series 2008 Swap Transaction will amortize at the same times and in the same amounts as the amortization of the 2008 Bonds. The City will pay a fixed rate of interest to each of the Swap Counterparties on their respective notional amounts equal to 3.324% and 3.794% and will receive in return from each of the Swap Counterparties a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Series 2008 Swap Transaction. It is anticipated by the City that the floating rate payable by each of the Swap Counterparties will approximate the

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

interest rate on the 2008 Bonds while the 2008 Bonds bear interest in the Weekly Rate Mode. There is no guarantee, however, that such rates will match at all times or at any time. The City is exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds. The City's payment obligations under the Series 2008 Swap Transaction (except for Swap Termination Payments) will be payable from Pledged Revenues on a parity with the payment of interest on the 2008 Bonds, and are paid on a priority to principal payments on the 2008 Bonds.

The City's net payments/receipts under the Series 2008 Swap Transaction will consist of Periodic Payments based upon fluctuations in short-term interest rates and, in the event of a termination of the Series 2008 Swap Transaction prior to the stated term thereof, a potential Swap Termination Payment. The amount of such potential Swap Termination Payment will be based primarily upon market interest rate levels and the remaining term of the Series 2008 Swap Transaction at the time of termination. The City's obligations with respect to the payment of Swap Termination Payments, if any, are subordinate to the payment of Pledged Revenues on the 2008 Bonds and the Periodic Payments on the Series 2008 Swap Transaction.

The 2008 Bonds have an outstanding balance of \$63,795,000 due in varying installments through July 1, 2038. They initially bear interest at the Weekly Rate, but may be converted at the option of the City, to a Fixed Rate. The interest rate during each Weekly Rate Period will be determined by the Remarketing Agent. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. These Bonds are subject to optional and mandatory tender for purchase and to optional and mandatory redemption prior to maturity. Holders of the 2008 Bonds may elect to have their 2008 Bonds purchased on any Business Day, upon delivery of a Tender Notice to the Tender Agent seven days prior to the applicable Purchase Date. They are subject to redemption on any Business Day at the option of the City at a redemption price equal to 100% of the principal amount of such 2008 Bonds plus accrued interest to the date of redemption.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2009" is based on the Weekly Rate of 0.33% which is the rate in effect at the financial statement date (September 30, 2009) per GASB Statement No. 38, paragraph 10. The average Weekly Rate for FY 2009 was 0.86%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2010	\$ 300,000	\$ 210,524	\$ 510,524
2011	300,000	209,534	509,534
2012	300,000	209,123	509,123
2013	100,000	206,977	306,977
2014	100,000	207,224	307,224
2015-2019	500,000	1,031,171	1,531,171
2020-2024	3,055,000	1,019,196	4,074,196
2025-2029	14,310,000	909,875	15,219,875
2030-2034	23,170,000	589,604	23,759,604
2035-2038	21,660,000	182,025	21,842,025
Total	<u>\$ 63,795,000</u>	<u>\$ 4,775,253</u>	<u>\$ 68,570,253</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 - On July 25, 2008, the City issued \$8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The Series 2008 Bonds initially will bear interest at the Weekly Rate, determined by the Remarketing Agent each Wednesday and payable on the first Wednesday of each month. The Issuer may change the interest rate determination method from time to time. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in the Series 2008 Bonds becoming subject to mandatory tender for purchase on the effective date of such change.

These 2008 Bonds have an outstanding balance of \$8,040,000 due in varying installments through October 1, 2038. They are subject to optional redemption, purchase and tender. During any Daily Period or Weekly Period, the Series 2008 Bonds are subject to redemption by the Issuer, at the option of the Issuer, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2008 Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest. The Series 2008 Bonds shall be subject to mandatory tender by the Registered Owners for purchase. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999, the Variable Rate Capital Improvement Revenue Bonds, Series 2005 which were current refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 and any Additional Parity Franchise Revenue Bonds of the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (continued)

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2009" is based on the Weekly Rate of 0.85% which is the rate in effect at the financial statement date (September 30, 2009) per GASB Statement No. 38, paragraph 10. The average Weekly Rate for FY 2009 was 1.50%.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ -	\$ 68,153	\$ 68,153
2011	-	69,463	69,463
2012	-	68,042	68,042
2013	-	68,074	68,074
2014	-	68,153	68,153
2015-2019	845,000	321,825	1,166,825
2020-2024	1,120,000	279,242	1,399,242
2025-2029	1,485,000	222,898	1,707,898
2030-2034	1,975,000	147,956	2,122,956
2035-2039	2,615,000	48,537	2,663,537
Total	\$ 8,040,000	\$ 1,362,343	\$ 9,402,343

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

General Obligation Bonds - The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the general obligation bonds. The outstanding General Obligation Bonds as of September 30, 2009 are as follows:

General Obligation Bonds, Series 2005 – On September 30, 2005, the City issued its first General Obligation Bonds in the amount of \$47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, \$5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of \$5,985,000. These Series 2005 bonds have an outstanding balance of \$43,155,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.10% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 995,000	\$ 1,802,897	\$ 2,797,897
2011	1,025,000	1,772,053	2,797,053
2012	1,055,000	1,739,252	2,794,252
2013	1,090,000	1,704,438	2,794,438
2014	1,130,000	1,667,377	2,797,377
2015-2019	6,310,000	7,676,833	13,986,833
2020-2024	7,675,000	6,302,637	13,977,637
2025-2029	9,450,000	4,530,350	13,980,350
2030-2034	11,750,000	2,234,685	13,984,685
2035	2,675,000	120,375	2,795,375
Total	\$ 43,155,000	\$ 29,550,897	\$ 72,705,897

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

General Obligation Bonds (continued)

General Obligation Bonds, Series 2007 – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of \$43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of \$41,690,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2010	\$ 790,000	\$ 1,892,438	\$ 2,682,438
2011	820,000	1,860,837	2,680,837
2012	855,000	1,825,988	2,680,988
2013	890,000	1,791,787	2,681,787
2014	925,000	1,755,075	2,680,075
2015-2019	5,220,000	8,178,512	13,398,512
2020-2024	6,460,000	6,949,300	13,409,300
2025-2029	8,050,000	5,357,175	13,407,175
2030-2034	10,125,000	3,282,013	13,407,013
2035-2036	7,555,000	607,288	8,162,288
Total	\$ 41,690,000	\$ 33,500,413	\$ 75,190,413

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments

The fair value balance and notional amount of the derivative instrument outstanding at September 30, 2009 are \$4,206,808 and \$63,795,000 respectively.

The fair values of the interest rate swaps were provided by the Counterparties at mid-market.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at September 30, 2009, along with the credit rating of the associated counterparty:

<u>Type</u>	<u>Objective</u>	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u> <u>S & P/Moody's</u>
Pay-fixed interest rate swap	Hedge of changes in cash flows on the City of Pembroke Pines' \$64,095,000 Charter School Revenue Bonds, Series 2008	Royal Bank of Canada	\$22,809,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA-/Aaa
		Royal Bank of Canada	\$21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aaa
		The Bank of New York Mellon	\$ 9,775,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA/Aaa
		The Bank of New York Mellon	\$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA/Aaa

(1) The Securities Industry and Financial Markets Association Municipal Swap Index

Risks

Interest rate risk. The City is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swap. As the SIFMA swap index decreases, the City's net payment on the swap increases.

Basis risk. The City is exposed to basis risk on its pay-fixed interest rate swaps because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed every 7 days. For the fiscal year ended September 30, 2009, the weighted-average interest rate on the City's hedged variable-rate debt is 0.86%, while the hedging derivative instruments' average SIFMA municipal swap index rate is 0.85%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments (continued)

Termination risk. The City or its Counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The early termination of a an Interest Rate Swap may result in a very substantial payment being due from one party to the other based on the market value of the Interest Rate Swap at the time of early termination and without regard to the fault, if any, of either party to the Interest Rate Swap or any specified affiliate thereof in connection with such early termination. Moreover, early termination of an Interest Rate Swap can leave a party unhedged with respect to the financial risk previously hedged by such terminated Interest Rate Swap.

Rollover risk The City is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the City will be re-exposed to the risks being hedged by the hedging derivative instrument. The City is exposed to rollover risk on the pay-fixed, receive-variable interest rate swaps scheduled to mature in July 2018 because the hedged debt is scheduled to mature in July 2032.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments (continued)

Hedging derivative instrument payments and hedged debt - As of September 30, 2009, the aggregate debt service requirements of the City's Charter School Revenue Bonds, Series 2008 and the net receipts/payments on the associated hedging derivative instruments are as follows. These amounts assume that current interest rate of 0.33% on the variable-rate bonds and the current SIFMA Municipal Swap Index rate of 0.40% of the hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will change.

Fiscal Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2010	\$ 300,000	\$ 210,524	\$ 2,009,860	\$ 2,520,384
2011	300,000	209,534	2,001,088	2,510,622
2012	300,000	209,123	1,992,316	2,501,439
2013	100,000	206,977	1,985,006	2,291,983
2014	100,000	207,224	1,982,082	2,289,306
2015-2019	500,000	1,031,171	8,731,123	10,262,294
2020-2024	3,055,000	1,019,196	5,296,337	9,370,533
2025-2029	14,310,000	909,875	5,296,337	20,516,212
2030-2034	23,170,000	589,604	5,056,466	28,816,070
2035-2038	21,660,000	182,025	1,691,909	23,533,934
Total	<u>\$ 63,795,000</u>	<u>\$ 4,775,253</u>	<u>\$ 36,042,523</u>	<u>\$104,612,776</u>

Contingencies

In the event the insurer's and the City's ratings are both downgraded below a rating of "A-" by Standard & Poor's or "A3" by Moody's Investors Service, the City will have an option of posting collateral in order to prevent swap termination. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparty. At September 30, 2009, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative (\$4,206,808). If the collateral posting requirements were necessary at September 30, 2009, the City would be required to post \$4,206,808 in collateral to its counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. The City's underlying General Obligation Bond rating is "Aa3" by Moody's Investors Service, "AA-" by Fitch Ratings, and not rated by Standard & Poor's. The insurer's ratings are "AAA" by

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments (continued)

Standard & Poor's, "Aa3" by Moody's Investors Service and "AA-" by Fitch Ratings. Therefore, no collateral was posted as of September 30, 2009.

Outstanding Advanced Refunded Bonds – In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2009, \$69.87 million of bonds outstanding are considered defeased. These are listed below as follows:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$14,360,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

Public Improvement Revenue Bonds, Series 2001 - The outstanding balance is \$10,985,000 maturing on and after October 1, 2014. These bonds were refunded on December 1, 2006. They are to be redeemed on October 1, 2011 with the escrow funds.

Charter School Revenue Bonds, Series 2001A - The outstanding balance is \$28,020,000. They were refunded on March 25, 2008. The bonds maturing on or after July 1, 2012 are to be redeemed on July 1, 2011 with the escrow funds.

Charter School Revenue Bonds, Series 2001B - The outstanding balance is \$16,505,000. They were refunded on March 25, 2008. The bonds maturing on or after July 1, 2013 are to be redeemed on July 1, 2012 with the escrow funds.

Bonds Authorized, but Un-issued – On March 8, 2005, the voters of the City of Pembroke Pines approved the issuance of \$100,000,000 General Obligation Bonds, of which \$47,000,000 General Obligation Bonds, Series 2005 were issued on September 30, 2005, and \$43,000,000 General Obligation Bonds, Series 2007 were issued on July 25, 2007. The remaining \$10,000,000 General Obligation Bonds already authorized will be issued only if needed. Currently, the City's General Obligation Bonds authorized by voters is \$100,000,000. Any General Obligation Bonds in addition to this limit will need further approval.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

g. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and loans payable:					
Revenue bonds:					
Public Improvement Revenue					
Bonds, Series 1998	\$ 940,000	\$ -	\$ (940,000)	\$ -	\$ -
Capital Improvement Revenue					
Bonds, Series 1999	10,220,000	-	(1,220,000)	9,000,000	310,000
Public Improvement Revenue					
Bonds, Series 2001	5,125,000	-	(775,000)	4,350,000	800,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2003A	39,305,000	-	(665,000)	38,640,000	705,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2004	49,090,000	-	(1,025,000)	48,065,000	1,060,000
Public Improvement Revenue					
Bonds, Series 2004A	20,140,000	-	-	20,140,000	-
Public Improvement Revenue					
Bonds, Series 2004B	15,975,000	-	-	15,975,000	-
Public Improvement Refunding					
Revenue Bonds, Series 2006	29,705,000	-	(15,000)	29,690,000	1,005,000
Capital Improvement Refunding					
Revenue Bonds, Series 2006	44,585,000	-	(475,000)	44,110,000	1,470,000
Capital Improvement Revenue					
Bonds, Series 2007	26,805,000	-	-	26,805,000	515,000
Charter School Revenue Bonds,					
Series 2008	64,095,000	-	(300,000)	63,795,000	300,000
Variable Rate Capital Improvement					
Revenue Refunding Bonds, Series 2008	8,040,000	-	-	8,040,000	-
Total revenue bonds	314,025,000	-	(5,415,000)	308,610,000	6,165,000
General obligation bonds:					
General Obligation Bonds, Series 2005	44,120,000	-	(965,000)	43,155,000	995,000
General Obligation Bonds, Series 2007	42,450,000	-	(760,000)	41,690,000	790,000
Total general obligation bonds	86,570,000	-	(1,725,000)	84,845,000	1,785,000
Less deferred amounts:					
For issuance discounts/premiums	1,446,357	-	(159,160)	1,287,197	-
On refundings	(9,161,988)	-	418,476	(8,743,512)	-
Total bonds payable	392,879,369	-	(6,880,684)	385,998,685	7,950,000
Estimated self-insurance claims	11,452,673	13,026,059	(13,335,454)	11,143,278	3,892,603
Compensated absences	20,392,712	10,691,280	(11,485,374)	19,598,618	11,802,218
Net OPEB obligation	4,759,323	2,571,325	-	7,330,648	-
Governmental activity long-term liabilities	\$ 429,484,077	\$ 26,288,664	\$ (31,701,512)	\$ 424,071,229	\$ 23,644,821
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	\$ 996,022	\$ 598,487	\$ (673,848)	\$ 920,661	\$ 553,171
Business-type activity long-term liabilities	\$ 996,022	\$ 598,487	\$ (673,848)	\$ 920,661	\$ 553,171

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION

a. Risk Management

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The City established a risk management fund (an Internal Service Fund) to account for the uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$150,000 for each City employee workers' compensation claim, \$250,000 for each Police or Firefighter's workers' compensation claim, \$150,000 per occurrence for each general liability claim, \$100,000 per occurrence for each employee's dishonesty claim and \$25,000 for each occurrence of damage to City-owned property. The City's exposure on health insurance is limited to \$1,190 per month per covered employee and their covered dependents. Total maximum loss exposure to the City for health insurance on covered employees and dependents was \$22,582,630 for the fiscal year ended September 30, 2009. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$11,143,278 reported in the fund at September 30, 2009 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

Claims liabilities include specific and incremental claim adjustment expenditures/expenses. In addition, estimated recoveries on unsettled claims, such as salvage or subrogation, were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Estimated recoveries on settled claims were deducted from the liability for unpaid claims.

The changes in the fund's claims liability amount during the past two years were as follows:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2007-2008	\$10,662,292	\$20,518,169	\$(19,727,788)	\$11,452,673
2008-2009	11,452,673	13,026,059	(13,335,454)	11,143,278

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

b. Contingent Liabilities

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

c. Commitments

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charges to operations of the water and sewer fund under this Agreement were \$5,784,789 and \$7,434,712, respectively, for the years ended September 30, 2009 and 2008.

In 1986, the City entered into a lease with the Broward County School Board and Walter C. Young Resource Center for fifty (50) years at \$1.00 per year. The City holds title to the Resource Center. The City also entered into an Interlocal Agreement in 1989 with the Broward County School Board to operate the Walter C. Young Resource Center. The City is responsible for a prorated share of the operating costs based on its usage as defined in the agreement. The Resource Center includes a Middle School for sixth, seventh and eighth graders, and also offers adult education classes on evenings and weekends. One of the City's Early Development Centers, "Bright Beginnings", is also located at the Resource Center.

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank™ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site that then comprised approximately 450 acres located in the Chapel Trail Preserve. This agreement which lasted until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the Wetlands for a five-year period once construction was completed; and the sales and marketing of the mitigation credits. On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns 15 sites totaling approximately 620 acres of Wetlands. The City became the Grantor of the Mitigation Bank Irrevocable Trust Fund on April 5, 1995 in order to hold the funds to maintain the Wetlands in perpetuity. The current Trustee is the Bank of New York Mellon, Inc., and the beneficiaries of the Trust Fund are the City, the South Florida Water Management District, the U. S. Army Corps of Engineers, and Broward County. Payments are made quarterly from the investment earnings of the Trust Fund to cover the expenses in maintaining the Wetlands. In the event that investment earnings are insufficient to cover expenses, payments from the principal of the Trust can be utilized with the written consent of the Trust's beneficiaries.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

c. Commitments (continued)

At September 30, 2009 the balance in the Trust Fund account was \$560,677, and there was an additional \$29,971 invested in the SBA Investment Pool. For the fiscal year ended September 30, 2009, the Trust earned \$5,072 in investment income, and incurred expenses of \$22,644.

The City has the following construction commitments as of September 30, 2009:

<u>Vendor</u>	<u>Project Name</u>	<u>Original Amount</u>	<u>Balance as of September 30, 2009</u>
Widell, Inc.	Expand Water Treatment Plant.	\$1,676,400	\$74,140
Stiles Construction Co.	City Center.	18,642,631	2,816,743
Stiles Construction Co.	City Center - Spine Road.	7,000,000	862,112
Bergeron Land Devel.	Sheridan Street Widening.	18,562,599	1,592,726
Weekley Asphalt.	Pembroke Road Corridor 2B.	4,874,897	469,123
Bergeron Land Devel.	Pembroke Road Corridor 2C.	4,369,002	1,442
The Haskell Company.	Pembroke Road Corridor 2.	2,554,326	953,582
Widell, Inc.	Water Plant Improvements II.	15,403,880	1,959,647
General Asphalt Co.	Pines Blvd. & Hiatus Road.	303,204	298,164
Stiles Construction Co.	Pines Boulevard Phase III.	3,454,390	252,489
Bergeron Land Devel.	Pines Blvd. / I-75 Intersection.	11,194,802	4,699,832
Tran Construction.	SW 178 th Replace Forcemain.	533,162	531,753
Tran Construction.	SW 72 Ave. Asphalt Watermain.	448,844	283,398
Weekley Asphalt.	Resurface NW 103 rd Avenue.	98,808	31,642

On March 15, 2001, the City entered into an Interlocal Agreement with The Florida Department of Children & Families (DCF), which provides for the City to develop, operate and maintain the 157-acre site of the former South Florida State Hospital. The site was originally leased by DCF from the State of Florida on January 4, 1973. The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 3.f. "Operating Leases"). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 3.g. "Long-Term Debt"). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. During the year ended September 30, 2009 the City renovated an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines".

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

c. Commitments (continued)

The structure contains rental studios and gallery space consisting of 18 inside studios, 5 outside studios, a jewelry studio and a ceramics studio. The studios range from 98 square feet to 260 square feet. All of the inside studios have water and air conditioning, and most have natural lighting.

d. Other Post-Employment Benefits Plans (OPEB)

In fiscal year 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" (GASB 45). Prior to GASB 45, most OPEB Plans were reported on a pay-as-you-go basis and a government's financial statements did not report the financial effects of these post-employment benefits until paid.

Summary of Significant Accounting Policies

Basis of Accounting - The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Securities that have no quoted market price will be presented at estimated fair value as provided by the custodial bank and investment counsel. As of September 30, 2009, the Plan held \$8,869,790 in investments and \$583,899 in cash.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits Plans (OPEB) (continued)

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements, therefore included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2009.

Other Post-Employment Benefits (OPEB) Statement of Fiduciary Net Assets September 30, 2009

	<u>2009</u>
Assets	
Cash	\$ 583,899
Investments	8,869,790
Total assets	<u>9,453,689</u>
Liabilities	
Reserve for health insurance claims	739,911
Accounts payable	167,542
Total liabilities	<u>907,453</u>
Net Assets	
Net assets held in trust for pension benefits	<u>\$ 8,546,236</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits Plans (OPEB) (continued)

**Other Post-Employment Benefits (OPEB)
Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2009**

Additions:	<u>2009</u>
Contributions	
Plan members	\$ 268,131
Employer	<u>9,636,677</u>
Total contributions	<u>9,904,808</u>
Investment income:	
Investment earnings	332,346
Less investment expenses	-
Net investment earnings	<u>332,346</u>
Other additions:	
Specific Stop Loss and medical claims recovery	473,502
Medicare Part D subsidy	<u>72,757</u>
Total other additions	<u>546,259</u>
 Total additions	 <u>10,783,413</u>
 Deductions:	
Benefit payments and insurance	4,792,109
Administrative expenses	<u>133,588</u>
Total deductions	<u>4,925,697</u>
 Change in net assets	 5,857,716
Net assets, beginning	<u>2,688,520</u>
Net assets, ending	<u><u>\$8,546,236</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

Plan Description

The retiree health and life insurance program is a single-employer defined benefit plan administered by the City which provides medical and life insurance benefits to eligible retirees and their beneficiaries. The health plan is self insured and administered by United Medical Resources (UMR) on behalf of the City. The life insurance plan is fully insured through Sun Life Financial. The City Commission has authority to establish and amend benefits related to the City's retiree health and life insurance program. On December 7, 2007 the City adopted Ordinance 1598 creating the Other Post-Employment Benefits Trust Fund in accordance with Florida Statutes Chapter 115.

The City created a retiree health and life insurance program as adopted and amended by City Commission by the following ordinances:

Ordinance		Ordinance	
Number	Dated	Number	Dated
990	April 15, 1992	1371	April 4, 2001
1015	November 4, 1992	1443	June 18, 2003
1024	February 17, 1993	1480	March 17, 2004
1144	December 6, 1995	1554	August 16, 2006

Medical/Prescription Drug Plan Benefits

Coverage of health insurance is provided to all regular full-time permanent general employees, certified firefighters and police officers employees and their spouses, if hired before October 1, 1991, who have reached normal retirement age and completed service as prescribed by the City Pension Plan which covers the employee.

Coverage for employees hired after October 1, 1991 is limited to employee (single) coverage only. Additionally, retired members hired on or after June 8, 2005 for General Employees, April 1, 2006 for Firefighters, and October 1, 2006 for Police Officers are required to pay 100% of the active/blended rate for their retirement coverage. Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage.

In addition, extended health insurance coverage is offered to terminated employees for a period of 18 months, divorced or widowed spouses of current employees for a period of 36 months, and disabled employees meeting the requirements of Social Security for a period of 29 months. These extended benefits are offered in order to comply with COBRA's requirements. The cost of this extended insurance coverage is paid by the covered individual using a blended/active rate.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

All retired employees, excluding Charter School and Early Development Center (EDC) employees, hired prior to dates mentioned above, are not required to make any contributions for their health insurance coverage, but they must contribute the active/blended rate for dependent coverage. Eligible retirees receive health care coverage through one of two medical plans, an EPO and a PPO plan.

Life Insurance Benefits

A life insurance benefit is provided to Police Officers, Firefighters, General and Utility employees. Employees from the Charter Schools are excluded from this benefit. The life insurance benefit available to retirees is equal to 100% of final salary at retirement, up to a maximum of \$100,000. The benefit amount is reduced by 50% at age 65.

Plan Membership Information

At October 1, 2008, the date of the latest actuarial valuation, the Plan's membership consisted of:

	<u>OPEB</u>
Retirees and beneficiaries currently receiving benefits	246
Active Plan Members:	
Fully Vested	146
Partially Vested	<u>1,290</u>
Total	<u>1,682</u>

Contributions and Reserves

Funding Policy

Contributions are required for both retiree and dependent health insurance coverage. Currently, retirees are not required to pay contributions for the life insurance benefits.

Contribution rates are determined based on the following factors: hire date, retirement date, and employee group. Based on these factors, retirees pay either the full rates, reduced rates or nothing for the medical and prescription drug benefit. The contribution requirements of the plan members are established and may be amended by the City Commission. The City has adopted a funding plan that will see annual increases in City contributions within two to three years. The percentage contributed is expected to equal the Annual Required Contribution (ARC) as determined by the annual actuarial valuation. Administrative costs are financed through investment earnings where available.

For the year ended September 30, 2009, the Plan members contributed \$268,131 and the City contributed \$9,636,677 which was 80% of ARC. The ARC as determined by the actuarial valuation was \$12,087,000.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

Reserves

The balance in the Plan's legally required reserves as at September 30, 2009 was \$739,911.

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended September 30, 2009, the City's annual OPEB cost for the Plan was \$12,208,000. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2009 were as follows:

Annual required contribution	\$ 12,087,000
Interest on net pension obligation	381,000
Adjustment to annual required contribution	(260,000)
Annual pension cost	12,208,000
Contributions made	(9,636,677)
Change in net pension obligation/(asset)	2,571,323
Net pension obligation/(asset), beginning of year	4,759,323
Net pension obligation/(asset), end of year	\$ 7,330,646

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2008	\$ 2,688,520	\$ 131,728,115	\$ 129,039,595	2%	\$ 88,914,877	145.1%

In future years, three-year trend information will be presented. Fiscal Year 2008 is the first year of implementation of GASB 43 and 45 and the City has elected to implement prospectively; therefore, only two years of comparative data is available.

Funded Status and Funding Progress

The funded status of the Plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2008	\$ 2,688,520	\$ 131,728,115	\$ 129,039,595	2%	\$ 88,914,877	145.1%
10/1/2007	-	126,392,000	126,392,000	0%	84,808,998	149.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as Required Supplemental Information (RSI), following the Notes to the Basic Financial Statements, will present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions will present trend information about the amounts contributed to the Plan by the employer in comparison to the ARC; an amount that is actuarially determined in accordance with the parameters of GASB Statement 43 and 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and the plan members to that point.

Investments

In September 2009, the OPEB Trust adopted an Investment Policy. Authorized investments are subject to limitations prescribed in the OPEB Investment Policy. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the OPEB Trust fund are currently invested in money market funds and various investment accounts offered by the Florida League of Cities. As of September 30, 2009, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The investments held with the Florida League of Cities are investments in an external investment pool and are not evidenced by securities that exist in physical or book entry form. The Plan's net investment income for the year ended September 30, 2009 was \$332,346. As of September 30, 2009, the Plan held no single investment that exceeded 5% of net assets.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

Investments (continued)

The cash and investment holdings of the OPEB Fund as of September 30, 2009 are shown in the table below. Additional information can be found in Note 3.a. –Deposits and Investments.

	Balance as of 9/30/09
Mercantile Bank Money Market	\$ 583,899
FLOC Investment Accounts:	
1-3 Year High Quality Bond Fund	4,131,686
High Quality Growth Equity Portfolio	1,425,937
Diversified Small Cap Equity Portfolio	478,475
Russell 1000 Enhanced Index Equity Portfolio	947,198
International Blend Equity Portfolio	477,094
Large Cap Diversified Value Equity Portfolio	1,409,400
Total cash and investments	\$ 9,453,689

Methods and Assumptions

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility on actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation is as follows:

		Retiree Health and Life Insurance Program
Valuation date		10/1/2008
Actuarial cost method		Unit Credit Method
Amortization method		Level percent, open
Remaining amortization period		30 years (weighted average)
Asset valuation method		Not applicable as assets were invested in cash and cash equivalents.
Actuarial assumptions:		
Investment rate of return	8.0%	
Projected salary increases*	4.0%	
Healthcare cost trend rate	11.0%	initial
	6.0%	ultimate
*Includes inflation at	4.0%	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits (OPEB) (continued)

Defined Contribution OPEB Plan

Retirement Health Savings Plan – Police Union Members

Effective October 1, 2006, as part of the collective bargaining agreement between the City of Pembroke Pines and Broward County Police Benevolent Association (PBA), the City is required to contribute 2% of the Police Union member's base salary to a retirement health saving account for employees hired after October 1, 2006. As of the fiscal year ended September 30, 2009 there were 24 officers in this Plan and the City has contributed \$23,920. The Plan is sponsored by the PBA, and is administered by the International City Management Association Retirement Corporation (ICMA-RC). Plan benefits are 100% vested and must be used towards medical expenses eligible under the Internal Revenue Code (IRC) Section 213 other than direct long-term care expenses, and including non-prescription medications allowed under the IRC.

A participant is eligible to receive benefits at the earliest of:

1. attainment of age 45,
2. normal retirement from the City's retirement plan
3. one (1) year following the participant's union membership is dropped or
4. six (6) months following the date of separation of service.

A participant who dies or becomes totally and permanently disabled (as defined by the Social Security Administration) will become immediately eligible to receive medical benefit payments from his/her retirement health saving plan account.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans

The City is the sponsor of two single-employer Public Employee Retirement Systems (PERS) that are administered to provide pension benefits to its employees. The City administers the General Employees Pension Plan, and a nine-person Board of Trustees administers the City Pension Fund for Firefighters and Police Officers. The City contributes to the General Employees Pension Plan (GEPP) and the City Pension Fund for Firefighters and Police Officers (CPFFPO), which are both defined benefit pension plans.

General Employees Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting – The Plan’s policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

Plans’ Membership Information

At October 1, 2008, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	303	389
Current employees:		
Fully Vested	255	203
Partially Vested	132	131
Non-vested	<u>156</u>	<u>126</u>
Total	<u>846</u>	<u>849</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

The General Employees Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2009.

General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2009

	<u>2009</u>
Assets	
Investments	\$ 108,011,531
Total assets	<u>108,011,531</u>
Liabilities	<u>-</u>
Net Assets	
Net assets held in trust for pension benefits	<u><u>\$ 108,011,531</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

**General Employees Pension Trust Fund
Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2009**

Additions:	<u>2009</u>
Contributions:	
Plan members	\$ 1,973,064
Employer	7,736,872
Total contributions	<u>9,709,936</u>
Investment earnings:	
Investment (losses)	(4,178,115)
Less investment expenses	34,426
Net investment (losses)	<u>(4,212,541)</u>
Total (reductions)	<u>5,497,395</u>
Deductions:	
Pension benefits	7,602,125
Refunds of contributions	(37,584)
Administrative expenses	67,583
Total deductions	<u>7,632,124</u>
Change in net assets	(2,134,729)
Net assets, beginning	<u>110,146,260</u>
Net assets, ending	<u>\$ 108,011,531</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Plan Description

The General Employees Pension Plan of the City of Pembroke Pines was established by Referendum in 1973 (collectively known as the "Referendum") as restated October 1, 1989, as amended by the following Ordinances (collectively known as the "Ordinances"):

Ordinance		Ordinance	
Number	Dated	Number	Dated
992	April 15, 1992	1515	May 18, 2005
1058	December 15, 1993	1520	August 3, 2005
1297	March 17, 1999	1555	August 16, 2006
1413	June 19, 2002	1614	September 3, 2008
1479	March 17, 2004		

The Plan, which is a single-employer plan, was established to provide retirement benefits to general and utility employees of the City of Pembroke Pines. A more detailed description of the Plan and its provisions appears in the Referendum constituting the Plan and in the summary plan description. The Plan does not issue a stand-alone financial report, but is included in the reporting entity of the City as a pension trust fund.

Eligibility

All full time employees, as defined in the Referendum, are required to participate in the Plan as a condition of continued employment.

Service Retirement Benefits

Upon normal retirement, a participant will receive a monthly pension amount equal to 2.85% of average monthly earnings for the highest two years of continuous service multiplied by years of service (not to exceed 28.07 years).

A participant may retire early after completing 5 years of continuous service and attaining 50 years of age. Early retirement benefits are calculated in a manner similar to those for normal retirement, but at an actuarially reduced amount.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Disability Benefits

If a participant becomes totally disabled before termination of employment and prior to reaching normal retirement age, he or she is entitled to do one of the following:

Non-service-connected – Ten years of vesting service is required for a non-service-related disability benefit to be payable. If vested, the benefit payment is based on the accrued benefit on the date of disability.

Service-connected - Benefits will be the greater of (i) earned pension as of the date of disability or (ii) 40% of the current monthly pay as of such date.

Benefit payments under the General Employees Pension Plan are paid directly out of fund assets.

Other forms of benefits are available to Plan participants and are further discussed in the Referendum.

Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participant's contributions, will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the City Commission.

Participants are required to contribute 8.5% of regular wages, which amounted to \$1,973,064, while the City's contribution of \$7,736,872 or 34.40% of annual covered payroll, is based on the actuarial report using the entry age normal frozen initial liability method with the unfunded liabilities being amortized over 30 years. Chapter 112, Part VII, Florida Statutes requires amortization of unfunded liabilities over a period no longer than 30 years. The weighted average remaining period is 22 years.

On April 1, 2004 the City deposited \$19,370,924 into the General Employees Pension Plan as a lump sum contribution. This was part of the Taxable Communications Services Tax Revenue Bonds, Series 2004. The bonds were issued to pay for the enhanced benefit of a 2% cost of living adjustment as approved by the City Commission, and to maintain the City's Annual Required Contributions (ARC) at the "pre-cost of living" level for the existing Plan participants. See also Note 3.g. for additional information on the bond issue.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the plan actuarially sound.

Investments

As of September 30, 2009, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. As of September 30, 2009, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment losses for the year ended September 30, 2009 were \$4,212,541 which represented an 82.1% improvement over last year's net investment losses of \$23,594,361.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation/ (asset) for the current year is as follows:

Annual required contribution	\$ 7,736,872
Interest on net pension obligation	(1,256,092)
Adjustment to annual required contribution	2,083,457
Annual pension cost	<u>8,564,237</u>
Contributions made	<u>(7,736,872)</u>
Change in net pension obligation/(asset)	827,365
Net pension obligation/(asset), beginning of year	(15,701,144)
Net pension obligation/(asset), end of year	<u><u>\$ (14,873,779)</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2007	\$ 8,340,902	\$ 7,418,930	89%	\$ (16,574,532)
9/30/2008	7,704,183	6,830,795	89	(15,701,144)
9/30/2009	8,564,237	7,736,872	90	(14,873,779)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the General Employees' Pension Plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation is five (5) years. For the fiscal year ended September 30, 2009, \$949,600 was contributed to the DROP.

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2008, the date of the most recent actuarial valuation date is as follows:

	(a)	(b)	Unfunded	Funded	(c)	UAAL
Actuarial	Actuarial	Actuarial	AAL	Ratio	Covered	as a
Valuation	Value	Liability	(UAAL)	(a) / (b)	Payroll	Percentage
<u>Date</u>	<u>of Assets</u>	<u>(AAL)</u>	<u>(b) - (a)</u>	<u>(a) / (b)</u>	<u>Payroll</u>	<u>(b-a) / (c)</u>
10/1/2008	\$ 131,976,740	\$ 164,002,104	\$ 32,025,364	80%	\$ 22,493,706	142.4%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Additional information as of the latest actuarial valuation follows:

Valuation date	10/1/2008
Actuarial cost method	Entry age normal frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	22 years (weighted average)
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases*	S-5 table from the Actuary's Pension handbook plus a 6% add on
Cost of living adjustments	3%
*Includes inflation at	3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers

Summary of Significant Accounting Policies

Basis of Accounting – The Plan’s policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Employer (City) contributions to the plan are recognized as revenues when due pursuant to the Actuarial Valuation. State contributions are recognized as revenues in the period which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and dividend income are recorded as earned.

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

Plans’ Membership Information

At October 1, 2008, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	230	205
Current employees:		
Fully Vested	152	163
Non-vested	240	245
Total	<u>622</u>	<u>613</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

The City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines (CPFPO) was established and amended by the following Ordinances (collectively known as the "Ordinances"):

Ordinance		Ordinance	
Number	Dated	Number	Dated
557	February 19, 1981	1321	December 15, 1999
829	March 4, 1987	1325	January 19, 2000
967	September 19, 1991	1353	September 20, 2000
1014	November 4, 1992	1360	December 15, 2000
1067	February 16, 1994	1443	June 18, 2003
1091	September 8, 1994	1480	March 17, 2004
1131	September 6, 1995	1509	February 17, 2005
1198	December 18, 1996	1521	August 3, 2005
1249	January 7, 1998	1572	February 21, 2007
1318	November 17, 1999	1581	May 16, 2007

The Plan, which is a single-employer plan, was established to provide retirement benefits to firefighters and police officers of the City of Pembroke Pines. A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary plan description. Publicly available financial statements of the Plan can be obtained from the City of Pembroke Pines Finance Department.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Eligibility

All full time employees, as defined in the Ordinances, are required to participate in the Plan as a condition of continued employment, provided that at the time of hiring the employee is at least eighteen years of age and satisfactorily completes all required medical examinations.

Service Retirement Benefits

Any member may retire on a normal service retirement pension upon attainment of age 50 and completion of 10 years of continuous service, or upon completion of 20 years of continuous service or attainment of age 55 with no service requirement if eligible on February 19, 1981.

Upon normal retirement, a police officer member will receive a monthly pension payable for life, equal to 3% (or 4% for participants with over 20 years of service for the years over 20) of the average monthly earnings for the highest two years of continuous service multiplied by the number of years of continuous service, subject in any event to a maximum of 80% of average monthly earnings. However, members as of the effective date (October 1, 1980) shall receive at their normal retirement date (age 55, regardless of years of service) the greater of the benefit provided by the formula above or 50% of average monthly earnings.

Effective March 17, 2004, eligible police officer members, age 50, who had completed 16 years of service, but no more than 20 years of service may purchase an increase to the benefit multiplier to achieve a final retirement benefit not to exceed 80% of his or her average monthly earnings.

Upon normal retirement, a firefighter member will receive a monthly pension, payable for life equal to 4% (3% for firefighters hired prior to April 1, 2006) of the average monthly earnings for the highest two years of service multiplied by the number of years of continuous service provided that the pension does not exceed 80% of the average monthly earnings for the highest two years. For firefighter members hired on or after April 1, 2006, in no event shall the benefit exceed 98% of average monthly regular wages. However, members as of the effective date (October 1, 1980) shall receive at their normal retirement date (age 55, regardless of years of service) the greater of benefit provided by the formula above or 50% of average monthly earnings.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

Firefighter and police members who elect to retire under the Career Anniversary Retirement Incentive Option, earnings shall include payments up to 1,000 hours of accrued unused leave.

Effective June 18, 2003 (Firefighters) and March 17, 2004 (Police) continuous service for members may include up to four years purchased for active service in the Armed Forces or Merchant Marine of the United States prior to employment by the City. Effective March 17, 2004, Police Officer members may purchase up to four years prior service as a certified Police Officer in the United States. The maximum credit for purchased service credit shall be four years.

Early retirement benefits are calculated in a manner similar to those for normal retirement, except that continuous service and average monthly earnings shall be determined as of the early retirement date.

Other forms of benefits are available to Plan participants and are further discussed in the Ordinances.

Disability Benefits

Service connected – Any member who becomes totally and permanently disabled at any time as a result of illness or injury suffered in the line of duty may be retired on accidental disability pension.

Non-service connected – Any member who becomes totally or permanently disabled after 10 years of creditable service as a result of illness or injury not suffered in the line of duty may be retired on an ordinary disability retirement pension.

A participant who incurs a service-connected disability is entitled to a monthly benefit equal to the greater of (a) 66-2/3% of the average monthly salary of the member at the time of disability retirement or (b) the accrued benefit.

A participant who incurs a non-service-connected disability and who has completed ten years of continuous service is entitled to a monthly benefit equal to the greater of (a) 3 % of the average monthly earnings on the date of disability or (b) the accrued benefit, subject to a maximum of 50% of monthly earnings (but not greater than 35% of average monthly earnings).

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Death Benefits

The Plan also provides for spouses and/or children of members for both service connected and non-service connected deaths.

Refund of Employee Contributions

If a member resigns or is lawfully discharged before retirement, their contributions with 3% simple interest per annum are returned to them. The Plan also provides a special provision for vested benefits for employees who terminate after 10 years of service.

Termination Benefits

Upon termination after completing at least 10 years of continuous service, a member is entitled to a monthly benefit of 3% of average monthly earnings times the number of years of continuous service as of date of termination, not to exceed 80% of the average monthly earnings.

13th Check Benefits

Retired police officers and disabled police officers receiving pension or DROP benefits, prior to October 1, 2006, or their beneficiaries may be eligible to receive a supplemental pension distribution, the amount of which shall be determined September 30th each year. The amount of the distribution should be up to 2% of investment return in excess of 9% for police officers who retired after October 1, 2003 but before October 1, 2006, or their beneficiaries (8% for police officers who retired prior to October 1, 2003) based on the present value of future pension payments of current police officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount is allocated to eligible members based upon years of service with a prorated share during the first year of entitlement. However, no supplemental benefits will be available for members who retire, enter the DROP or are disabled on or after October 1, 2006 or their beneficiaries. Police retirees who retired prior to April 1, 2006 were provided with a one-time irrevocable option to continue to receive the 13th check; or they may opt to receive instead a cost of living increase to their retirement benefit.

Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, including amounts from the State, was \$21,935,003 or 82.41% of covered payroll.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

The State contributions totaled \$2,429,576 or 9.1% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings.

On October 17, 2003 the City contributed \$36,720,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2003A. This pension obligation bond was issued to finance the enhanced benefits for Firefighter members of the Plan. Benefits included, but were not limited to, a minimum of 2% cost of living adjustment for firefighter members, and up to 1,000 hours of unused leave can be included as part of the earnings used to calculate pension benefits. See also Note 3.g. for additional information on the bond issue.

On April 1, 2004 the City contributed \$26,200,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2004. This pension obligation bond was issued to finance the enhanced benefits for Police Officer members of the Plan, as well as to maintain the City's contribution at the same percentage level of payroll prior to the enhanced benefits. These benefits were similar to the firefighter members, and included, but were not limited to, a 1.5% cost of living adjustment, and up to 1,000 hours of unused sick leave can be included as part of earnings used to calculate pension benefits. See also Note 3.g. for additional information on the bond issue.

All eligible employees, as a condition of membership, must agree in writing on becoming a member to make the contribution specified in the Plan. These contributions are in the form of payroll deductions until the member has completed twenty-six and two-thirds years of continuous service or has reached the age of 62, whichever occurs earlier, at which time payments stop.

Under Ordinance 1353, certain employees who were once ineligible to participate, may make buyback contributions in order to credit them for periods of service not taken into account under the Plan. For the fiscal year ended September 30, 2009, the total employee buybacks were \$1,226.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the Plan actuarially sound.

Property and Equipment

Land is carried at cost. Property and equipment are also stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets.

Property and equipment consist of the following at September 30, 2009:

Description	Estimated Useful Life	FY 2009
Land	-	\$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
Total property and equipment		<u>489,833</u>
Accumulated depreciation		<u>(31,849)</u>
Property and equipment, net		<u>\$ 457,984</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2009, the depreciation expense amounted to \$17,372.

Investments

Investments are reported at fair value as of September 30, 2009. The fair value of the quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide pension and other benefits provided under applicable laws, including City Ordinances, preserving principal while maximizing return.

The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

Investments in all equity securities shall be limited to those listed on a major U.S. Stock Exchange and limited to no more than 72% (at market) of the Plan's total asset value, with no more than 5% of the total market value being invested in equity securities of any one company. Investments in stocks of foreign companies shall be limited to 10% of the value of the portfolio. Additionally, no more than 15% of the equity securities are to be invested in small cap stocks and no more than 12% in mid cap stocks.

The fixed income portfolio shall be comprised of securities with a minimum quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below BAA shall be liquidated within a reasonable period of time. If the investment manager determines it is prudent to hold an investment that has been downgraded below BAA, they will be required to report to the Board on the status of, and the reason for, holding the bond. No more than 5% of the total market value of fixed income securities shall be invested in debt obligations of any one fixed income issuer, except for securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitations. (See Note 3.a. –"Deposits and Investments" for additional information)

The Plan's net investment loss for the year ended September 30, 2009 was \$5,729,994, an 86.1% improvement over last year's net investment loss of \$41,123,301.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Annual Pension Cost and Net Pension Obligation/(Assets)

The annual pension cost and net pension obligation/(asset) for the current year is as follows:

Annual required contribution	\$ 21,935,003
Interest on net pension obligation	(3,967,054)
Adjustment to annual required contribution	6,261,133
Annual pension cost	24,229,082
Contributions made	(21,935,003)
Change in net pension obligation/(asset)	2,294,079
Net pension obligation/(asset), beginning of year	(49,588,177)
Net pension obligation/(asset), end of year	\$ (47,294,098)

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2007	\$17,474,611	\$ 14,254,450	82%	\$ (52,002,238)
9/30/2008	20,209,235	17,795,174	88	(49,588,177)
9/30/2009	24,229,082	21,935,003	91	(47,294,098)

DROP Plan

During December 1996, the CPFPO adopted the Deferred Retirement Option Plan (DROP) under Ordinance 1198. Eligible police officers and firefighters may enter into the DROP. Upon becoming eligible to participate in the DROP, an employee may elect to enter that program for a maximum of five years. DROP payments contributed to a member's DROP account earn or lose interest at the same rate and frequency as in the CPFPO, less reasonable and necessary administrative expenses, unless the fixed interest option below is selected.

On June 18, 2003 for Firefighters and March 17, 2004 for Police Officers, the Plan adopted Ordinances giving members the additional option of having their DROP account earn an annual fixed interest rate of 8% on future payments and on all or any portion of the member's DROP account balance. Annually, during the month of September only, members may change their rate of return election to be effective as of the following October 1st.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment

Effective April 1, 2005, and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP after June 18, 2003 will receive either a 2% cost of living increase to their retirement benefit, or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in the collective bargaining agreement to bargaining unit members, for the City's fiscal year commencing the preceding October 1, whichever is greater. Upon retirement, firefighter members who were hired on or after April 1, 2006 shall receive a fixed 3% increase to their retirement benefit on April 1 of each year following retirement.

Effective October 1, 2009 and October 1 of each year thereafter, police retirees, their beneficiaries and DROP participants who are receiving benefits or enrolled in the DROP on or after October 1, 2003 will receive a 1.5% increase in their retirement benefit. Effective October 1, 2009, and October 1 of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2006, or their beneficiaries will receive a 3% increase to their retirement benefit.

For the year ended September 30, 2009 and 2008 investment income in the financial statements of the CPFPO is reduced by the investment income earned on the DROP accounts totaling \$3,607,852 and \$2,715,097 respectively. No benefit payments are made from a member's DROP account during their participation in the DROP.

Optional Benefits

In accordance with Ordinance 1480 and 1443, members who elect to retire or enter the DROP upon, but not after, attaining the earlier of the normal retirement age of 20 years of service or age 50 with ten years of service, the amount of the benefit shall be 4% rather than 3% of average monthly earnings for the highest two years of continuous service, subject in any event to a maximum of 80% of average monthly earnings. Also earnings shall include up to 1,000 hours of accrued unused leave.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2008, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2008	\$ 246,182,224	\$ 412,142,825	\$ 165,960,601	60%	\$ 26,616,124	623.5%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	10/12008
Actuarial cost method	Frozen initial liability
Amortization method	Level percent, closed
Remaining amortization period	25 years (weighted average)
Asset valuation method	Market value with 5 year phase in of investment actuarial gains and losses

Actuarial assumptions:

Investment rate of return	8.0%
Projected salary increases*	5.0% - 12%
Payroll growth	4.2%
Cost of living adjustments:	
Firefighters	2% or 3%
Police officers	2.0%, 2.5% or 3.0%

*Includes inflation at 4.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

Florida Retirement System (FRS) - Charter School Employees

On August 16, 2006, the City Commission passed Resolution number 3105 which mandated that all Pembroke Pines Charter Schools' full-time employees hired after August 7, 2006 and all part-time employees regardless of the date of hire will join the Florida Retirement System (FRS) Pension Plan. Individuals who were members of the ICMA-RC Defined Contribution Plan were given a one-time irrevocable election whether or not to participate in the FRS Pension Plan.

The Charter Schools' employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer, defined benefit Public Employment Retirement System (PERS). The FRS is noncontributory, and is totally administered by the State of Florida.

Plan Description

Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the highest five (5) fiscal years of earnings. The FRS provides vesting of benefits after six (6) 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 the benefit. Normal retirement requirements are vesting and age 62, or 30 years of creditable service regardless of age. 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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State statute. For the Charter Schools' fiscal year ended June 30, 2009, the actuarially determined contribution rate was 9.85% of covered payroll which amounted to \$1,761,860. As of June 30, 2009 there were 501 members in this Plan, compared with 468 members last year. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.05%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2009

NOTE 4. OTHER INFORMATION (continued)

f. Defined Contribution Plans

Charter School and Early Development Center Employees

Effective July 1, 2000, the City established a defined contribution plan for employees of the Charter Schools and Early Development Centers (the Charter Schools' Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance 1345 and amended by Ordinance 1401 dated April 3, 2002. If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover the benefits into his new employer's pension plan providing said plan permits rollovers.

At September 30, 2009, there were one hundred and twenty-three (123) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 9.85 percent of the Plan member's gross salary. For the 2009 fiscal year, the City contributed \$314,781 to the Charter Schools' Plan. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. In fiscal year 2006, the City increased its contribution to the defined contribution plan from 5% to 9.85% of the members' gross wages, in keeping with the contribution required by the FRS (See Note 4.e. – "Municipal Employees Retirement Pension Plans").

The City's Early Development Center employees remain in the original defined contribution plan with the City continuing to contribute 5% of covered payroll.

Required Supplementary Information



City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2009

<u>Fiscal Year</u>	<u>(A) Annual Required Contributions</u>	<u>Employer Contributions</u>	<u>State Contributions</u>	<u>Total Employer Contributions</u>	<u>(B) Percentage Contributed</u>
General Employees Pension Plan					
2009	\$ 7,736,872	\$ 7,736,872	\$ -	\$ 7,736,872	100%
2008	6,830,795	6,830,795	-	6,830,795	100%
2007	7,418,930	7,418,930	-	7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
2001	3,361,081	3,361,081	-	3,361,081	100%
2000	2,800,921	2,800,921	-	2,800,921	100%
City Pension Fund for Firefighters and Police Officers					
2009	\$ 21,935,003	\$ 19,505,427	\$ 2,429,576	\$ 21,935,003	100%
2008	17,795,174	15,214,031	2,581,143	17,795,174	100%
2007	14,254,450	11,812,342	2,442,108	14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
2004	4,905,659	3,654,190 (C)	1,730,676	5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
2001	4,267,395	3,254,269	1,013,126	4,267,395	100%
2000	3,550,488	2,580,359	970,129	3,550,488	100%
Other Post-Employment Benefits (OPEB)					
2009	\$ 12,087,000	\$ 9,636,677	\$ -	\$ 9,636,677	80%
2008	11,396,000	6,636,677	-	6,636,677	58%

(A) Actuarially determined contribution requirements.

(B) Total actual contributions as a percentage of annual required contributions.

(C) Employer contributions for FY 2004 does not include the \$82,290,924 of pension obligation bond proceeds, as it was not intended to pay the Annual Required Contribution (ARC) for the year, and is therefore not ARC related.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2009

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees Pension Plan						
10/1/2008	\$ 131,976,740	\$ 164,002,104	\$ 32,025,364	80.5%	\$ 22,493,706	142.4%
10/1/2007	123,702,275	139,548,384	15,846,109	88.6%	21,988,709	72.1%
10/1/2006	107,426,569	123,224,221	15,797,652	87.2%	21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
10/1/2000	41,116,588	48,928,587	7,811,999	84.0%	17,310,177	45.1%
10/1/1999	35,531,088	43,534,603	8,003,515	81.6%	14,777,035	54.2%
City Pension Fund for Firefighters and Police Officers						
10/1/2008	\$ 246,182,224	\$ 412,142,825	\$ 165,960,601	59.7%	\$ 26,616,124	623.5%
10/1/2007	229,650,770	370,661,059	141,010,289	62.0%	26,610,708	529.9%
10/1/2006	205,102,670	302,916,889	97,814,219	67.7%	26,040,640	375.6%
10/1/2005	186,347,282	263,608,172	77,260,890	70.7%	24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
10/1/2000	81,679,522	93,079,784	11,400,262	87.8%	20,958,000	54.4%
10/1/1999	68,869,000	79,095,000	10,226,000	87.1%	19,493,000	52.5%
Other Post-Employment Benefits (OPEB)						
10/1/2008	\$ 2,688,520	\$ 131,728,115	\$ 129,039,595	2.0%	\$ 88,914,877	145.1%
10/1/2007	-	126,392,000	126,392,000	0.0%	84,808,998	149.0%

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$60,892,809	\$61,973,412	\$62,089,993	\$116,581
Permits, fees and licenses	19,592,140	15,984,083	15,394,029	(590,054)
Intergovernmental revenue	12,352,454	11,201,041	10,610,203	(590,838)
Charges for services	30,502,306	28,418,922	27,599,338	(819,584)
Fines and forfeitures	1,268,000	1,107,000	1,205,725	98,725
Miscellaneous revenues	33,913,080	33,801,381	33,964,152	162,771
Total revenues	<u>158,520,789</u>	<u>152,485,839</u>	<u>150,863,440</u>	<u>(1,622,399)</u>
Expenditures				
General government services				
Administrative services	3,871,817	3,584,855	3,433,577	151,278
City attorney	910,280	910,280	904,751	5,529
City clerk	1,192,166	1,132,469	1,080,189	52,280
City manager	475,737	466,300	398,730	67,570
Finance	2,722,267	2,531,256	2,467,924	63,332
Human resources	1,190,214	1,123,502	1,064,466	59,036
Mayor & commission	507,164	498,352	462,706	35,646
Non-departmental	4,834,728	4,475,427	3,289,132	1,186,295
Public services	7,144,271	6,991,909	6,454,671	537,238
Total general government services	<u>22,848,644</u>	<u>21,714,350</u>	<u>19,556,146</u>	<u>2,158,204</u>
Public safety				
Administrative services	1,064,979	1,049,694	970,451	79,243
Emergency & disaster relief services	-	-	28,438	(28,438)
Fire	51,369,390	52,230,078	48,818,084	3,411,994
Police	48,391,560	49,577,421	47,754,925	1,822,496
Total public safety	<u>100,825,929</u>	<u>102,857,193</u>	<u>97,571,898</u>	<u>5,285,295</u>

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2009
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Physical environment				
Public services	\$3,879,441	\$3,381,839	\$2,955,500	\$426,339
Total physical environment	<u>3,879,441</u>	<u>3,381,839</u>	<u>2,955,500</u>	<u>426,339</u>
Economic environment				
Community services	7,052,484	6,455,534	6,263,770	191,764
Total economic environment	<u>7,052,484</u>	<u>6,455,534</u>	<u>6,263,770</u>	<u>191,764</u>
Human services				
Community services	1,627,816	1,966,040	1,643,463	322,577
Education	4,464,470	4,465,239	3,941,740	523,499
Total human services	<u>6,092,286</u>	<u>6,431,279</u>	<u>5,585,203</u>	<u>846,076</u>
Culture/recreation				
Parks & recreation	18,412,834	17,194,163	15,690,148	1,504,015
Total culture/recreation	<u>18,412,834</u>	<u>17,194,163</u>	<u>15,690,148</u>	<u>1,504,015</u>
Total expenditures	<u>159,111,618</u>	<u>158,034,358</u>	<u>147,622,665</u>	<u>10,411,693</u>
Excess (deficiency) of revenues over expenditures	<u>(590,829)</u>	<u>(5,548,519)</u>	<u>3,240,775</u>	<u>8,789,294</u>
Other financing sources (uses):				
Transfers out	(727,792)	(762,792)	(515,311)	247,481
Total other financing sources (uses)	<u>(727,792)</u>	<u>(762,792)</u>	<u>(515,311)</u>	<u>247,481</u>
Net change in fund balances	(1,318,621)	(6,311,311)	2,725,464	9,036,775
Fund balances, beginning	33,957,423	33,957,423	33,957,423	-
Fund balances, ending	<u>\$32,638,802</u>	<u>\$27,646,112</u>	<u>\$36,682,887</u>	<u>\$9,036,775</u>

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2009

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are legally adopted for all governmental funds other than the Capital Projects Fund, whose budget is adopted on a project length basis. All governmental fund budgets are maintained on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States (GAAP), except for encumbrances, which are purchase orders and contracts issued for goods or services not received at year-end.

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.
4. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department or a division.
 - b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
 - c. The City Commission may approve supplemental appropriations of revenues and expenditures. If this is done, adoption of an amended budget ordinance is required.
5. The final budget includes budget transfers, supplemental appropriations and reductions, which have the effect of modifying the original adopted budget. General Fund net downward adjustment amounted to \$1.0 million for the fiscal year ended September 30, 2009 mainly to reflect anticipated revenue shortfalls and as a consequence expenditure reductions. The main components of the revision are show below; these were partially offset by a \$1.9 million carryover of funds related principally to encumbered capital items.
 - a. \$0.9 million for the Fire Department replacement of self contained breathing apparatus (SCBA);
 - b. \$0.9 million related to the construction of classrooms, offices and vehicle storage at the Fire Training Facility;
 - c. \$0.6 million connected to the replacement of police patrol cars; and
 - d. \$0.5 million for fuel.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2009

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a \$6.0 million downward net revenue adjustment which included mainly:

- a. \$3.7 million in building permit revenues associated with the depressed housing market; and
- b. \$1.6 million in half-cent sales tax and sales tax proceeds linked to the weakened state of the economy.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The only General Fund budgetary expenditure that was in excess of appropriations for the fiscal year ended September 30, 2009 was additional emergency and disaster relief services in connection with Hurricane Wilma. The City anticipates a subsequent 100% reimbursement from the Federal Emergency Management Agency (FEMA) or insurance.

Combining and Individual Fund Statements and Schedules



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Road and Bridge Fund – To account for the receipt and disbursement of funds earmarked for construction and maintenance of roads, bridges, sidewalks, and streetlights.

Law Enforcement Grant Fund – To account for Federal funded programs:

- Victim's Advocate (Victims of Crime Act)
 - One (1) part time victim's advocate
- Homeland Security (Urban Area Security Initiative-UASI)
 - Equipment

ADA Paratransit Program Fund – To account for local funds received from Broward County for disability transportation. These funds are used for salaries, benefits, and operational expenses incurred to run this program.

Police Community Service Grant – To account for Federal funded program:

- Byrne Grant
 - Equipment

State Housing Initiative Program – To account for State funds received from the Florida Housing Finance Agency. These funds are used for the following:

- Minor home repairs/weatherization
- Homeowner counseling
- Foreclosure prevention
- Emergency repair program
- Administration
- Homebuyer assistance
- Public facilities

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Schools chartered by Broward County School Board – To account for funds received from the Broward County School Board for the operation of elementary, middle, and high schools owned and operated by the City. The schools have a fiscal year end of June 30th.

School chartered by Florida State University – To account for funds received from Florida State University for the operation of an elementary school owned and operated by the City. The school has a fiscal year end of June 30th.

Housing and Urban Development Grant – To account for Federal funds received from the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG)
 - Home repairs/weatherization
 - Arch Barrier removal
 - Public facilities
 - Commercial revitalization
 - Administration
 - Acquisition-Rehabilitation or new construction
 - Senior Center transportation
- HOME Investment partnership Program (HOME)
 - Home repairs/weatherization.
- Neighborhood Stabilization Program (NSP)
 - Minor home repairs/weatherization
 - Homebuyer assistance
- Community Development Block Grant Recovery (CDBG-R)
 - Thermal storage system
- Disaster Recovery Initiative (DRI)
 - Disaster mitigation/recovery

Community Bus Program – To account for funds received from the Broward County Transit Grant and the South Broward Hospital District Grant to provided subsidized transportation to local residents.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Older Americans Act – To account for Federal funds received from the Division of Health and Human Services, State funds received from the Department of Elder Affairs, and Local funds received from Broward County that are passed-through to the Area-wide Agency on Aging. These funds are used to provide the following:

- Premises where meals to senior citizens are served by a private company under a state contract.
- Information, counseling and referrals.
- Weekend adult day care.
- Alzheimer's Day Care Program on Friday, Saturday, and Sunday.
- Health support services.
- Recreational activities/classes for senior citizens.
- Transportation to and from the Senior Center, doctor appointments and grocery shopping.
- Health education, blood pressure screening, fitness and nutrition consulting offered by a registered nurse.

Treasury Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with Federal Treasury forfeiture cases.

Justice Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with Federal Justice forfeiture cases.

\$2 Police Education – To account for funds and property seized or confiscated by the City's Police Department in connection with local forfeiture cases.

FDLE (Florida Department of Law Enforcement) Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with State forfeiture cases.

NONMAJOR GOVERNMENTAL FUNDS

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizenry.

Wetland Mitigation Trust Fund - To account for funds donated by developers, which are used to maintain and administer wetlands located in the City.

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds								
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by *			Florida State University Elementary
						Broward County School Board			
					Elementary	Middle	High		
Assets									
Pooled cash and cash equivalents	\$ -	\$ -	\$ 284,238	\$ 12,487	\$ 2,817,693	\$ 3,278,704	\$ 812,670	\$ 443,364	\$ 188,619
Investments	6,782,990	-	-	-	-	-	-	-	-
Receivables:									
Franchise fees and taxes	441,667	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	134,076	93,539	149,172	36,710
Inventory	-	-	-	-	-	13,250	10,567	21,224	2,769
Due from other governments	-	413,807	-	-	-	3,953	1,980	14,110	357,096
Prepaid costs	-	-	-	-	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-	-
Total assets	\$ 7,224,657	\$ 413,807	\$ 284,238	\$ 12,487	\$ 2,817,693	\$ 3,429,983	\$ 918,756	\$ 627,870	\$ 585,194
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 34,120	\$ -	\$ -	\$ -	\$ -	\$ 2,874	\$ 1,270	\$ 1,228	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	1,066
Due to other funds	-	413,807	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	76,482	52,157	264,020	54,458
Deferred revenue	-	-	-	12,487	2,817,693	9,891	3,481	3,334	4,602
Total liabilities	34,120	413,807	-	12,487	2,817,693	89,247	56,908	268,582	60,126
Fund balances:									
Reserved for:									
Wetland Mitigation Trust:									
Nonexpendable	-	-	-	-	-	-	-	-	-
Expendable	-	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-	-	-	-
Encumbrances	-	8,769	101,310	-	-	-	-	-	-
Inventory	-	-	-	-	-	13,250	10,567	21,224	2,769
Unreserved:									
Designated for rent payments	-	-	-	-	-	3,102,964	741,229	202,892	494,819
Designated for capital replacements	-	-	-	-	-	224,522	110,052	135,172	27,480
Undesignated (deficit)	7,190,537	(8,769)	182,928	-	-	-	-	-	-
Total fund balances	7,190,537	-	284,238	-	-	3,340,736	861,848	359,288	525,068
Total liabilities and fund balances	\$ 7,224,657	\$ 413,807	\$ 284,238	\$ 12,487	\$ 2,817,693	\$ 3,429,983	\$ 918,756	\$ 627,870	\$ 585,194

* As of June 30, 2009

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009
(continued)

	<u>Special Revenue Funds</u>							<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Housing and Urban Development Grant</u>	<u>Community Bus Program</u>	<u>Older Americans Act</u>	<u>Treasury Confiscated</u>	<u>Justice Confiscated</u>	<u>\$2 Police Education</u>	<u>FDLE Confiscated</u>	<u>Wetland Mitigation Trust Fund</u>	
Assets									
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 249,830	\$ 242,134	\$ 191,525	\$ 1,627,588	\$ -	\$ 10,148,852
Investments	-	-	-	-	-	-	-	-	6,782,990
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	441,667
Other	-	-	-	-	-	-	-	-	413,497
Inventory	-	-	24,500	-	-	-	-	-	72,310
Due from other governments	185,315	-	10,022	-	-	-	-	-	986,283
Prepaid costs	30,250	-	-	-	-	-	-	-	30,250
Restricted pooled cash and investments	-	-	-	-	-	-	-	590,648	590,648
Total assets	<u>\$ 215,565</u>	<u>\$ -</u>	<u>\$ 34,522</u>	<u>\$ 249,830</u>	<u>\$ 242,134</u>	<u>\$ 191,525</u>	<u>\$ 1,627,588</u>	<u>\$ 590,648</u>	<u>\$ 19,466,497</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 1,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,025
Accrued liabilities	-	-	-	-	-	-	-	-	1,066
Due to other funds	215,565	-	6,326	-	-	-	-	-	635,698
Deposits	-	-	-	-	-	-	19,734	-	466,851
Deferred revenue	-	-	-	-	-	-	-	-	2,851,488
Total liabilities	<u>215,565</u>	<u>-</u>	<u>7,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,734</u>	<u>-</u>	<u>3,996,128</u>
Fund balances:									
Reserved for:									
Wetland Mitigation Trust:									
Nonexpendable	-	-	-	-	-	-	-	446,115	446,115
Expendable	-	-	-	-	-	-	-	144,533	144,533
Prepaid costs	30,250	-	-	-	-	-	-	-	30,250
Encumbrances	123,200	-	18,200	-	-	-	-	-	251,479
Inventory	-	-	24,500	-	-	-	-	-	72,310
Unreserved:									
Designated for rent payments	-	-	-	-	-	-	-	-	4,541,904
Designated for capital replacements	-	-	-	-	-	-	-	-	497,226
Undesignated (deficit)	(153,450)	-	(16,037)	249,830	242,134	191,525	1,607,854	-	9,486,552
Total fund balances	<u>-</u>	<u>-</u>	<u>26,663</u>	<u>249,830</u>	<u>242,134</u>	<u>191,525</u>	<u>1,607,854</u>	<u>590,648</u>	<u>15,470,369</u>
Total liabilities and fund balances	<u>\$ 215,565</u>	<u>\$ -</u>	<u>\$ 34,522</u>	<u>\$ 249,830</u>	<u>\$ 242,134</u>	<u>\$ 191,525</u>	<u>\$ 1,627,588</u>	<u>\$ 590,648</u>	<u>\$ 19,466,497</u>

* As of June 30, 2009

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009

	Special Revenue Funds								
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by *			Florida State University Elementary
						Broward County School Board			
						Elementary	Middle	High	
Revenues:									
Taxes	\$ 2,696,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,069,677	414,132	794,654	11,142	1,263,809	13,250,276	8,182,540	12,458,740	5,629,092
Charges for services	358,348	-	-	-	-	855,209	217,354	101,433	254,007
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	62,946	-	-	-	-	83,108	31,485	28,939	5,855
Contributions	530,692	-	-	-	-	126,745	77,748	162,453	30,012
Rental revenue	-	-	-	-	-	113,696	146,841	1,368,036	47,347
Other	94,792	-	-	-	-	586,213	484,128	737,404	201,617
Total revenues	<u>4,813,372</u>	<u>414,132</u>	<u>794,654</u>	<u>11,142</u>	<u>1,263,809</u>	<u>15,015,247</u>	<u>9,140,096</u>	<u>14,857,005</u>	<u>6,167,930</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	414,132	-	11,142	-	-	-	-	-
Transportation	4,187,603	-	508,386	-	-	-	-	-	-
Economic environment	-	-	-	-	1,263,809	-	-	-	-
Human services	-	-	-	-	-	15,470,846	10,041,193	14,320,325	6,169,548
Total expenditures	<u>4,187,603</u>	<u>414,132</u>	<u>508,386</u>	<u>11,142</u>	<u>1,263,809</u>	<u>15,470,846</u>	<u>10,041,193</u>	<u>14,320,325</u>	<u>6,169,548</u>
Excess (deficiency) of revenues over expenditures	<u>625,769</u>	<u>-</u>	<u>286,268</u>	<u>-</u>	<u>-</u>	<u>(455,599)</u>	<u>(901,097)</u>	<u>536,680</u>	<u>(1,618)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	336,382	515,311	-	-
Transfers out	-	-	(696,176)	-	-	-	-	(336,382)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(696,176)</u>	<u>-</u>	<u>-</u>	<u>336,382</u>	<u>515,311</u>	<u>(336,382)</u>	<u>-</u>
Net change in fund balances	625,769	-	(409,908)	-	-	(119,217)	(385,786)	200,298	(1,618)
Fund balances, beginning	6,564,768	-	694,146	-	-	3,459,953	1,247,634	158,990	526,686
Fund balances, ending	<u>\$ 7,190,537</u>	<u>\$ -</u>	<u>\$ 284,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,340,736</u>	<u>\$ 861,848</u>	<u>\$ 359,288</u>	<u>\$ 525,068</u>

* As of June 30, 2009

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,696,917
Intergovernmental	1,632,387	344,511	1,043,565	-	-	-	-	-	46,094,525
Charges for services	-	-	92,290	-	-	-	-	-	1,878,641
Fines and forfeitures	-	-	-	39,928	8,472	54,576	285,884	-	388,860
Investment income	-	-	-	2,112	2,342	1,715	14,166	5,072	237,740
Contributions	-	-	52,888	-	-	-	-	-	980,538
Rental revenue	-	-	-	-	-	-	-	-	1,675,920
Other	-	-	-	-	-	-	-	-	2,104,154
Total revenues	<u>1,632,387</u>	<u>344,511</u>	<u>1,188,743</u>	<u>42,040</u>	<u>10,814</u>	<u>56,291</u>	<u>300,050</u>	<u>5,072</u>	<u>56,057,295</u>
Expenditures:									
General government	-	-	-	-	-	-	-	22,644	22,644
Public safety	-	-	-	9,690	22,150	42,237	150,620	-	649,971
Transportation	132,589	1,040,687	-	-	-	-	-	-	5,869,265
Economic environment	1,499,798	-	-	-	-	-	-	-	2,763,607
Human services	-	-	1,162,080	-	-	-	-	-	47,163,992
Total expenditures	<u>1,632,387</u>	<u>1,040,687</u>	<u>1,162,080</u>	<u>9,690</u>	<u>22,150</u>	<u>42,237</u>	<u>150,620</u>	<u>22,644</u>	<u>56,469,479</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(696,176)</u>	<u>26,663</u>	<u>32,350</u>	<u>(11,336)</u>	<u>14,054</u>	<u>149,430</u>	<u>(17,572)</u>	<u>(412,184)</u>
Other financing sources (uses):									
Transfers in	-	696,176	-	-	-	-	-	-	1,547,869
Transfers out	-	-	-	-	-	-	-	-	(1,032,558)
Total other financing sources (uses)	<u>-</u>	<u>696,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,311</u>
Net change in fund balances	-	-	26,663	32,350	(11,336)	14,054	149,430	(17,572)	103,127
Fund balances, beginning	-	-	-	217,480	253,470	177,471	1,458,424	608,220	15,367,242
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,663</u>	<u>\$ 249,830</u>	<u>\$ 242,134</u>	<u>\$ 191,525</u>	<u>\$ 1,607,854</u>	<u>\$ 590,648</u>	<u>\$ 15,470,369</u>

* As of June 30, 2009

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**
 - Road and Bridge Fund
 - Law Enforcement Grant
 - ADA Paratransit Program
 - Police Community Service Grant
 - State Housing Initiative Program
 - Elementary Schools chartered by Broward County School Board
 - Middle Schools chartered by Broward County School Board
 - High School chartered by Broward County School Board
 - Elementary School chartered by Florida State University
 - Housing and Urban Development Grant
 - Community Bus Program
 - Older Americans Act
 - Treasury Confiscated
 - Justice Confiscated
 - \$2 Police Education
 - FDLE Confiscated
 - Wetland Mitigation Trust Fund

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 5,473,599	\$ 5,473,599	\$ 5,520,777	\$ 47,178
Utility taxes	1,762,638	1,762,638	1,785,668	23,030
Communication services tax	6,374,397	6,374,397	6,442,385	67,988
Permits, fees and licenses	807,962	807,962	816,710	8,748
Investment income	423,239	423,239	104,744	(318,495)
Rental revenue	11,224,040	10,600,428	10,906,060	305,632
Total revenues	<u>26,065,875</u>	<u>25,442,263</u>	<u>25,576,344</u>	<u>134,081</u>
Expenditures				
Debt service:				
Principal	7,140,000	7,140,000	7,140,000	-
Interest	18,097,347	18,083,065	17,812,377	270,688
Other debt service costs	331,084	422,317	416,391	5,926
Total expenditures	<u>25,568,431</u>	<u>25,645,382</u>	<u>25,368,768</u>	<u>276,614</u>
Excess (deficiency) of revenues over expenditures	<u>497,444</u>	<u>(203,119)</u>	<u>207,576</u>	<u>410,695</u>
Other financing sources (uses):				
Transfers in	-	605,731	605,731	-
Total other financing sources (uses)	<u>-</u>	<u>605,731</u>	<u>605,731</u>	<u>-</u>
Net change in fund balances	497,444	402,612	813,307	410,695
Fund balances, beginning	12,715,713	12,715,713	12,715,713	-
Fund balances, ending	<u>\$ 13,213,157</u>	<u>\$ 13,118,325</u>	<u>\$ 13,529,020</u>	<u>\$ 410,695</u>

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009

	Special Revenue Funds							
	Road and Bridge Fund				Law Enforcement Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ 2,696,917	\$ 2,696,917	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	966,000	1,702,000	1,069,677	(632,323)	-	434,456	414,132	(20,324)
Charges for services	358,348	358,348	358,348	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	182,000	182,000	62,946	(119,054)	-	-	-	-
Contributions	-	205,968	530,692	324,724	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	51,000	51,000	94,792	43,792	-	-	-	-
Total revenues	<u>1,557,348</u>	<u>2,499,316</u>	<u>4,813,372</u>	<u>2,314,056</u>	<u>-</u>	<u>434,456</u>	<u>414,132</u>	<u>(20,324)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	434,456	414,132	20,324
Transportation	5,695,675	6,598,065	4,187,603	2,410,462	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>5,695,675</u>	<u>6,598,065</u>	<u>4,187,603</u>	<u>2,410,462</u>	<u>-</u>	<u>434,456</u>	<u>414,132</u>	<u>20,324</u>
Excess (deficiency) of revenues over expenditures	<u>(4,138,327)</u>	<u>(4,098,749)</u>	<u>625,769</u>	<u>4,724,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,138,327)	(4,098,749)	625,769	4,724,518	-	-	-	-
Fund balances, beginning	6,564,768	6,564,768	6,564,768	-	-	-	-	-
Fund balances, ending	<u>\$ 2,426,441</u>	<u>\$ 2,466,019</u>	<u>\$ 7,190,537</u>	<u>\$ 4,724,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	ADA Paratransit Program				Police Community Service Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	831,791	831,791	794,654	(37,137)	-	22,927	11,142	(11,785)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	702	-	(702)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>831,791</u>	<u>831,791</u>	<u>794,654</u>	<u>(37,137)</u>	<u>-</u>	<u>23,629</u>	<u>11,142</u>	<u>(12,487)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	23,629	11,142	12,487
Transportation	695,564	689,876	508,386	181,490	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>695,564</u>	<u>689,876</u>	<u>508,386</u>	<u>181,490</u>	<u>-</u>	<u>23,629</u>	<u>11,142</u>	<u>12,487</u>
Excess (deficiency) of revenues over expenditures	<u>136,227</u>	<u>141,915</u>	<u>286,268</u>	<u>144,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(130,766)	(729,901)	(696,176)	33,725	-	-	-	-
Total other financing sources (uses)	<u>(130,766)</u>	<u>(729,901)</u>	<u>(696,176)</u>	<u>33,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,461	(587,986)	(409,908)	178,078	-	-	-	-
Fund balances, beginning	694,146	694,146	694,146	-	-	-	-	-
Fund balances, ending	<u>\$ 699,607</u>	<u>\$ 106,160</u>	<u>\$ 284,238</u>	<u>\$ 178,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	State Housing Initiative Program				Elementary Schools Chartered by Broward County *			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	87,360	4,126,636	1,263,809	(2,862,827)	13,499,469	13,652,469	13,250,276	(402,193)
Charges for services	-	-	-	-	855,711	855,711	855,209	(502)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	87,000	-	(87,000)	100,000	100,000	83,108	(16,892)
Contributions	-	-	-	-	207,813	252,816	126,745	(126,071)
Rental revenue	-	-	-	-	117,256	117,256	113,696	(3,560)
Other	-	-	-	-	372,350	637,803	586,213	(51,590)
Total revenues	<u>87,360</u>	<u>4,213,636</u>	<u>1,263,809</u>	<u>(2,949,827)</u>	<u>15,152,599</u>	<u>15,616,055</u>	<u>15,015,247</u>	<u>(600,808)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	2,511,552	4,126,636	1,263,809	2,862,827	-	-	-	-
Human services	-	-	-	-	15,791,176	15,987,905	15,470,846	517,059
Total expenditures	<u>2,511,552</u>	<u>4,126,636</u>	<u>1,263,809</u>	<u>2,862,827</u>	<u>15,791,176</u>	<u>15,987,905</u>	<u>15,470,846</u>	<u>517,059</u>
Excess (deficiency) of revenues over expenditures	<u>(2,424,192)</u>	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>	<u>(638,577)</u>	<u>(371,850)</u>	<u>(455,599)</u>	<u>(83,749)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	78,135	78,135	336,382	258,247
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,135</u>	<u>78,135</u>	<u>336,382</u>	<u>258,247</u>
Net change in fund balances	(2,424,192)	87,000	-	(87,000)	(560,442)	(293,715)	(119,217)	174,498
Fund balances, beginning	-	-	-	-	3,459,953	3,459,953	3,459,953	-
Fund balances, ending	<u>\$ (2,424,192)</u>	<u>\$ 87,000</u>	<u>\$ -</u>	<u>\$ (87,000)</u>	<u>\$ 2,899,511</u>	<u>\$ 3,166,238</u>	<u>\$ 3,340,736</u>	<u>\$ 174,498</u>

* As of June 30, 2009

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	Middle Schools Chartered by Broward County *				High School Chartered by Broward County *			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	8,342,109	8,443,880	8,182,540	(261,340)	12,734,091	12,878,413	12,458,740	(419,673)
Charges for services	218,190	218,190	217,354	(836)	101,822	101,822	101,433	(389)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	35,000	35,000	31,485	(3,515)	57,500	57,500	28,939	(28,561)
Contributions	126,100	143,505	77,748	(65,757)	261,848	264,328	162,453	(101,875)
Rental revenue	146,591	146,591	146,841	250	1,378,203	1,378,203	1,368,036	(10,167)
Other	321,440	506,111	484,128	(21,983)	541,982	780,310	737,404	(42,906)
Total revenues	<u>9,189,430</u>	<u>9,493,277</u>	<u>9,140,096</u>	<u>(353,181)</u>	<u>15,075,446</u>	<u>15,460,576</u>	<u>14,857,005</u>	<u>(603,571)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	10,094,950	10,214,245	10,041,193	173,052	14,720,226	14,879,048	14,320,325	558,723
Total expenditures	<u>10,094,950</u>	<u>10,214,245</u>	<u>10,041,193</u>	<u>173,052</u>	<u>14,720,226</u>	<u>14,879,048</u>	<u>14,320,325</u>	<u>558,723</u>
Excess (deficiency) of revenues over expenditures	<u>(905,520)</u>	<u>(720,968)</u>	<u>(901,097)</u>	<u>(180,129)</u>	<u>355,220</u>	<u>581,528</u>	<u>536,680</u>	<u>(44,848)</u>
Other financing sources (uses):								
Transfers in	905,520	905,520	515,311	(390,209)	-	-	-	-
Transfers out	-	-	-	-	(343,220)	(343,220)	(336,382)	6,838
Total other financing sources (uses)	<u>905,520</u>	<u>905,520</u>	<u>515,311</u>	<u>(390,209)</u>	<u>(343,220)</u>	<u>(343,220)</u>	<u>(336,382)</u>	<u>6,838</u>
Net change in fund balances	-	184,552	(385,786)	(570,338)	12,000	238,308	200,298	(38,010)
Fund balances, beginning	1,247,634	1,247,634	1,247,634	-	158,990	158,990	158,990	-
Fund balances, ending	<u>\$ 1,247,634</u>	<u>\$ 1,432,186</u>	<u>\$ 861,848</u>	<u>\$ (570,338)</u>	<u>\$ 170,990</u>	<u>\$ 397,298</u>	<u>\$ 359,288</u>	<u>\$ (38,010)</u>

* As of June 30, 2009

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	Elementary School Chartered by Florida State University*				Housing and Urban Development Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	5,537,091	5,650,170	5,629,092	(21,078)	1,102,345	8,148,358	1,632,387	(6,515,971)
Charges for services	282,457	282,457	254,007	(28,450)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	4,120	4,120	5,855	1,735	-	-	-	-
Contributions	68,139	68,139	30,012	(38,127)	-	-	-	-
Rental revenue	54,358	54,358	47,347	(7,011)	-	-	-	-
Other	126,366	228,554	201,617	(26,937)	-	-	-	-
Total revenues	<u>6,072,531</u>	<u>6,287,798</u>	<u>6,167,930</u>	<u>(119,868)</u>	<u>1,102,345</u>	<u>8,148,358</u>	<u>1,632,387</u>	<u>(6,515,971)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	132,589	176,197	132,589	43,608
Economic environment	-	-	-	-	969,756	8,082,161	1,499,798	6,582,363
Human services	6,330,002	6,441,847	6,169,548	272,299	-	-	-	-
Total expenditures	<u>6,330,002</u>	<u>6,441,847</u>	<u>6,169,548</u>	<u>272,299</u>	<u>1,102,345</u>	<u>8,258,358</u>	<u>1,632,387</u>	<u>6,625,971</u>
Excess (deficiency) of revenues over expenditures	<u>(257,471)</u>	<u>(154,049)</u>	<u>(1,618)</u>	<u>152,431</u>	<u>-</u>	<u>(110,000)</u>	<u>-</u>	<u>110,000</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(257,471)	(154,049)	(1,618)	152,431	-	(110,000)	-	110,000
Fund balances, beginning	526,686	526,686	526,686	-	-	-	-	-
Fund balances, ending	<u>\$ 269,215</u>	<u>\$ 372,637</u>	<u>\$ 525,068</u>	<u>\$ 152,431</u>	<u>\$ -</u>	<u>\$ (110,000)</u>	<u>\$ -</u>	<u>\$ 110,000</u>

* As of June 30, 2009

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	Community Bus Program				Older Americans Act			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	345,648	345,648	344,511	(1,137)	1,107,877	1,132,877	1,043,565	(89,312)
Charges for services	-	-	-	-	104,000	104,000	92,290	(11,710)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	91,868	91,868	52,888	(38,980)
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>345,648</u>	<u>345,648</u>	<u>344,511</u>	<u>(1,137)</u>	<u>1,303,745</u>	<u>1,328,745</u>	<u>1,188,743</u>	<u>(140,002)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	1,127,694	1,068,730	1,040,687	28,043	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	1,303,745	1,315,722	1,162,080	153,642
Total expenditures	<u>1,127,694</u>	<u>1,068,730</u>	<u>1,040,687</u>	<u>28,043</u>	<u>1,303,745</u>	<u>1,315,722</u>	<u>1,162,080</u>	<u>153,642</u>
Excess (deficiency) of revenues over expenditures	<u>(782,046)</u>	<u>(723,082)</u>	<u>(696,176)</u>	<u>26,906</u>	<u>-</u>	<u>13,023</u>	<u>26,663</u>	<u>13,640</u>
Other financing sources (uses):								
Transfers in	782,046	782,046	696,176	(85,870)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>782,046</u>	<u>782,046</u>	<u>696,176</u>	<u>(85,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	58,964	-	(58,964)	-	13,023	26,663	13,640
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ 58,964</u>	<u>\$ -</u>	<u>\$ (58,964)</u>	<u>\$ -</u>	<u>\$ 13,023</u>	<u>\$ 26,663</u>	<u>\$ 13,640</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	Treasury Confiscated				Justice Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	39,928	39,928	-	-	8,472	8,472
Investment income	4,000	4,000	2,112	(1,888)	6,000	6,000	2,342	(3,658)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>42,040</u>	<u>38,040</u>	<u>6,000</u>	<u>6,000</u>	<u>10,814</u>	<u>4,814</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	6,649	139,643	9,690	129,953	25,607	247,021	22,150	224,871
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>6,649</u>	<u>139,643</u>	<u>9,690</u>	<u>129,953</u>	<u>25,607</u>	<u>247,021</u>	<u>22,150</u>	<u>224,871</u>
Excess (deficiency) of revenues over expenditures	<u>(2,649)</u>	<u>(135,643)</u>	<u>32,350</u>	<u>167,993</u>	<u>(19,607)</u>	<u>(241,021)</u>	<u>(11,336)</u>	<u>229,685</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,649)	(135,643)	32,350	167,993	(19,607)	(241,021)	(11,336)	229,685
Fund balances, beginning	<u>217,480</u>	<u>217,480</u>	<u>217,480</u>	<u>-</u>	<u>253,470</u>	<u>253,470</u>	<u>253,470</u>	<u>-</u>
Fund balances, ending	<u>\$ 214,831</u>	<u>\$ 81,837</u>	<u>\$ 249,830</u>	<u>\$ 167,993</u>	<u>\$ 233,863</u>	<u>\$ 12,449</u>	<u>\$ 242,134</u>	<u>\$ 229,685</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Special Revenue Funds							
	\$2 Police Education				FDLE Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	72,570	72,570	54,576	(17,994)	-	-	285,884	285,884
Investment income	4,000	4,000	1,715	(2,285)	33,000	33,000	14,166	(18,834)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>76,570</u>	<u>76,570</u>	<u>56,291</u>	<u>(20,279)</u>	<u>33,000</u>	<u>33,000</u>	<u>300,050</u>	<u>267,050</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	72,570	139,675	42,237	97,438	285,814	1,265,889	150,620	1,115,269
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>72,570</u>	<u>139,675</u>	<u>42,237</u>	<u>97,438</u>	<u>285,814</u>	<u>1,265,889</u>	<u>150,620</u>	<u>1,115,269</u>
Excess (deficiency) of revenues over expenditures	<u>4,000</u>	<u>(63,105)</u>	<u>14,054</u>	<u>77,159</u>	<u>(252,814)</u>	<u>(1,232,889)</u>	<u>149,430</u>	<u>1,382,319</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,000	(63,105)	14,054	77,159	(252,814)	(1,232,889)	149,430	1,382,319
Fund balances, beginning	177,471	177,471	177,471	-	1,458,424	1,458,424	1,458,424	-
Fund balances, ending	<u>\$ 181,471</u>	<u>\$ 114,366</u>	<u>\$ 191,525</u>	<u>\$ 77,159</u>	<u>\$ 1,205,610</u>	<u>\$ 225,535</u>	<u>\$ 1,607,854</u>	<u>\$ 1,382,319</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2009
(continued)

	Permanent Fund			
	Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	20,000	20,000	5,072	(14,928)
Contributions	-	-	-	-
Rental revenue	-	-	-	-
Other	-	-	-	-
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>5,072</u>	<u>(14,928)</u>
Expenditures:				
General government	29,000	29,000	22,644	6,356
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>22,644</u>	<u>6,356</u>
Excess (deficiency) of revenues over expenditures	<u>(9,000)</u>	<u>(9,000)</u>	<u>(17,572)</u>	<u>(8,572)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,000)	(9,000)	(17,572)	(8,572)
Fund balances, beginning	<u>608,220</u>	<u>608,220</u>	<u>608,220</u>	<u>-</u>
Fund balances, ending	<u>\$ 599,220</u>	<u>\$ 599,220</u>	<u>\$ 590,648</u>	<u>\$ (8,572)</u>

FIDUCIARY FUND TYPES

- PENSION and OTHER POST-EMPLOYMENT BENEFITS (OPEB)
TRUST FUNDS
- AGENCY FUNDS

PENSION and OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUNDS

Employees Retirement Funds - To account for the accumulation of resources to be used for retirement benefits to City's General Employees and Firefighters and Police Officers. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

Other Post-Employment Benefits (OPEB) Fund - To account for the accumulation of resources to be used for retiree health and life insurance benefits. Resources are contributed by retirees based on hire date, retirement date, and employee group and by the City at amounts determined by annual actuarial valuations.

City of Pembroke Pines, Florida
Combining Statement of Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
September 30, 2009

	General Employees <u>Pension</u>	Firefighters and Police Officers <u>Pension</u>	Other Post- Employment <u>Benefits</u>	<u>Totals</u>
Assets				
Cash and short-term investments	\$ -	\$ 8,331,891	\$ 583,899	\$ 8,915,790
Receivables				
Accrued interest and dividends	-	1,098,622	-	1,098,622
Other	-	402,924	-	402,924
Total receivables	-	1,501,546	-	1,501,546
Investments, at fair value				
U.S. Government securities	-	20,662,556	-	20,662,556
Corporate bonds	-	62,744,804	-	62,744,804
Common stocks	-	106,566,957	-	106,566,957
Foreign bonds	-	2,383,912	-	2,383,912
Domestic equity fund	-	24,231,706	-	24,231,706
International equity fund	-	18,507,516	-	18,507,516
Real estate fund	-	16,680,183	-	16,680,183
Mutual funds	108,011,531	-	8,869,790	116,881,321
Total investments	108,011,531	251,777,634	8,869,790	368,658,955
Capital Assets:				
Property and equipment, net	-	457,984	-	457,984
Total capital assets	-	457,984	-	457,984
 Total assets	 108,011,531	 262,069,055	 9,453,689	 379,534,275
Liabilities				
DROP participants payable	-	52,375,082	-	52,375,082
Reserve for health insurance claims	-	-	739,911	739,911
Accounts payable	-	132,887	167,542	300,429
Total liabilities	-	52,507,969	907,453	53,415,422
Net Assets				
Net assets held in trust for benefits	\$ 108,011,531	\$ 209,561,086	\$ 8,546,236	\$ 326,118,853

City of Pembroke Pines, Florida
Combining Statement of Changes in Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
Fiscal Year Ended September 30, 2009

	<u>General Employees Pension</u>	<u>Firefighters and Police Officers Pension</u>	<u>Other Post- Employment Benefits</u>	<u>Totals</u>
Additions				
Contributions:				
Plan members	\$ 1,973,064	\$ 3,175,215	\$ 268,131	\$ 5,416,410
Employee buybacks	-	1,226	-	1,226
Employer	7,736,872	19,505,427	9,636,677	36,878,976
State	<u>-</u>	<u>2,429,576</u>	<u>-</u>	<u>2,429,576</u>
Total contributions	<u>9,709,936</u>	<u>25,111,444</u>	<u>9,904,808</u>	<u>44,726,188</u>
Investment income:				
Investment earnings and appreciation (depreciation)	(4,178,115)	(4,643,040)	332,346	(8,488,809)
Less investment expenses	<u>34,426</u>	<u>1,086,954</u>	<u>-</u>	<u>1,121,380</u>
Net investment income (loss)	<u>(4,212,541)</u>	<u>(5,729,994)</u>	<u>332,346</u>	<u>(9,610,189)</u>
Other additions:				
Specific stop loss and medical claims recovery	-	-	473,502	473,502
Medicare Part D subsidy	-	-	72,757	72,757
Other income	<u>-</u>	<u>59,000</u>	<u>-</u>	<u>59,000</u>
Total other additions	<u>-</u>	<u>59,000</u>	<u>546,259</u>	<u>605,259</u>
Total additions	<u>5,497,395</u>	<u>19,440,450</u>	<u>10,783,413</u>	<u>35,721,258</u>
Deductions				
Benefit payments and insurance premiums	7,602,125	16,103,776	4,792,109	28,498,010
Refunds of contributions	(37,584)	152,652	-	115,068
Administrative expenses	<u>67,583</u>	<u>537,523</u>	<u>133,588</u>	<u>738,694</u>
Total deductions	<u>7,632,124</u>	<u>16,793,951</u>	<u>4,925,697</u>	<u>29,351,772</u>
Change in net assets	(2,134,729)	2,646,499	5,857,716	6,369,486
Net assets, beginning	<u>110,146,260</u>	<u>206,914,587</u>	<u>2,688,520</u>	<u>319,749,367</u>
Net assets, ending	<u>\$ 108,011,531</u>	<u>\$ 209,561,086</u>	<u>\$ 8,546,236</u>	<u>\$ 326,118,853</u>

AGENCY FUNDS

The **General Trust Fund** is used to account for fiduciary resources held by the City for individuals, private organizations, or other governments.

The **Sanitation Fund** is used to account for assets held by the City as an agent for private organizations.

City of Pembroke Pines, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2009

	Balance September 30, 2008	Additions	Deductions	Balance September 30, 2009
General Trust Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,704,839	\$ 102,735,547	\$ 105,440,386	\$ -
Investments	-	2,660,465	-	2,660,465
Total assets	<u>\$ 2,704,839</u>	<u>\$ 105,396,012</u>	<u>\$ 105,440,386</u>	<u>\$ 2,660,465</u>
Liabilities:				
Accrued liabilities	\$ 2,704,839	\$ 97,519,263	\$ 97,563,637	\$ 2,660,465
Due to other funds	-	5,328,679	5,328,679	-
Total liabilities	<u>\$ 2,704,839</u>	<u>\$ 102,847,942</u>	<u>\$ 102,892,316</u>	<u>\$ 2,660,465</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 29,014,793	\$ 29,014,793	\$ -
Customer accounts receivable	1,652,525	19,154,119	19,274,007	1,532,637
Total assets	<u>\$ 1,652,525</u>	<u>\$ 48,168,912</u>	<u>\$ 48,288,800</u>	<u>\$ 1,532,637</u>
Liabilities:				
Accounts payable	1,652,525	19,758,710	19,878,598	1,532,637
Total liabilities	<u>\$ 1,652,525</u>	<u>\$ 19,758,710</u>	<u>\$ 19,878,598</u>	<u>\$ 1,532,637</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,704,839	\$ 131,750,340	\$ 134,455,179	\$ -
Customer accounts receivable	1,652,525	19,154,119	19,274,007	1,532,637
Miscellaneous accounts receivable	-	2,660,465	-	2,660,465
Total assets	<u>\$ 4,357,364</u>	<u>\$ 153,564,924</u>	<u>\$ 153,729,186</u>	<u>\$ 4,193,102</u>
Liabilities:				
Accounts payable	\$ 1,652,525	\$ 19,758,710	\$ 19,878,598	\$ 1,532,637
Accrued liabilities	2,704,839	97,519,263	97,563,637	2,660,465
Due to other funds	-	5,328,679	5,328,679	-
Total liabilities	<u>\$ 4,357,364</u>	<u>\$ 122,606,652</u>	<u>\$ 122,770,914</u>	<u>\$ 4,193,102</u>

III. STATISTICAL SECTION

- **Financial Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic and Economic Information**
- **Operating Information**
- **Other Information**



STATISTICAL SECTION

This part of the City of Pembroke Pines, Florida's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends: *These schedules contain trend information to help the readers understand how the City's financial performance and well-being have changed over time.*

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Revenue Capacity: *These schedules contain information to help the readers assess the City's most significant local revenue source, the property tax.*

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Debt Capacity: *These schedules present information to help the readers assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.*

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STATISTICAL SECTION

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Demographic and Economic Information: *These schedules offer demographic and economic indicators to help the readers understand the environment within which the City’s financial activities take place.*

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Operating Information: *These schedules contain service and infrastructure data to help the readers understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.*

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Other Information: *These schedules are supplementary schedules including additional continuing disclosure schedules, Schedule of Debt Service on Outstanding Bonds, Schedule of Insurance in Force, and School Enrollment.*

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Pembroke Pines, Florida
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 116,772,277	\$ 112,598,736	\$ 114,619,737	\$ 108,374,146	\$ 95,504,416	\$ 100,395,349	\$ 103,142,455	\$ 102,055,175
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625
Unrestricted	7,431,859	14,649,585	2,836,562	1,504,644	3,898,185	(11,556,042)	(15,795,579)	(16,635,595)
Total governmental activities net assets	<u>\$ 143,117,206</u>	<u>\$ 146,138,927</u>	<u>\$ 142,853,868</u>	<u>\$ 128,698,738</u>	<u>\$ 116,410,958</u>	<u>\$ 114,629,145</u>	<u>\$ 115,377,109</u>	<u>\$ 114,054,205</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 153,811,331	\$ 154,941,053	\$ 152,461,927	\$ 148,774,481	\$ 143,262,982	\$ 143,935,636	\$ 153,389,446	\$ 152,797,781
Restricted	-	-	-	-	-	-	-	-
Unrestricted	79,795,388	82,017,074	31,828,371	83,683,180	83,495,955	76,910,616	65,919,119	63,917,539
Total business-type activities net assets	<u>\$ 233,606,719</u>	<u>\$ 236,958,127</u>	<u>\$ 184,290,298</u>	<u>\$ 232,457,661</u>	<u>\$ 226,758,937</u>	<u>\$ 220,846,252</u>	<u>\$ 219,308,565</u>	<u>\$ 216,715,320</u>
Primary government								
Invested in capital assets, net of related debt	\$ 270,583,608	\$ 267,539,789	\$ 267,081,664	\$ 257,148,627	\$ 238,767,398	\$ 244,330,985	\$ 256,531,901	\$ 254,852,956
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625
Unrestricted	87,227,247	96,666,659	34,664,933	85,187,824	87,394,140	65,354,574	50,123,540	47,281,944
Total primary government net assets	<u>\$ 376,723,925</u>	<u>\$ 383,097,054</u>	<u>\$ 327,144,166</u>	<u>\$ 361,156,399</u>	<u>\$ 343,169,895</u>	<u>\$ 335,475,397</u>	<u>\$ 334,685,674</u>	<u>\$ 330,769,525</u>

City of Pembroke Pines, Florida

**Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)**

Expenses	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
General government (7)	\$ 20,085,237	\$ 19,804,913	\$ 21,245,245	\$ 21,438,009	\$ 23,008,076	\$ 23,303,062	\$ 23,235,940	\$ 20,915,269
Public safety (1) (7)	54,363,115	59,919,473	64,769,067	75,037,886	115,482,598	88,982,854	102,967,033	102,368,029
Physical environment	3,184,132	3,740,853	3,788,410	3,612,466	3,997,835	4,123,318	3,654,027	3,108,385
Transportation (2)	5,785,707	5,486,631	5,725,790	12,013,824	8,243,716	12,845,956	11,950,528	16,653,981
Economic environment	2,154,679	2,754,664	2,774,502	3,064,478	4,715,450	7,559,297	10,717,579	10,984,230
Human services (3)	24,138,249	36,142,870	43,531,313	49,160,396	50,152,084	54,110,736	53,871,577	56,340,121
Culture/Recreation	14,640,884	15,269,764	16,875,139	18,447,037	19,673,548	20,948,154	21,576,740	20,744,104
Interest on long-term debt	6,722,426	7,694,630	11,349,415	13,765,458	15,728,258	16,823,152	17,996,176	18,753,360
Total governmental activities expenses	<u>131,074,429</u>	<u>150,813,798</u>	<u>170,058,881</u>	<u>196,539,554</u>	<u>241,001,565</u>	<u>228,696,529</u>	<u>245,969,600</u>	<u>249,867,479</u>
Business-type activities:								
Public safety	-	-	19,241	48,130	273,616	4,100	-	-
Water utility services	3,843,161	3,917,274	4,050,643	4,421,132	5,088,235	5,318,837	5,318,791	4,933,388
Sewer/wastewater services	8,590,253	8,974,311	8,873,928	9,600,254	9,970,132	12,271,389	13,080,744	10,742,197
Water-sewer combined services	17,112,758	19,865,795	22,821,895	22,917,382	25,887,741	26,104,176	24,812,790	25,614,616
Total business-type activities expenses	<u>29,546,172</u>	<u>32,757,380</u>	<u>35,765,707</u>	<u>36,986,898</u>	<u>41,219,724</u>	<u>43,698,502</u>	<u>43,212,325</u>	<u>41,290,201</u>
Total primary government expenses	<u>\$ 160,620,601</u>	<u>\$ 183,571,178</u>	<u>\$ 205,824,588</u>	<u>\$ 233,526,452</u>	<u>\$ 282,221,289</u>	<u>\$ 272,395,031</u>	<u>\$ 289,181,925</u>	<u>\$ 291,157,680</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 14,881,020	\$ 14,889,651	\$ 15,307,054	\$ 16,210,579	\$ 15,318,437	\$ 15,166,539	\$ 14,295,201	\$ 16,026,118
Public safety	17,614,392	15,535,883	14,630,803	16,612,089	19,436,165	19,897,138	28,386,165	28,257,835
Physical environment	1,625	2,413	2,593	560	120	600	1,075	-
Transportation	3,075,107	1,223,166	1,220,800	235,650	285,684	315,033	355,227	358,348
Economic environment	1,288,795	1,321,006	1,328,939	1,996,031	4,316,254	4,642,437	4,974,853	6,211,809
Human services (3)	18,950,247	28,432,894	36,713,012	38,929,127	40,293,116	47,785,824	51,655,776	49,472,143
Culture/Recreation	3,799,282	4,030,889	3,854,108	4,112,009	3,962,945	3,702,140	4,759,467	4,797,806
Interest on long-term debt	3,456,284	6,081,203	8,328,253	8,217,168	8,996,692	10,070,967	9,602,414	10,906,060
Operating grants and contributions (4)	3,630,457	3,222,313	4,866,288	6,803,875	34,437,431	7,557,767	10,489,392	14,653,685
Capital grants and contributions	4,120,865	2,978,244	512,573	1,109,677	304,636	6,671,291	11,914,221	5,483,163
Total governmental activities program revenues	<u>70,818,074</u>	<u>77,717,662</u>	<u>86,764,423</u>	<u>94,226,765</u>	<u>127,351,480</u>	<u>115,809,736</u>	<u>136,433,791</u>	<u>136,166,967</u>
Business-type activities:								
Charges for services:								
Water utility services	11,286,813	13,010,984	14,033,949	14,188,320	14,775,105	15,372,828	16,310,543	18,042,310
Sewer/wastewater services (5)	11,514,216	13,423,668	18,145,972	14,633,008	15,277,785	15,338,034	15,422,017	19,150,659
Water-sewer combined services	186,556	150,584	185,963	141,794	147,947	346,881	136,225	109,946
Operating grants and contributions	-	114,859	19,241	42,113	151,310	10,066	-	-
Capital grants and contributions (6)	11,743,301	7,877,097	3,176,882	712,820	1,577,331	2,471,676	7,307,004	717,144
Total business-type activities program revenues	<u>34,730,886</u>	<u>34,577,192</u>	<u>35,562,007</u>	<u>29,718,055</u>	<u>31,929,478</u>	<u>33,539,485</u>	<u>39,175,789</u>	<u>38,020,059</u>
Total primary government program revenues	<u>\$ 105,548,960</u>	<u>\$ 112,294,854</u>	<u>\$ 122,326,430</u>	<u>\$ 123,944,820</u>	<u>\$ 159,280,958</u>	<u>\$ 149,349,221</u>	<u>\$ 175,609,580</u>	<u>\$ 174,187,026</u>

- (1) The increase in FY 06 was due to expenses related to Hurricane Wilma.
- (2) The FY 05 increase from the prior period was caused by expenditures for major roadwork improvements.
- (3) The increase in FY 02 - FY 05 was caused by the opening of additional Charter Schools.
- (4) The FY 06 increase from the prior period was due to Federal and State revenues from FEMA for Hurricane Wilma.
- (5) The FY 05 decrease from the prior period was a result of a one-time settlement recorded in the prior period.
- (6) Represents capital contributions from developers that were shown in charges for services in prior years. FY 02-05 restated for comparative purposes.
- (7) FY 2008 includes a \$3.8 million reclass of OPEB expense from General government to Public safety.

City of Pembroke Pines, Florida

**Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(continued)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue:								
Governmental activities	\$ (60,256,355)	\$ (73,096,136)	\$ (83,294,458)	\$ (102,312,789)	\$ (113,650,085)	\$ (112,886,793)	\$ (109,535,809)	\$ (113,700,512)
Business-type activities	5,184,714	1,819,812	(203,700)	(7,268,843)	(9,290,246)	(10,159,017)	(4,036,536)	(3,270,142)
Total primary government net expense	<u>\$ (55,071,641)</u>	<u>\$ (71,276,324)</u>	<u>\$ (83,498,158)</u>	<u>\$ (109,581,632)</u>	<u>\$ (122,940,331)</u>	<u>\$ (123,045,810)</u>	<u>\$ (113,572,345)</u>	<u>\$ (116,970,654)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984	\$ 2,665,536	\$ 5,264,984	\$ 5,520,777
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378	47,104,494	47,077,737	46,044,021
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442	9,722,816	9,939,667	10,012,094
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674	7,060,041	7,359,061	8,524,622
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350	2,442,108	2,581,143	2,429,576
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233	2,739,055	2,785,670	2,696,917
Local business tax (8)	2,466,261	2,549,602	2,643,082	2,583,227	2,792,926	3,075,143	3,316,948	3,307,733
Franchise fees	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631	15,105,140	15,294,804	16,378,799
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754	13,503,386	12,563,396	11,229,891
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544	766,762	595,174	1,320,308
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389	6,910,527	3,505,189	4,912,870
Gain on sale of capital assets	-	66,534	122,097	-	-	9,972	-	-
Total governmental activities	<u>68,565,401</u>	<u>76,117,857</u>	<u>79,781,920</u>	<u>88,157,659</u>	<u>101,362,305</u>	<u>111,104,980</u>	<u>110,283,773</u>	<u>112,377,608</u>
Business-type activities:								
Investment earnings not restricted	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457	4,222,049	2,488,373	665,173
Miscellaneous revenues	-	6	-	142	99,618	23,947	10,476	11,723
Gain on sale of capital assets	510	5,223	2,000	469	9,447	336	-	-
Total business-type activities	<u>4,029,709</u>	<u>1,531,596</u>	<u>1,115,253</u>	<u>1,856,835</u>	<u>3,591,522</u>	<u>4,246,332</u>	<u>2,498,849</u>	<u>676,896</u>
Total primary government	<u>\$ 72,595,110</u>	<u>\$ 77,649,453</u>	<u>\$ 80,897,173</u>	<u>\$ 90,014,494</u>	<u>\$ 104,953,827</u>	<u>\$ 115,351,312</u>	<u>\$ 112,782,622</u>	<u>\$ 113,054,504</u>
Change in Net Assets								
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)	\$ (1,781,813)	\$ 747,964	\$ (1,322,904)
Business-type activities	9,214,423	3,351,408	911,553	(5,412,008)	(5,698,724)	(5,912,685)	(1,537,687)	(2,593,246)
Total primary government	<u>\$ 17,523,469</u>	<u>\$ 6,373,129</u>	<u>\$ (2,600,985)</u>	<u>\$ (19,567,138)</u>	<u>\$ (17,986,504)</u>	<u>\$ (7,694,498)</u>	<u>\$ (789,723)</u>	<u>\$ (3,916,150)</u>

(7) Insurance premium taxes and local option gas taxes were shown in one line item labeled "Other taxes" in prior years.

(8) Occupational licenses reclassified from General government Program revenues to Local business tax in FY 02-06 for purposes of comparability.

City of Pembroke Pines, Florida
Governmental Activities Tax Revenues By Source
Last Eight Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Taxes levied for:			Utility Taxes	Communications Services Tax	Insurance Premium Taxes (1)	Local Option Gas Taxes (1)	Local Business Tax (3)	Total
	Debt Service	General Purposes							
2002	\$ -	\$25,230,301	\$8,530,503	\$7,094,762	\$1,233,840	\$2,598,699	\$2,466,261	\$47,154,366	
2003	-	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933	
2004	-	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852	
2005	-	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464	
2006	2,825,984 (2)	39,709,378	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987	
2007	2,665,536	47,104,494	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193	
2008	5,264,984	47,077,737	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210	
2009	5,520,777	46,044,021	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740	

(1) Insurance premium taxes and local option gas taxes were shown in one line item labeled "Other taxes" in prior years FY02-FY05.

(2) First year of taxes, based on the voter approved General Obligation Bonds, Series 2005 issued on September 30, 2005.

(3) Prior to FY 2007 Local business tax was reported as Licenses & Fees. Prior years have been restated.

City of Pembroke Pines, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u> (1)	<u>2001</u> (2)	<u>2002</u>	<u>2003</u> (3)	<u>2004</u> (4)	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund										
Reserved	\$ 2,424,997	\$ 1,135,784	\$ 1,703,458	\$ 962,277	\$ 2,887,984	\$ 1,075,843	\$ 1,531,181	\$ 785,690	\$ 506,530	\$ 415,040
Unreserved	5,833,761	9,177,918	15,205,451	26,288,290	25,674,246	31,442,994	30,822,051	32,953,040	33,450,893	36,267,847
Total general fund	<u>\$ 8,258,758</u>	<u>\$ 10,313,702</u>	<u>\$ 16,908,909</u>	<u>\$ 27,250,567</u>	<u>\$ 28,562,230</u>	<u>\$ 32,518,837</u>	<u>\$ 32,353,232</u>	<u>\$ 33,738,730</u>	<u>\$ 33,957,423</u>	<u>\$ 36,682,887</u>
All other governmental funds										
Reserved	\$ 30,340,678	\$ 22,267,164	\$ 17,549,497	\$ 12,975,753	\$ 42,851,529	\$ 61,155,573	\$ 51,769,615	\$ 85,839,141	\$ 59,659,519	\$ 51,563,685
Unreserved, reported in:										
Special revenue funds	5,381,442	5,153,381	8,905,554	10,267,333	9,071,583	9,214,679	8,994,528	9,883,192	14,615,622	14,525,682
Capital projects fund	(22,109,195)	(23,981,935)	(6,192,792)	(15,144,540)	(19,443,097)	(15,397,753)	(21,100,410)	(21,993,648)	(14,178,201)	(11,872,035)
Total all other governmental funds	<u>\$ 13,612,925</u>	<u>\$ 3,438,610</u>	<u>\$ 20,262,259</u>	<u>\$ 8,098,546</u>	<u>\$ 32,480,015</u>	<u>\$ 54,972,499</u>	<u>\$ 39,663,733</u>	<u>\$ 73,728,685</u>	<u>\$ 60,096,940</u>	<u>\$ 54,217,332</u>

(1) Includes a residual equity transfer in to the General Fund of \$2,816,432.

(2) Includes a cumulative effect of a change in accounting principle of \$1,451,938 - \$1,080,831 to the General Fund and \$371,107 to a Special Revenue Fund.

(3) Includes a prior period adjustment of \$7,336,397 - \$7,220,258 to the General Fund and \$116,139 to a Special Revenue Fund.

(4) Includes a prior period adjustment of \$226,095 to a Special Revenue Fund.

City of Pembroke Pines, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Taxes	\$ 36,850,188	\$ 38,763,751	\$ 47,154,365	\$ 51,764,934	\$ 55,144,852	\$ 59,081,464	\$ 66,927,985	\$ 74,809,193	\$ 78,325,210	\$ 78,535,740
Special assessments	7,636,295	8,953,985	8,465,016	8,099,749	7,998,798	8,194,372	8,299,540	8,468,562	17,602,253	19,734,363
Permits, fees and licenses	12,539,808	16,100,999	14,947,419	15,011,340	14,719,053	17,592,755	21,021,458	22,185,099	20,801,798	18,508,763
Intergovernmental	25,241,878	27,232,171	32,960,088	40,117,149	46,663,998	50,899,822	81,112,119	59,130,835	64,894,563	65,065,938
Charges for services	14,124,656	17,993,638	20,485,835	22,584,114	23,259,471	24,989,138	24,836,751	26,284,799	27,467,164	29,477,979
Fines and forfeitures	1,901,675	1,618,439	1,280,456	1,248,016	882,780	958,626	1,364,608	1,426,849	1,475,291	1,594,585
Investment income	3,406,942	3,197,232	2,207,098	1,719,456	1,018,094	2,223,782	4,764,002	6,840,257	3,015,860	4,035,447
Contributions	-	-	1,186,811	241,082	236,906	1,773,367	487,008	6,696,257	11,366,688	5,660,901
Rental revenue	-	-	7,589,890	10,736,905	14,183,345	15,345,787	18,498,842	19,888,637	19,799,580	23,125,797
Other	9,849,328	7,404,364	195,282	1,556,028	1,473,464	1,338,585	1,426,743	1,734,635	1,920,227	2,360,034
Total revenues	<u>111,550,770</u>	<u>121,264,579</u>	<u>136,472,260</u>	<u>153,078,773</u>	<u>165,580,761</u>	<u>182,397,698</u>	<u>228,739,056</u>	<u>227,465,123</u>	<u>246,668,634</u>	<u>248,099,547</u>
Expenditures										
General government	14,131,594	15,397,402	18,590,168	19,455,762	25,858,854	26,862,617	23,624,343	22,515,991	21,511,476	19,597,106
Public safety	48,740,902	54,980,563	57,402,925	59,672,849	133,594,581	69,464,940	110,276,174	86,971,602	94,765,020	98,221,869
Physical environment	2,473,812	2,870,259	3,185,017	3,918,738	4,373,793	3,531,434	3,917,975	4,025,954	3,584,401	2,955,500
Transportation	4,646,378	5,618,774	4,105,968	3,736,102	4,608,285	10,365,168	8,689,081	26,343,989	29,135,640	15,465,192
Economic environment	2,741,414	2,520,043	2,304,252	2,740,721	20,264,192	18,235,896	6,406,373	26,728,564	10,869,712	9,027,377
Human services	26,445,834	24,395,141	51,041,052	45,622,226	42,221,480	45,094,806	46,032,389	50,611,995	60,872,921	55,052,389
Culture and recreation	17,562,429	17,394,292	16,674,222	15,826,371	19,228,390	18,611,509	18,454,015	39,322,524	24,075,681	25,565,490
Debt service:										
Principal	3,754,863	11,814,485	4,325,353	3,958,424	3,971,425	3,855,000	5,035,000	5,255,000	5,830,000	7,140,000
Interest	6,304,678	5,871,174	5,360,537	7,066,243	8,012,377	13,581,146	15,770,383	16,021,994	18,754,792	17,812,377
Other debt service costs	-	-	1,477,904	239,789	2,716,813	897,238	22,694	2,422,368	1,853,595	416,391
Total expenditures	<u>126,801,904</u>	<u>140,862,133</u>	<u>164,467,398</u>	<u>162,237,225</u>	<u>264,850,190</u>	<u>210,499,754</u>	<u>238,228,427</u>	<u>280,219,981</u>	<u>271,253,238</u>	<u>251,253,691</u>
Deficiency of revenues over expenditures	(15,251,134)	(19,597,554)	(27,995,138)	(9,158,452)	(99,269,429)	(28,102,056)	(9,489,371)	(52,754,858)	(24,584,604)	(3,154,144)
Other financing sources (uses)										
Transfers in	369,919	3,389,592	1,576,893	542,117	4,469,516	1,536,782	1,413,924	1,695,484	3,148,839	2,153,600
Transfers out	(369,919)	(3,363,347)	(1,576,893)	(542,117)	(4,469,516)	(1,536,782)	(1,413,924)	(1,695,484)	(3,148,839)	(2,153,600)
Bonds issued	-	10,000,000	71,570,000	-	124,736,467	54,910,000	-	144,574,999	72,135,000	-
Premium (discount) on bonds	-	-	(363,592)	-	-	(358,853)	-	3,067,996	-	-
Current bond refunding	-	-	-	-	-	-	-	-	(7,910,000)	-
Payment to refunded bond escrow agent	-	-	(19,792,421)	-	-	-	(5,985,000)	(59,437,687)	(53,053,448)	-
Proceeds for sale of land	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,026,245</u>	<u>51,413,987</u>	<u>-</u>	<u>124,736,467</u>	<u>54,551,147</u>	<u>(5,985,000)</u>	<u>88,205,308</u>	<u>11,171,552</u>	<u>-</u>
Net change in fund balances	<u>\$ (15,251,134)</u>	<u>\$ (9,571,309)</u>	<u>\$ 23,418,849</u>	<u>\$ (9,158,452)</u>	<u>\$ 25,467,038</u>	<u>\$ 26,449,091</u>	<u>\$ (15,474,371)</u>	<u>\$ 35,450,450</u>	<u>\$ (13,413,052)</u>	<u>\$ (3,154,144)</u>
Debt service as a percentage of noncapital expenditures	11.6%	15.1%	9.0%	7.8%	6.1%	10.1%	9.3%	11.0%	11.5%	10.8%

City of Pembroke Pines, Florida
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Utility Taxes	Communications Services Tax (1)	Insurance Premium Taxes	Local Option Gas Taxes	Local Business Tax (2)	Total
2000	\$ 18,744,031	\$ 11,628,084	\$ -	\$ 970,129	\$ 2,135,241	\$ 2,412,674	\$ 35,890,159
2001	20,319,515	12,549,292	-	1,013,126	2,418,596	2,463,222	38,763,751
2002	25,230,301	8,530,503	7,094,762	1,233,840	2,598,699	2,466,261	47,154,366
2003	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933
2004	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852
2005	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464
2006	42,535,362	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	49,770,030	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	52,342,721	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210
2009	51,564,798	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740

(1) The Communications Services Tax replaced the Utility Services Tax on telecommunications services and the franchise fees on cable and telecommunication service providers.

(2) Prior to FY 2007 Local business tax was reported as Licenses & Fees. Prior years have been restated.

City of Pembroke Pines, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Assessment Value		Less:				Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
	Real Property	Personal Property	Tax-Exempt Properties(1)	Personal Exemptions(2)	Capped Differential(3)	V.A.B. Adjustments (4)				
2000	\$ 6,007,465,480	\$ 282,503,273	\$ 281,580,840	\$ 918,649,190	\$ 108,756,020	\$ 23,004,493	\$ 4,957,978,210	3.9034	\$ 6,289,968,753	100.00%
2001	6,541,449,910	313,997,576	308,744,700	1,013,417,350	99,567,590	31,420,987	5,402,296,859	3.9034	6,855,447,486	100.00%
2002	7,259,698,260	319,983,517	353,757,395	1,046,873,320	228,088,840	66,883,039	5,884,079,183	4.4597	7,579,681,777	100.00%
2003	8,353,286,540	325,524,641	385,820,960	1,093,126,650	660,162,890	99,433,357	6,440,267,324	4.5990	8,678,811,181	100.00%
2004	9,893,613,820	326,666,763	467,318,917	1,137,266,930	1,273,239,600	91,310,573	7,251,144,563	4.5990	10,220,280,583	100.00%
2005	11,264,982,620	341,697,566	556,966,799	1,152,257,400	1,831,872,990	53,852,583	8,011,730,414	4.5990	11,606,680,186	100.00%
2006	13,270,318,770	335,740,322	632,642,006	1,170,867,380	2,773,394,220	52,508,365	8,976,647,121	4.9265	13,606,059,092	100.00%
2007	16,778,736,280	366,721,537	781,881,297	1,170,127,780	4,554,450,930	46,195,039	10,592,802,771	4.8596	17,145,457,817	100.00%
2008	18,897,931,150	354,767,117	1,088,601,100	1,251,591,080	5,197,289,590	(41,518,535)	11,756,735,032	4.6397	19,252,698,267	100.00%
2009	17,477,224,530	371,437,004	1,185,181,305	2,211,645,023	3,664,549,250	51,004,352	10,736,281,604	4.9630	17,848,661,534	100.00%

Source: Forms DR-403 & DR-420, Broward County Property Appraiser (BCPA).

Note: Property in Broward County is reassessed annually. The County assesses property at just value (market value) for all types of real and personal property. Therefore, just value is equivalent to estimated actual taxable value. Tax rates are per \$1,000 of assessed value.

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead, additional \$25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents and disabled veterans' homestead discount.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA.
- (5) Total direct tax rate includes debt service millage as follows: 0.3275-FY2006, 0.2606-FY2007, 0.4672-FY2008, and 0.5318-FY2009.
- (6) Includes tax-exempt property.

City of Pembroke Pines, Florida
Property Tax Rates
Direct and Overlapping (1) Governments
Last Ten Fiscal Years

Fiscal Year	City of Pembroke Pines			Broward County				School Board				Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Capital Projects Millage	Debt Service Millage	Total County Millage	General Fund Millage	Capital Outlay Millage	Debt Service Millage	Total School Millage		
2000	3.9034	-	3.9034	6.6794	0.2153	0.6763	7.5710	6.6740	2.0000	0.4543	9.1283	2.8241	23.4268
2001	3.9034	-	3.9034	6.6449	0.2454	0.6347	7.5250	6.5410	2.0000	0.4143	8.9553	2.7319	23.1156
2002	4.4597	-	4.4597	6.4443	0.2234	0.7328	7.4005	6.3590	2.0000	0.3951	8.7541	2.9104	23.5247
2003	4.5990	-	4.5990	6.2752	0.3933	0.6965	7.3650	6.5410	2.0000	0.3415	8.8825	2.8007	23.6472
2004	4.5990	-	4.5990	6.3146	0.2919	0.5815	7.1880	6.1240	2.0000	0.2936	8.4176	2.8611	23.0657
2005	4.5990	-	4.5990	6.1905	0.2926	0.5399	7.0230	6.0140	2.0000	0.2555	8.2695	2.7347	22.6262
2006	4.5990	0.3275	4.9265	5.9838	0.3104	0.4888	6.7830	5.8410	2.0000	0.2213	8.0623	2.6086	22.3804
2007	4.5990	0.2606	4.8596	5.4054	0.2379	0.4228	6.0661	5.6790	2.0000	0.1897	7.8687	2.4728	21.2672
2008	4.1725	0.4672	4.6397	4.7471	0.1418	0.3979	5.2868	5.4770	2.0000	0.1714	7.6484	2.1800	19.7549
2009	4.4312	0.5318	4.9630	4.7471	0.1418	0.4256	5.3145	5.6670	1.7500	-	7.4170	2.2252	19.9197

Source: Broward County Property Appraiser.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Pembroke Pines. Not all overlapping rates apply to all City of Pembroke Pines property owners (e.g. the rates for special districts only apply to the proportion of Pembroke Pines' property owners whose property is located within the geographic boundaries of the special district).

(2) Broward County Capital Projects Millage for the Fiscal Years 1997 and 1998 is included in Operating Millage.

City of Pembroke Pines, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2009 Collection Year</u>			<u>2000 Collection Year</u>		
	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed</u>	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
Pembroke Lakes Mall LTD	\$ 127,874,150	1	1.22%	\$ 50,891,320	2	1.03%
HVP Pembroke Pines Phase III LLC	69,685,510	2	0.66%	-	-	-
EQR-SWN Line Financing Limited	55,469,920	3	0.53%	-	-	-
Westfork Tower LLC	55,180,630	4	0.53%	-	-	-
Prudential Insurance Co. of America	52,696,960	5	0.50%	-	-	-
RLA Marquesa LLC	48,902,250	6	0.47%	-	-	-
Taplin Falls Ltd.	47,758,240	7	0.45%	23,398,240	6	0.47%
WRI/Pembroke LTD	44,103,460	8	0.42%	-	-	-
WRI Flamingo Pines LLC	42,118,580	9	0.40%	-	-	-
Pembroke Cove LLC	42,000,000	10	0.40%	-	-	-
Pasadena Place Associates	-	-	-	60,116,000	1	1.21%
Merry Land Investment Co., Inc.	-	-	-	25,802,540	3	0.52%
Pennsylvania Real Estate Investment	-	-	-	24,560,460	4	0.50%
Portofino Place, Inc.	-	-	-	24,488,570	5	0.49%
KLS Flamingo Land Trust	-	-	-	20,730,390	7	0.42%
McVay W Cassidy P Pratt C Trs.	-	-	-	19,768,770	8	0.40%
Dim- Pines Power Center Ltd.	-	-	-	17,543,760	9	0.35%
Zell Samuel Trust	-	-	-	17,513,280	10	0.35%
Totals	<u>\$ 585,789,700</u>		<u>5.58%</u>	<u>\$ 284,813,330</u>		<u>5.74%</u>

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

**Property Tax Levies and Collections (1)
Last Six Fiscal Years (2)**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 33,348,014	\$32,255,971	96.7%	\$65,819	\$32,321,790	96.9%
2005	36,845,948	35,493,585	96.3%	19,934	35,513,519	96.4%
2006	41,283,600	39,684,572	96.1%	71,893	39,756,465	96.3%
2007	48,716,300	46,954,319	96.4%	55,560	47,009,879	96.5%
2008	49,054,977	47,021,192	95.9%	145,058	47,166,250	96.1%
2009	47,574,611	45,833,741	96.3%	-	45,833,741	96.3%

Source: Broward County Property Appraiser

- (1) For operating purposes only - excludes taxes levied for voted debt service.
- (2) Prior to FY 2004, information detailing the levy year of delinquent payments received is not available from the Broward County Property Appraiser.

City of Pembroke Pines, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (2) (3)

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Special Assessment Bonds</u>	<u>Certificates of Indebtedness</u>			
2000	\$ -	\$ 85,665,000	\$ 7,586,607	\$ 9,359,507	\$ 102,611,114	2.43%	\$ 747
2001	-	81,780,000	-	19,016,628	100,796,628	2.26%	712
2002	-	148,722,040	-	-	148,722,040	3.19%	1,027
2003	-	145,197,940	-	-	145,197,940	3.00%	979
2004	-	266,387,937	-	-	266,387,937	5.12%	1,771
2005	46,641,200	270,527,999	-	-	317,169,199	5.61%	2,100
2006	45,625,776	260,693,946	-	-	306,319,722	5.08%	2,018
2007	87,417,966	300,894,270	-	-	388,312,236	8.95%	2,540
2008	85,968,632	306,910,737	-	-	392,879,369	*	2,613
2009	84,278,691	301,719,994	-	-	385,998,685	*	2,553

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

(1) See Schedule of Demographic and Economic Statistics on page 159 for personal income and population data.

(2) For this period, there was no business-type activities debt outstanding.

(3) Debt from FY 2002 onward is net of premiums, discounts, and deferred gains and losses on refundings.

The City started using GASBS 34 reporting model in FY 2002.

* Information not available.

City of Pembroke Pines, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Amounts Available in Debt Service Fund for Payment of</u>			<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value(1) of Property</u>	<u>Per Capita(2)</u>
		<u>Principal</u>	<u>Interest</u>				
2000	\$ -	\$ -	\$ -	\$ -	-%	\$ -	
2001	-	-	-	-	-%	-	
2002	-	-	-	-	-%	-	
2003	-	-	-	-	-%	-	
2004	-	-	-	-	-%	-	
2005	46,641,200	-	-	46,641,200	0.40%	309	
2006	45,625,776	-	112,347	45,625,776	0.34%	301	
2007	87,417,966	-	68,568	87,417,966	0.51%	572	
2008	85,968,632	-	569	85,968,632	0.45%	572	
2009	84,278,691	-	12,171	84,278,691	0.47%	557	

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page **150** for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page **159**.

City of Pembroke Pines, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Broward County	\$ 446,330,000	6.45%	\$ 28,788,285
South Florida Water Management District	535,451,008	6.45%	34,536,590
Other debt			
Broward County	239,175,000	6.45%	15,426,788
School Board of Broward County	2,090,919,000	6.45%	134,864,276
South Florida Water Management District	41,350,000	6.45%	2,667,075
South Broward Hospital District	415,574,211	6.45%	<u>26,804,537</u>
Subtotal, overlapping debt			243,087,551
City of Pembroke Pines, direct debt			385,998,685
Total direct and overlapping debt (2)			<u><u>\$ 629,086,236</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Broward County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pembroke Pines. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the City of Pembroke Pines' boundaries and dividing it by Broward County's total taxable assessed value.

(2) Includes all governmental activities debt.

City of Pembroke Pines, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Electric Franchise Fees (2)				
2000	\$ 4,883,095	\$ 575,000	\$ 2,823,689	1.44
2001	6,127,824	1,170,000	2,580,588	1.63
2002	5,902,581	1,085,000	2,531,539	1.63
2003	6,509,589	1,135,000	2,480,394	1.80
2004	7,001,743	1,185,000	2,431,283	1.94
2005	7,448,243	1,235,000	2,497,603	2.00
2006	8,958,121	1,280,000	2,428,471	2.42
2007	9,184,098	1,125,000	2,969,187	2.24
2008	9,176,429	1,635,000	4,014,338	1.62
2009	9,208,118	1,695,000	3,768,469	1.69
Revenue Bonds Secured by Electric Public Service Tax (3)				
2000	6,703,083	2,600,000	1,573,319	1.61
2001	6,871,802	2,715,000	1,453,659	1.65
2002	7,334,212	2,840,000	1,745,793	1.60
2003	7,647,870	2,365,000	2,096,800	1.71
2004	7,612,895	1,425,000	2,011,198	2.22
2005	7,931,137	1,475,000	3,336,527	1.65
2006	8,084,904	1,530,000	3,586,996	1.58
2007	8,093,581	1,590,000	3,236,221	1.68
2008	8,220,016	1,665,000	3,337,808	1.64
2009	8,124,202	1,730,000	3,269,248	1.63
Revenue Bonds Secured by Rentals & Fees (4)				
2000	-	-	-	-
2001	-	-	-	-
2002	6,294,213	-	1,083,207	5.81
2003	9,157,753	175,000	2,489,047	3.44
2004	11,667,579	1,115,000	2,483,796	3.24
2005	12,075,622	1,145,000	2,452,147	3.36
2006	11,588,227	1,190,000	2,415,592	3.21
2007	10,769,573	1,225,000	2,374,022	2.99
2008	9,958,038	-	2,187,849	4.55
2009	10,672,226	-	2,583,743	4.13

City of Pembroke Pines, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years
(continued)

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (5)				
2000	\$ -	\$ -	\$ -	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	7,787,772	-	1,086,099	7.17
2005	8,040,474	-	4,832,776	1.66
2006	8,431,668	-	4,832,776	1.74
2007	8,469,829	405,000	4,828,220	1.62
2008	8,854,262	1,045,000	4,799,152	1.52
2009	10,200,595	1,690,000	4,738,133	1.59

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

- (1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable.
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities.
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **Rentals & Fees** are rentals collected from the City's Charter Schools, and the Academic Village Campus Shared-Use Facility, and rentals and fees from the City's Early Development Centers.
- (5) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes. **Water Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of water service.

City of Pembroke Pines, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income(2)	Median Age(3)	Percent with a bachelor's degree or higher(3)	School Enrollment(4)	Unemployment Rate(5)
2000	137,427	4,221,208	30,716	36.5	28.7%	23,489	2.7%
2001	141,659	4,463,958	31,512	39.4	28.8%	25,084	2.8%
2002	144,792	4,666,936	32,232	35.8	29.8%	24,523	4.3%
2003	148,280	4,841,342	32,650	38.1	32.2%	23,212	4.1%
2004	150,435	5,199,034	34,560	37.8	32.2%	24,270	3.5%
2005	151,045	5,649,536	37,403	37.8	32.3%	24,744	3.3%
2006	151,786	6,032,431	39,743	37.5	30.4%	23,487	2.9%
2007	152,888	4,339,573	28,384	39.3	29.8%	23,219	3.0%
2008	150,380	*	*	40.8	28.9%	25,414	5.2%
2009	151,193	*	*	*	*	23,050	7.4%

Data sources:

- (1) Years 2000 - 2006 are estimates from the University of Florida's Statistical Abstract. Years 2007 & 2008 are estimates from the City's Planning Department. 2009 is an estimate from the University of Florida.
- (2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) US Census Bureau, American Community Survey Profile - Pembroke Pines.
- (4) Grades 1 -12, Years 2000 - 2006 are from Broward County School Board. Years 2007 and on are from Florida Department of Education.
- (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY 2000-2009 represent the average for 12 months ending September 30th.
- * Information not available.

City of Pembroke Pines, Florida
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>
Memorial Health Systems	3,199	1	3.99%	870	2	1.27%
Pembroke Lakes Mall (3)	2,250	2	2.80%	N/A	-	-
City of Pembroke Pines	1,565	3	1.95%	1,096	1	1.61%
Wal Mart, Pembroke Pines	700	4	0.87%	N/A	-	-
Claire's Corporation	216	5	0.27%	N/A	-	-
Target	207	7	0.26%	N/A	-	-
Winn Dixie	205	6	0.26%	N/A	-	-
Cintas Corporation	200	8	0.25%	N/A	-	-
World Ford	200	9	0.25%	N/A	-	-
Gator Freightways, Inc.	174	10	0.22%	N/A	-	-

(1) Source - City of Pembroke Pines Economic Development Division & Corporate Human Resources Departments.

Includes full-time and part-time employees.

(2) Source - American Community Survey, Data Profile, percent in labor force (population 16 years and over).

(3) Includes all employees at this location which encompasses many individual employers.

N/A - information not available

City of Pembroke Pines, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function										
General government services	126.50	139.00	145.50	143.50	141.50	141.50	141.00	140.00	114.50	98.00
Public safety:										
Police										
Sworn	202.00	213.00	216.00	233.00	230.00	236.00	242.00	250.00	247.00	241.00
Non-sworn and grant positions	62.50	67.50	77.00	83.00	93.00	93.00	91.00	84.50	77.00	65.50
Fire and rescue	226.00	247.00	249.00	250.00	250.00	250.00	259.00	259.00	266.50	270.00
Building	78.50	84.00	80.00	80.00	68.50	65.50	59.50	57.50	52.50	11.50
Code enforcement	11.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00
Physical environment	32.00	34.00	30.00	29.00	28.50	28.00	27.00	27.00	13.00	12.00
Transportation	16.50	16.50	31.00	30.00	32.00	32.50	32.11	31.30	26.90	8.00
Economic environment	2.00	2.00	2.00	2.00	2.00	4.00	2.00	4.00	4.00	3.50
Human services:										
Early development centers	2.00	105.50	128.00	121.00	123.00	117.50	117.50	118.50	115.50	110.50
Community services	26.00	27.50	27.25	29.75	30.75	30.75	29.25	31.25	26.75	4.50
SW multipurpose center	-	-	23.75	23.75	22.75	21.75	22.64	23.45	26.35	-
Charter schools	*	200.50	240.50	262.24	449.00	446.99	461.50	473.00	477.00	500.00
Culture and recreation	177.50	224.50	236.50	235.50	229.50	231.50	236.50	239.50	195.00	164.50
Water-sewer combined service	133.50	135.50	136.00	124.00	124.50	125.00	125.00	125.00	85.50	65.00
Total	<u>1,096.00</u>	<u>1,508.50</u>	<u>1,634.50</u>	<u>1,658.74</u>	<u>1,837.00</u>	<u>1,835.99</u>	<u>1,858.00</u>	<u>1,875.00</u>	<u>1,738.50</u>	<u>1,565.00</u>

* The City utilized contracted employees.

Source: City of Pembroke Pines, Florida Annual Budget.

City of Pembroke Pines, Florida
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function</u>	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public safety										
Police										
Number of calls answered	97,651	102,592	103,242	97,297	106,772	78,376	97,790	100,480	100,040	119,574
Felony arrests	n/a	n/a	2,875	4,171	2,064	1,564	1,068	n/a	1,295	1,354
Traffic accidents	n/a	n/a	4,222	4,803	4,980	5,192	5,125	5,152	5,058	5,038
Traffic/parking citations	24,397	31,275	31,269	26,692	28,346	38,268	42,575	46,797	51,847	55,896
Fire/ambulance rescue										
Number of EMS calls answered	14,281	15,796	15,896	17,159	17,528	18,204	18,638	18,726	18,146	18,448
Number of fire calls answered	288	307	314	288	318	288	274	224	230	201
Building permits issued	9,957	10,368	10,140	9,171	9,457	10,991	16,996	10,837	7,110	4,835
Physical environment										
Maintained rights of ways (miles)	449	478	510	520	550	575	575	576	466.22	466.22
Landscaping and irrigation (miles)	98	104	112	120	140	155	165	165	148	153
Transportation										
Traffic guardrails installed (linear feet)	n/a	n/a	4,000	200	200	-	500	-	-	-
Sidewalks replaced (linear feet)	n/a	n/a	14,440	4,000	4,500	2,000	11,700	2,200	17,758	10,501
Curbing installed (linear feet)	n/a	n/a	5,000	5,000	1,000	500	600	143	-	1,000
Number of trips - Community Bus program	n/a	n/a	26,945	41,299	131,205	182,518	195,610	201,292	197,223	180,000
Human services										
Charter schools										
Average student class size	25	25	25	25	25	25	25	25	25	25
Number of students enrolled	2,242	2,804	4,189	4,600	5,172	5,194	5,289	5,295	5,426	5,499
Culture/recreation										
Number of sports leagues	33	36	38	43	49	42	51	55	39	41
Number of tennis memberships	283	330	213	215	217	233	217	137	169	174
Water-sewer combined service										
Number of water accounts	40,260	41,832	43,977	44,785	44,036	44,161	44,644	44,997	45,586	42,819
Sewer mains rehabilitated (linear feet)	n/a	n/a	12,000	27,300	11,500	9,802	2,200	12,000	4,600	5,000
Average daily consumption (millions of gallons)	11.81	11.79	11.92	12.93	13.02	12.39	12.54	12.61	11.66	11.5

Source: Various City Departments

n/a - Information is not available for earlier years.

City of Pembroke Pines, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public safety										
Police:										
Stations	1	1	2	2	2	2	2	2	2	2
Patrol units	225	225	365	365	365	365	365	365	365	310
Fire/ambulance rescue:										
Stations	5	5	5	6	6	6	6	6	6	6
Fire trucks / engines	10	10	10	13	13	13	13	13	9	9
Fire ladders	3	3	3	4	4	4	4	4	4	4
Fire rescue ambulances	9	9	9	11	11	11	11	11	12	12
Physical environment										
Water:										
Water mains (miles)	452	452	478	478	489	489	489	489	489	489
Fire hydrants	3626	3649	3952	3952	4121	4121	4121	4121	4121	4121
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sewer:										
Sanitary sewers (miles)	375.66	381.5	392	397	397	399	400	401.9	402	402
Storm sewers (miles)	209	212	215	215	226	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	7.69	7.69	7.69	7.69	7.69	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	285	390	444	450	460	462	460	460	460	460
Economic environment										
Senior housing units	190	190	190	190	190	584	584	584	804	804
Transitional living units	0	0	0	0	0	0	0	24	19	21
Human services										
City operated charter schools										
Elementary School	1	1	1	1	2	5	4	4	4	4
Middle School	1	1	1	1	2	3	2	2	2	2
High School	1	1	1	1	1	2	1	1	1	1
Culture/recreation										
Parks acreage	283	294	294	294	302	302	302	357	361	418
Parks	24	26	26	26	29	29	29	29	30	30
Swimming pools	5	6	7	7	8	8	8	8	7	7
Tennis courts	48	50	50	50	50	50	50	50	50	50
Recreation centers	5	5	5	5	5	5	6	6	6	6
Football/Soccer fields	11	14.5	12.5	12.5	12.5	12.5	15	15	19	19
Basketball courts	22	21	17	17	17	17	20.5	20.5	21.5	21.5
Playgrounds	18	21	20	20	20	20	21	19	20	20

Source: Various City Departments

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2009

Property Assessed Value:

Estimated Actual Taxable Value	\$17,848,661,534
Less: Tax Exempt Properties	(1,185,181,305)
Personal Exemptions	(2,211,645,023)
Capped Differential ⁽¹⁾	(3,664,549,250)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(51,004,352)
Total Taxable Assessed Value	<u>\$10,736,281,604</u>

Outstanding Debt:

City's direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)	\$ 161,044,224
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Revenue Bonds:

Capital Improvement Revenue Bonds, Series 1999	\$ 9,000,000
Public Improvement Revenue Bonds, Series 2001	4,350,000
Taxable Communications Services Tax Revenue Bonds, Series 2003A	38,640,000
Taxable Communications Services Tax Revenue Bonds, Series 2004	48,065,000
Public Improvement Revenue Bonds, Series 2004A	20,140,000
Public Improvement Revenue Bonds, Series 2004B	15,975,000
Public Improvement Revenue Refunding Bonds, Series 2006	29,690,000
Capital Improvement Revenue Refunding Bonds, Series 2006	44,110,000
Capital Improvement Revenue Bonds, Series 2007	26,805,000
Charter School Revenue Bonds, Series 2008	63,795,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	<u>8,040,000</u>
Total outstanding revenue bonds	308,610,000

General Obligation Bonds:

General Obligation Bonds, Series 2005	43,155,000
General Obligation Bonds, Series 2007	41,690,000
Total General Obligation Bonds subject to debt limitation	84,845,000
Total outstanding debt	<u>393,455,000</u>
Less: Reserve for debt service	<u>(8,091,663)</u>
Net total outstanding debt	<u>\$ 385,363,337</u>
Legal debt margin	\$ 76,199,224

(1) Per Florida Statute 193.155, the reassessed value shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the CPI.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2009
(continued)

Legal Debt Limit:

There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

Debt Management Policies:

On November 1, 2006, the City of Pembroke Pines adopted Ordinances No. 1560 and No. 1561, creating a "Debt Management Policy" and a "Derivative Debt Management Policy" respectively for the City, and amending Chapter 33 of the Code of Ordinances of the City by specifically creating Section 33.65, entitled "Debt Management Policy" and Section 33.66, entitled "Derivative Debt Management Policy," respectively.

The **Debt Management Policy** provides structure and regulation to the City's debt process, and the following limitations on the City's indebtedness:

- A. Target Limitations on Unlimited Tax General Obligation Indebtedness. The City shall, as a matter of policy, conduct its finances so that the amount of direct unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 1.5% of the City's total taxable assessed valuation.
- B. Target Limitations on Non-Self-Supporting Limited Tax General Obligation Indebtedness and Lease-Purchase Obligations. The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, limited tax general obligation ("LTGO") debt and lease-purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.5% of the City's total taxable assessed valuation. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount that is not greater than 10% of annual General Fund and Debt Service Fund revenues.

These limitations apply to debt obligations issued with a specific LTGO pledge, and obligations that are in effect secured by a LTGO pledge and are not self-supporting.

- C. Target Limitations on Lease-Purchase Financing of Equipment and Furnishings. The City may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Outstanding lease-purchase obligations issued to finance capital equipment and furnishings shall not exceed 0.25% of the City's total taxable assessed valuation. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than ten years from the dated date of such obligations. The Finance Department shall be responsible for developing procedures for use by City Departments interested in participating in lease-purchase programs, and for setting repayment terms and amortization schedules, in consultation with participating departments.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2009
(continued)

D. Limitations on General Fund Loan Guarantees and Credit Support. As part of the City's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority City needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects, shall be developed. The City Manager and the Finance Director shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the City Commission. General Fund loan guarantees shall be subject to the overall debt limitations set forth in B, above.

Recognizing the limited capacity of the City's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Finance Director and the City Manager. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include one or more of the following:

1. Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.
2. Use of General Fund support as a transition to a fully stand alone credit structure, whereby interim use of General Fund credit support reduces borrowing costs and provides a credit history.
3. General Fund support is determined by the City Commission to be in the City's overall best interest.
4. General Fund support is justified to achieve a specific public benefit for the residents of the City as recommended by the City Manager and approved by the City Commission.

E. Target Limitations on the Issuance of Revenue-Secured Debt Obligations. The City shall seek to finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, City Departments, in consultation with the Finance Director, will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, City Departments, and other affected parties. The amount of revenue-secured debt obligations issued will be limited by the feasibility of the overall financing plan as determined by the Finance Director in consultation with the Financial Advisor.

Revenue-secured debt obligations must first be reviewed and approved by the Finance Director before being issued.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2009
(continued)

The **Derivative Debt Management Policy** establishes guidelines for the use and management of all interest rate exchange agreements incurred in connection with the incurrence of debt obligations.

Covenants:

The City is also governed by the covenants of individual revenue bonds if the City plans to issue additional parity bonds. The covenants are as follows:

Capital Improvement Revenue Bonds, Series 1999

Additional bonds and additional parity franchise revenue bonds payable from the pledged revenues may be issued only for acquisitions or construction of additions, extensions or improvements to the Project, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Public Improvement Revenue Bonds, Series 2001

Additional parity bonds payable from the pledged revenues may be issued for the acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Taxable Communications Services Tax Revenue Bonds, Series 2003A, and Taxable Communications Services Tax Revenue Bonds, Series 2004

Additional parity bonds payable from the pledged revenues may be issued only if the pledged Revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Public Improvement Revenue Bonds, Series 2004A, and Public Improvement Revenue Bonds, Series 2004B

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

**September 30, 2009
(continued)**

Public Improvement Revenue Refunding Bonds, Series 2006

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Refunding Bonds, Series 2006

Additional parity franchise revenue bonds payable from the pledged revenues may be issued only if the pledged revenues for such preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds.

Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007

Additional parity franchise revenue bonds payable from the pledged revenues may be issued only if the pledged revenues for such preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds.

Charter School Revenue Bonds, Series 2008

Additional Parity Bonds payable on a parity with the 2008 Bonds may be issued for acquisition or construction of additional educational facilities and related facilities for Charter Schools or Charter Lab School or for refunding of Bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008

Additional parity franchise revenue bonds payable from the pledged revenue may be issued only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds

City of Pembroke Pines, Florida

Debt Service Coverage

Public Improvement Revenue Bonds, Series 1993; Public Improvement Revenue Bonds, Series 1998;
Public Improvement Revenue Bonds, Series 2001; Public Improvement Revenue Bonds, Series 2004A;
Public Improvement Revenue Bonds, Series 2004B; and Public Improvement Revenue Refunding Bonds, Series 2006

		Debt Service Requirements (1)								
Fiscal Year	Pledged Revenues	%	1993 Public Improvement Revenue Bonds	1998 Public Improvement Revenue Bonds	2001 Public Improvement Revenue Bonds	2004A Public Improvement Revenue Bonds	2004B Public Improvement Revenue Bonds	2006 Public Improvement Revenue Refunding Bonds	Total	Coverage
	(2)	Change	(3)	(4)	(5)	(5)	(5)	(5) (6)		
2000	\$ 6,703,083	-0.8%	\$ 3,039,144	\$ 1,134,175	\$ -	\$ -	\$ -	\$ -	\$ 4,173,319	1.61
2001	6,871,802	2.5%	3,034,484	1,134,175	-	-	-	-	4,168,659	1.65
2002	7,334,212	6.7%	3,027,475	1,134,175	424,143	-	-	-	4,585,793	1.60
2003	7,647,870	4.3%	2,424,125	1,134,175	903,500	-	-	-	4,461,800	1.71
2004	7,612,895	-0.5%	-	1,889,160	1,547,038	-	-	-	3,436,198	2.22
2005	7,931,137	4.2%	-	1,893,045	1,538,850	838,565	541,067	-	4,811,527	1.65
2006	8,084,904	1.9%	-	1,890,245	1,539,963	928,873	757,915	-	5,116,996	1.58
2007	8,093,581	0.1%	-	1,428,608	1,254,775	928,873	757,915	456,050	4,826,221	1.68
2008	8,220,016	1.6%	-	959,545	973,625	928,873	757,915	1,382,850	5,002,808	1.64
2009	8,124,202	-1.2%	-	960,210	970,000	928,873	757,915	1,382,250	4,999,248	1.63

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 8,124,202
Combined Maximum Annual Debt Service (7)	5,825,024
Coverage	1.39

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of the Electric Public Service Tax on an even parity for all issues.
- (3) The 1993 payments represent the Public Improvement Revenue Bonds, Series 1986 which were defeased by the 1993 Bonds.
- (4) Paid off on October 1, 2002 with available funds.
- (5) No statistics are available prior to the year of bond issuance.
- (6) This bond issue advance refunded a portion of the Public Improvement Revenue Bonds, Series 1998 and 2001.
- (7) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

City of Pembroke Pines, Florida

Debt Service Coverage

Public Improvement Refunding Revenue Bonds, Series 1992; Capital Improvement Revenue Bonds, Series 1993;
 Capital Improvement Revenue Bonds, Series 1999;
 Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center);
 Capital Improvement Revenue Refunding Bonds, Series 2006;
 Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007; and
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008

Fiscal Year	Pledged Revenues (2)	% Change	Debt Service Requirements (1)							Total	Coverage
			1992 Public Improvement Refunding Revenue Bonds (3)	1993 Capital Improvement Revenue Bonds	1999 Capital Improvement Revenue Bonds	2005 Variable Rate Capital Imp. Revenue Bonds (4) (5)	2006 Capital Improvement Revenue Refunding Bonds (4) (6)	2007 Capital Improvement Revenue Bonds (4)	2008 Variable Rate Capital Imp. Revenue Refunding Bonds (4)		
2000	\$4,883,095	0.7%	\$ 511,115	\$ 524,310	\$ 2,363,264	\$ -	\$ -	\$ -	\$ -	\$3,398,689	1.44
2001	6,127,824	25.5%	507,245	522,850	2,720,493	-	-	-	-	3,750,588	1.63
2002	5,902,581	-3.7%	506,673	520,943	2,588,923	-	-	-	-	3,616,539	1.63
2003	6,509,589	10.3%	504,210	523,457	2,587,727	-	-	-	-	3,615,394	1.80
2004	7,001,743	7.6%	-	520,357	3,095,926	-	-	-	-	3,616,283	1.94
2005	7,448,243	6.4%	-	521,683	3,098,253	112,667	-	-	-	3,732,603	2.00
2006	8,958,121	20.3%	-	363,585	3,093,400	251,486	-	-	-	3,708,471	2.42
2007	9,184,098	2.5%	-	-	2,394,515	287,439	984,856	427,377	-	4,094,187	2.24
2008	9,176,429	-0.1%	-	-	1,692,750	303,076	2,425,412	1,211,462	16,638	5,649,338	1.62
2009	9,208,118	0.3%	-	-	1,694,340	-	2,416,613	1,211,463	141,053	5,463,469	1.69

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$9,208,118
Combined Maximum Annual Debt Service (7)	6,168,033
Coverage	1.49

(1) Exclude paying agent fees and variable rate bond fees.

(2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.

(3) Paid off on December 1, 2002 with available funds.

(4) No statistics are available prior to the year of bond issuance.

(5) Refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008.

(6) A portion of his bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Series 1999.

(7) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

The 2008 Variable Rate Capital Improvement Revenue Refunding Bonds' maximum annual debt service is based on the Weekly Rate in effect at the financial statement date (September 30, 2009) per GASB Statement No. 38, paragraph 10, which was 0.85%.

The average Weekly Rate for FY 2009 was 1.50%.

City of Pembroke Pines, Florida

Debt Service Coverage

Charter School Revenue Bonds, Series 2001A;
Charter School Revenue Bonds, Series 2001B; and
Charter School Revenue Bonds, Series 2008

Fiscal Year	Pledged Revenues (2)	% Change	Debt Service Requirements (1)			Total	Coverage
			2001A Charter School Revenue Bonds (3) (4)	2001B Charter School Revenue Bonds (3) (4)	2008 Charter School Revenue Bonds (3)		
2002	\$ 6,294,213	-1.5%	\$ 852,544	\$ 230,663		\$ 1,083,207	5.81
2003	9,157,753	45.5%	1,534,579	1,129,468		2,664,047	3.44
2004	11,667,579	27.4%	2,134,579	1,464,217		3,598,796	3.24
2005	12,075,622	3.5%	2,133,379	1,463,768		3,597,147	3.36
2006	11,588,227	-4.0%	2,134,314	1,471,278		3,605,592	3.21
2007	10,769,573	-7.1%	2,132,724	1,466,298		3,599,022	2.99
2008	9,958,038	-7.5%	727,072	437,034	1,023,743	2,187,849	4.55
2009	10,672,226	7.2%	-	-	2,583,743	2,583,743	4.13

Coverage of Estimated Combined Maximum Annual Debt Service:

Rentals from the Charter Schools, the Early Development Centers, and the Academic Village Campus Shared-Use Facility - Most Recent Fiscal Year	\$10,672,226
Combined Maximum Annual Debt Service (5)	5,773,992
Coverage	1.85

- (1) Exclude paying agent fees and variable rate bond fees; include SWAP settlements.
- (2) Pledged revenues consist of the rentals from the Charter Schools, the Early Development Centers, and the Academic Village Campus Shared-Use Facility on an even parity for both issues.
- (3) No statistics are available prior to the year of bond issuance.
- (4) Refunded by the Charter School Revenue Bonds, Series 2008.
- (5) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
The 2008 Charter School Revenue Bonds' maximum annual debt service is based on the Weekly Rate in effect at the financial statement date (September 30, 2009) per GASB Statement No. 38, paragraph 10, which was 0.33%.
The average Weekly Rate for FY 2009 was 0.86%.

City of Pembroke Pines, Florida

Debt Service Coverage

Taxable Communications Services Tax Revenue Bonds, Series 2003A; and
Taxable Communications Services Tax Revenue Bonds, Series 2004

Debt Service Requirements (1)						
Fiscal Year	Pledged Revenues	%	2003A Taxable Communications Services Tax Revenue Bonds	2004 Taxable Communications Services Tax Revenue Bonds	Total	Coverage
	(2)	Change	(3)	(3)		
2004	\$7,787,772	N/A	\$ 1,086,099	\$ -	\$ 1,086,099	7.17
2005	8,040,474	3.2%	2,384,120	2,448,656	4,832,776	1.66
2006	8,431,668	4.9%	2,384,120	2,448,656	4,832,776	1.74
2007	8,469,829	0.5%	2,384,120	2,849,100	5,233,220	1.62
2008	8,854,262	4.5%	2,995,314	2,848,838	5,844,152	1.52
2009	10,200,595	15.2%	2,991,658	3,436,475	6,428,133	1.59

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$10,200,595
Combined Maximum Annual Debt Service (4)	6,427,033
Coverage	1.59

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues have not been less than 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2009, Communications Services Tax revenues was 1.326 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and exceeding the 1.30 target for the first year..
- (3) No statistics are available prior to the year of bond issuance.
- (4) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2009

Type of Bonds	Charter High School & Other Capital Proj	Police Annex, Park & Other Improv	Firefighters Pension	Police Officers & Gen Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Various Capital Projects & Refunding	Refunding	Various Capital Projects & Refunding	Senior Housing Project Tower 3	Various Capital Projects	Refunding & New Charter School Projects	Refunding Susan B. Anthony Center 2005 Bonds	
	\$45,240,000	\$19,600,000	\$39,935,000	\$49,910,000	\$20,140,000	\$15,975,000	\$47,000,000	\$29,720,000	\$45,050,000	\$26,805,000	\$43,000,000	\$64,095,000	\$8,040,000	
Revenue	Capital Improvement	Public Improvement	Taxable Communications Services Tax	Taxable Communications Services Tax	Public Improvement	Public Improvement		Public Improvement Refunding	Capital Improvement Refunding	Capital Improvement		* Charter School	* Variable Rate Capital Improvement Refunding	
General Obligation							General Obligation				General Obligation			
Fiscal Y/E Sep 30	Series 1999	Series 2001	Series 2003A	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2006	Series 2006	Series 2007	Series 2007	Series 2008	Series 2008	Total Debt Service/Principal
2010	\$ 752,820	\$ 963,500	\$ 2,990,764	\$ 3,436,269	\$ 928,873	\$ 757,915	\$ 2,797,897	\$ 2,351,850	\$ 3,372,712	\$ 1,716,162	\$ 2,682,438	\$ 510,524	\$ 68,153	\$ 23,329,877
2011	749,310	965,800	2,992,332	3,432,188	1,396,747	1,116,527	2,797,053	2,345,950	3,372,713	1,715,163	2,680,837	509,534	69,463	24,143,617
2012	749,772	966,265	2,991,214	3,428,956	1,391,741	1,113,343	2,794,252	2,348,450	3,370,312	1,713,362	2,680,988	509,123	68,042	24,125,820
2013	754,248	964,425	2,987,409	3,426,181	1,390,110	1,114,136	2,794,438	2,349,150	3,365,513	1,715,663	2,681,787	306,977	68,074	23,918,111
2014	752,704	960,210	2,985,768	3,423,431	1,391,610	1,113,879	2,797,377	2,348,050	3,373,012	1,716,962	2,680,075	307,224	68,153	23,918,455
2015	750,100	-	2,985,994	3,426,731	1,391,397	1,112,423	2,797,828	3,294,550	3,370,675	1,717,263	2,678,075	306,894	216,979	24,048,909
2016	751,332	-	2,982,935	3,420,763	1,389,735	1,109,678	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	306,564	221,848	24,032,562
2017	751,306	-	2,981,445	3,420,331	1,391,835	1,110,760	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	307,379	234,166	24,051,255
2018	754,975	-	2,981,222	3,416,813	1,387,732	1,110,587	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	305,332	242,718	24,048,674
2019	752,200	-	2,977,119	3,415,088	1,386,942	1,109,059	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	305,002	251,114	24,042,388
2020	753,075	-	2,978,838	3,414,919	1,389,365	1,110,701	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	305,244	259,332	24,053,568
2021	752,050	-	2,976,078	3,412,881	1,384,763	1,105,656	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	304,914	262,657	24,040,970
2022	753,962	-	2,973,692	3,408,578	1,383,263	1,109,294	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	304,584	281,903	24,059,808
2023	754,300	-	2,971,381	3,404,791	1,384,831	1,106,253	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	1,440,388	293,772	25,196,399
2024	753,063	-	2,963,995	3,406,134	1,383,844	1,106,125	2,796,707	-	3,366,363	1,713,100	2,678,875	1,719,066	301,578	22,188,850
2025	871,969	-	2,966,088	3,397,481	1,380,725	1,104,125	2,795,945	-	3,250,153	1,716,300	2,680,650	1,605,162	314,365	22,082,963
2026	870,756	-	2,962,210	3,397,212	1,379,750	1,105,500	2,797,208	-	3,249,963	1,717,287	2,679,500	1,650,509	327,059	22,136,954
2027	872,313	-	2,957,212	3,389,875	1,380,625	1,105,125	2,795,282	-	3,245,028	1,716,038	2,680,425	3,175,691	334,654	23,652,268
2028	-	-	2,955,648	3,386,500	1,379,250	1,103,000	2,795,170	-	1,148,687	1,713,375	2,683,200	4,316,801	357,739	21,839,370
2029	-	-	2,952,069	3,386,563	1,375,625	1,099,125	2,796,745	-	1,142,569	1,713,750	2,683,400	4,471,712	374,081	21,995,639
2030	-	-	2,946,177	3,384,669	1,374,625	1,098,375	2,799,270	-	1,144,750	1,716,250	2,679,800	4,622,528	386,169	22,152,613
2031	-	-	2,942,524	3,380,556	1,376,000	1,100,500	2,797,520	-	1,140,125	1,715,750	2,682,400	4,768,172	408,007	22,311,554
2032	-	-	2,935,662	3,378,831	1,374,625	1,095,500	2,796,495	-	1,138,694	1,717,125	2,680,725	4,627,876	424,625	22,170,158
2033	-	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-	1,715,250	2,679,775	4,782,993	441,702	21,193,389
2034	-	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-	1,715,000	2,684,313	4,958,035	462,453	21,373,524
2035	-	-	-	-	1,368,375	1,091,625	2,795,375	-	-	1,716,125	2,683,863	5,156,279	483,528	15,295,170
2036	-	-	-	-	-	-	-	-	-	1,713,500	5,478,425	5,354,546	509,330	13,055,801
2037	-	-	-	-	-	-	-	-	-	1,716,875	-	5,557,208	534,909	7,808,992
2038	-	-	-	-	-	-	-	-	-	-	-	5,773,992	555,365	6,329,357
2039	-	-	-	-	-	-	-	-	-	-	-	-	580,405	580,405
Total debt service	\$ 13,900,255	\$ 4,820,200	\$ 74,202,693	\$ 85,135,941	\$ 35,501,388	\$ 28,401,086	\$ 72,705,897	\$ 41,336,625	\$ 65,983,982	\$ 48,026,344	\$ 75,190,413	\$ 68,570,253	\$ 9,402,343	\$ 623,177,420
Principal outstanding FY 2009	\$ 9,000,000	\$ 4,350,000	\$ 38,640,000	\$ 48,065,000	\$ 20,140,000	\$ 15,975,000	\$ 43,155,000	\$ 29,690,000	\$ 44,110,000	\$ 26,805,000	\$ 41,690,000	\$ 63,795,000	\$ 8,040,000	\$ 393,455,000

* Annual debt service for the variable rate bonds is based on the rate in effect at the financial statement date (September 30, 2009) per GASB Statement No. 38, paragraph 10, which is **0.33%** for the Charter School Revenue Bonds, Series 2008, and **0.85%** for the Variable Rate Capital Improvement Revenue Refunding bonds, Series 2008.

City of Pembroke Pines, Florida
Schedule of Insurance in Force - Fiscal Year Ended September 30, 2009

<u>Current Provider</u>	<u>Policy Number</u>	<u>Effective Dates</u>	<u>Description of Coverages or Services</u>	<u>Limits</u>	<u>Annual Premiums/Fees</u>
Hartford Life and Accident Ins. Co	21ETB-012917	10/1/08-9/30/09	Police & Firefighters Accidental Death & Dismemberment 3-year Polic	\$59,694 in the line of duty or fresh pursuit \$179,083 unlawful and intentional death	\$17,815
Travelers Property Casualty Ins. Co	6054C509TIL08	10/1/08-9/30/09	Equipment Breakdown-Boiler & Mach	\$50,000,000 limit; \$1,000 deductible	17,394
Travelers Property Casualty Ins. Co	6054C510TIL08	10/1/08-9/30/09	Equipment Breakdown-covers only the W.C. Young Human Resource Center	\$50,000,000 limit; \$1,000 deductible	1,522
Illinois Union Insurance	PEPG23859178	4/1/08-9/30/09	Comprehensive General Liability 3rd Party Liab.; Auto Liab.; Work Comp. Empl. Benefits Liab.-Claims Made Crime - Money & Securities, Deposit Forgery and Employee Dishonesty	Limit \$850,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work.Comp.& Employer Liab \$150,000 Excess \$350,000 SIR per occurrence. Police & Fire \$250,000 Excess \$350,000 per occur; \$1,850,000 annual aggregate excess the SIR	491,933
Florida Division of Workers' Comp.	-	10/1/08-9/30/09	Workers' Compensation	State Self-Insurer Annual Assessment	113,948
Florida Municipal Insurance Trust	FMIT # 0470	10/1/08-9/30/09	Buildings and Personal Property	\$25,000 deduct. \$259.5MM bldg; \$17.7MM pers. Stoploss \$1,031,991 on property & \$75,000 autos Total loss limitation of \$100MM on real property	1,192,953
Florida Municipal Insurance Trust	FMIT # 0470	prior years	Buildings and Personal Property	Returned premiums from audits on prior years	(381,154)
Gallagher Bassett Services, Inc	1000900117	10/1/08-9/30/09	Service & Consulting Fees and Cost	Prior years actual claims filed over deposit est. \$32,060; Annual Contract Service Fees-\$131,834	163,894
New York Marine & Gen. Ins. Co.	MW100072	10/1/08-9/30/09	Excess Workers' Compensation and Employers Liability Indemnity	\$1,000,000 each accident;\$1,000,000 employers liab.& \$500K-\$600K retention each occurrence \$1,000,000 annual maximum limit of indemnity	300,506
Travelers Casualty & Surety Co	104317755	10/1/08-9/30/09	Public Employees Dishonesty including Faithful Performance	\$2,400,000 Limit per Loss,Excess \$100,000 Ded. \$75,000 Excess, \$25,000 Self Insured Retention	5,953
Travelers Casualty & Surety Co	104038463	3/1/09-2/28/10	Crime policy for Charles F.Dodge,LLC	\$50M ea.City Mgr.& Asst.City Mgr;\$5M ea.ded	831
The Hartford Insurance Co. of the SE	21BSBFF8821	12/10/08-12/9/09	Public Officials Surety Bond	\$100,000 Limit - Covers Finance Director	404
American Bankers Insurance Co.	MAY09FLOOD82R	5/16/09-5/15/10	Flood - Various City locations	Limits/premiums vary for each location. Deductibles on each-\$500 bldg. & \$500 content	59,067
National Fire & Marine Insurance Co	72LPS009760	10/1/08-9/30/09	Liability - Six Special Use Facilities	\$1MM/occurrence;\$2MM/aggregate-\$1,000 ded	11,174
United Medical Resources (UMR)	Group No. 100001	10/1/08-9/30/09	Administrative fees / stop loss broker	-	709,966
United Medical Resources (UMR)	Group No. 100001	10/1/08-9/30/09	EPO/ PPO - Reinsurance carrier is Combined Insurance Co. of America	Individual max. \$250,000; Max. City exposure for annual loss per employee is \$12,030	401,194
Sun Life Assurance Co. of Canada	7649	10/1/08-9/30/09	Employees life insurance and AD&I	1 x base annual salary-maximum \$100,00	263,141
Commerce and Industry Insurance Company	FPL8084644#6	11/26/08-11/25/09	40 Fuel Storage Tanks- 3rd-Party Liability	\$2MM each / \$2MM aggregate; \$25,000 ded	21,262
Mt. Hawley Insurance Company	MGL0155628	6/25/09-6/24/10	General Liability-Walter C. Young Resource Center and the Southwest Regional Library at Academic Village	\$2,000,000 General Aggregate; \$1,000,000 each occurrence; \$1,000 deductible each claim (*net of \$4,984 paid by County & School Board)	5,101*
National Union Fire Ins.of Pittsburgh	AIS0007000	9/2/09-9/1/10	Youth Soccer Accidental Death&Dism	\$500,000 Medical Maximum; \$10,000 death/dism.	5,137
Lloyd's of London	JO87346	10/1/08-9/30/09	Terrorism - Property	\$5,000,000 Limit / Excess / ded . \$100,000	19,695
Lloyd's of London	JO87347	10/1/08-9/30/09	Terrorism - General Liability	\$5MM / \$10MM Limit / Excess / ded. \$25,000	11,987
Florida Dept. of Children & Families	Agreement with State of Florida	7/1/09-6/30/10	Fire Insurance and Fire Safety Inspection Fees - Forman Health Park	Buildings' actual cash value as determined by Florida - replacement cost less depreciation	31,037
Special Purpose Policies & Services	Various	Various	Cobra adm.fees; Professional Liability; Hazardous Cleanup; Other Post- Employment Benefits Actuary Services	Premiums:Cobra Fees - \$221; Dive Team Instructor - \$588; Hazardous Cleanup - \$1,965; OPEB Actuary Services-\$15,300;Refunds-\$(2,523)	15,551

City of Pembroke Pines, Florida
School Enrollment

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
College/University: (1)										
Broward College										
Pines Center -Academic Village	666	801	1,188	1,288	1,350	1,701	2,610	2,591	1,451	2,369
South Campus	7,701	7,806	8,290	8,913	8,854	9,068	9,938	9,489	12,259	14,267
Florida International University - Pines Center	-	-	-	-	-	-	-	-	-	1,827
Total College/University Enrollment	<u>8,367</u>	<u>8,607</u>	<u>9,478</u>	<u>10,201</u>	<u>10,204</u>	<u>10,769</u>	<u>12,548</u>	<u>12,080</u>	<u>13,710</u>	<u>18,463</u>
High Schools: (2)										
Pembroke Pines Charter High School	570	1,032	1,214	1,608	1,578	1,591	1,691	1,703	1,716	1,695
Flanagan	4,925	5,480	5,401	3,701	3,267	3,146	3,063	3,172	3,100	3,212
Somerset Academy Charter High School	-	-	-	-	305	477	542	593	552	602
West Broward High School	-	-	-	-	-	-	-	-	1,926	2,561
Total High School Enrollment	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>	<u>5,309</u>	<u>5,150</u>	<u>5,214</u>	<u>5,296</u>	<u>5,468</u>	<u>5,368</u>	<u>5,509</u>
Middle Schools: (2)										
Pines Middle School	1,658	1,837	1,423	1,452	1,487	1,463	1,343	1,461	1,542	1,655
Silver Trail Middle	1,926	2,354	2,329	2,423	1,555	1,695	1,785	1,745	1,756	1,695
Walter C. Young	2,044	2,072	1,487	1,841	1,885	1,899	1,874	1,945	1,853	1,707
Somerset Academy Charter Middle School	-	-	-	-	620	661	654	604	608	693
Pembroke Pines Charter Middle School (West/Central)	672	672	1,189	1,192	1,099	1,204	1,198	1,199	1,203	1,218
Total Middle School Enrollment	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>	<u>6,908</u>	<u>6,646</u>	<u>6,922</u>	<u>6,854</u>	<u>6,954</u>	<u>6,962</u>	<u>6,968</u>
Elementary Schools: (2)										
Pembroke Pines	896	873	844	850	816	803	664	690	653	617
Pembroke Lakes	942	896	858	841	861	854	772	730	720	737
Pines Lakes	1,011	1,111	965	1,020	1,058	965	837	853	823	820
Pasadena Lakes	899	948	914	881	843	837	818	725	722	725
Palm Cove	1,215	1,223	1,087	1,124	1,136	1,154	1,031	961	908	926
Chapel Trail	1,436	1,436	1,410	1,309	1,270	1,231	1,153	1,043	1,026	948
Silver Palms	1,422	1,506	1,434	1,169	1,081	1,067	1,014	912	915	874
Panther Run	1,360	1,432	986	952	982	940	791	780	726	724
Lakeside	1,513	1,112	1,196	1,049	1,057	1,024	958	885	875	858
Somerset Academy Charter Elementary	-	-	-	-	875	932	899	825	801	831
Pembroke Pines Charter Elem (East/West/Central)	1,000	1,100	1,786	1,800	1,895	1,799	1,800	1,793	1,872	1,930
Pembroke Pines/FSU Charter Elementary	-	-	-	-	610	615	610	620	610	650
Dolphin Bay Elementary (3)	-	-	-	-	-	402	-	-	-	-
Total Elementary School Enrollment	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>	<u>10,995</u>	<u>12,484</u>	<u>12,623</u>	<u>11,347</u>	<u>10,817</u>	<u>10,651</u>	<u>10,640</u>

Source: (1) Broward College - Registrar's Office and FIU Dean of Partnership Center.

(2) Broward County School Board, Twentieth Day Enrollment Report

(3) For one year Dolphin Bay Elementary School was temporarily located in the City, it has subsequently moved to the City of Miramar

City of Pembroke Pines, Florida

Property Value and Construction (1) Last Ten Fiscal Years

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>		
2000	9,957	8,881	\$44,536,688	1,040	\$124,146,207	36	\$44,803,999	\$213,486,894	\$6,289,968,753
2001	10,368	8,899	65,639,331	1,446	186,519,453	23	12,987,592	265,146,376	6,855,447,486
2002	10,140	9,117	45,421,312	1,005	152,912,991	18	9,069,036	207,403,339	7,579,681,777
2003	9,170	8,792	54,660,725	361	40,571,126	17	14,659,667	109,891,518	8,678,811,181
2004	9,457	8,939	52,063,598	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583
2005	10,991	10,761	73,078,888	214	17,326,438	16	26,553,469	116,958,795	11,606,680,186
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817
2008	7,411	7,365	95,057,849	27	1,939,720	19	42,172,649	139,170,218	19,252,698,267
2009	6,318	6,289	62,524,850	24	2,106,616	5	4,331,001	68,962,467	17,848,661,534

(1) Source: City of Pembroke Pines Building Department.

(2) Miscellaneous permits include remodeling, partitioning, and interior completions.

(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value ("just value") as required by State Statute.

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 7th largest in the country with an estimated population of 5.4 million. The population of Pembroke Pines is currently estimated at 151,193 which is the second largest city in Broward County and the eleventh largest city in Florida. During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25-square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area as well as a major cruise ship port. South of the City is the City of Miramar with its notable Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of five senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The Opa-locka Airport, a full FBO service Executive Airport located in North Miami-Dade County is about a 30-minute drive south of the City. Other full service Fixed-Base Operators include the Boca Raton Airport which is about a one hour drive northeast of Pembroke Pines, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in Pembroke Pines by the U. S. Navy in 1943 as a World War II training field, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into the Atlantic Ocean beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of approximately 460 miles of paved and signalized roadways, in addition to bike paths and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa via the Alligator Alley which crosses the Florida peninsula connecting the Atlantic Ocean east coast with the Gulf of Mexico west coast. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

City of Pembroke Pines, Florida

General Information

Parks & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the five recreation centers. Programs include such diverse activities as art, music, baseball, softball, football, volleyball, basketball, swimming, tennis, soccer, roller-hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing.

Located throughout the City are 32 fully developed recreation facilities covering more than 975 acres. In addition, three public golf courses are located within the City besides the City-owned and newly renovated 18-hole Pembroke Lakes Golf and Racquet Club. The other three are the Hollybrook Golf and Tennis Club, the Flamingo Lakes Country Club located in Century Village at Pembroke Pines, and the Grand Palms Golf and Country Club Resort. In August 2002, the City purchased 57 acres in western Pembroke Pines which has been developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. Cultural arts programs are available at the City's River of Grass ArtsPark and the Fletcher Art and Cultural Center. A number of the residential developments in the community are also served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. The park hosts 20,000 visitors every year who attend the annual KISS Country 99.9 FM's Chili Cook-off and Concert. Of special interest to the public is the City-owned Chapel Trail Nature Preserve consisting of 459 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

Medical Facilities

Healthcare services for the City of Pembroke Pines residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street), the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road), and Memorial Hospital Miramar (located on 172 Avenue in adjacent Miramar) which serves the western portion of Pembroke Pines. These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics.

Fifteen minutes north of the City off Interstate 75 is an upscale facility of the world-famous Cleveland Clinic Hospital.

Memorial Manor is Broward County's first public, skilled nursing facility. The 120-bed nursing home, located adjacent to the Memorial Urgent Care Center on Douglas Road, provides long-term nursing home care and short-term rehabilitative care.

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University, two charter middle schools and one charter high school that serve approximately 5,499 students. Of this total, the FSU charter school students include 656 in elementary school; the other three elementary schools have 1,928 students; the two middle schools 1,215 students; and the high school 1,700

City of Pembroke Pines, Florida

General Information

students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the City's charter schools, within the City are ten elementary schools, four middle schools and two other high schools. This also includes Somerset Academy, a charter school system operated by Academica Corp. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

In addition to this, the City also offers post-secondary as well as post-graduate education. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus. The Academic Village is a unique multi-building facility located on Sheridan Street west of Interstate 75, and also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs. The campus of the Venezuelan-administered Jose Maria Vargas University is located in the Senator Howard C. Forman Human Services Campus. Keiser College also operates its Pembroke Pines branch campus with a 30,000-square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City. Two schools in the nearby adjacent City of Miramar are DeVry University which offers a variety of Certificate Programs, Associate, Bachelor and Master's Degrees; and a branch of the Puerto Rican Ana G.Mendez University, a private school that serves bilingual students in a 30,000-square foot building at the Miramar Park of Commerce just south of Pembroke Pines.

The City is served by three County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Arts and Culture

The City promotes arts and cultural activities for its citizens. The City maintains a Glass Gallery in the City Hall lobby programming public art exhibitions of local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board and often include special opening exhibit programs accompanied by music and dance performances. An Artists' Colony complex has been developed through the renovation of an existing structure located in the Senator Howard C. Forman Human Services Campus. The facility named *Studio 18 in the Pines* contains rental studios and gallery space consisting of 18 inside studios, 5 outside studios, a jewelry studio and a ceramics studio. The City also provides space for theatrical performances at the *Susan B. Katz Memorial Auditorium*, a 450-seat auditorium located in the Academic Village for the *Pembroke Pines Theatre of the Performing Arts* - a local theatrical group that stages numerous outstanding performances, including Broadway musicals. Special events are provided to the City's residents through the Parks & Recreation Department and include annual events such as *Kids Konnection*; the *Art Festival in the Pines* which is conducted in the River of Grass ArtsPark; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year. The Pembroke Pines Historical Museum is located in the Village Community Center on the City's east side, and has opened a new and expanding World War II exhibit. Artifacts are displayed from donations by the City's Second World War veterans, and from two archeology digs on the City's North Perry Airport which served as an outlying field of the Miami Naval Air Station from 1943 until 1945.

National and State Recognition

The City of Pembroke Pines received the All-America City Award for 2004 by the National Civic League. The National Civic League is one of the leading advocates of citizen democracy in the United States. It is the nation's longest running and most prestigious civic recognition program, and cities receiving the award typically receive a variety of benefits, including national recognition, enhanced

City of Pembroke Pines, Florida

General Information

community pride, and in many cases, tangible economic benefits that range from new grants to improved bond ratings, increased tourism, and greater economic activity. Five other Florida cities were invited to compete, but only Pembroke Pines was selected for the award that year.

On November 17, 2006, the City won four awards for “municipal excellence” from the Florida League of Cities, a private organization that advocates for the State’s municipalities and trains officials. Pembroke Pines won in the categories of: Florida City of Excellence, City Spirit, Mayor of the Year and Financial Official of the Year. Pembroke Pines was named City of Excellence for its efficient administration, resident outreach and innovation. The League noted projects such as the Academic Village for students of all ages, the city-run charter school system, City Center and the Senator Howard C. Forman Human Services Campus. The City Spirit award is presented for a citywide effort to successfully address a need. Pembroke Pines has given special attention to seniors.

On November 9, 2007, the Florida League of Cities honored the City again with another Florida Cities of Excellence Award – this time the City’s Controller/Internal Auditor was named the City Employee of the Year.

On November 16, 2007, the National League of Cities awarded the Silver Award for Municipal Excellence to the City of Pembroke Pines because of its utilization of the Senator Howard C. Forman Human Services Campus for human services collaborations and redevelopment. This award identifies and showcases outstanding municipal programs that improve the quality of life for the residents. The winners of this award exemplify excellence in city governance, best practices in municipal policy, and models to follow to improve the lives of their citizens.

On November 10, 2008, BusinessWeek magazine named Pembroke Pines as the best Florida community in which to raise kids in 2009, based on its education system and low crime rate. The selection criteria were made for cities with at least 50,000 residents and a median family income ranging from \$40,000 to \$100,000. BusinessWeek conducted this survey working with OnBoard Informatics, a New York-based provider of real estate analysis, and also based its criteria for selecting Pembroke Pines on the number of schools, affordability, air quality, job growth, family income, cultural amenities and diversity.

Pembroke Pines is the fourth safest large city in Florida according to *City Crime Rankings 2009-2010: Crime in Metropolitan America*, a new report put together by criminologists based on 2008 data compiled by the Federal Bureau of Investigation. The report, released by Washington-based publisher CQ Press, ranked 393 cities with populations higher than 75,000. On a national scale, Pembroke Pines ranked 160th in population, but only 79th in the national crime rankings.

Communications

All principal television networks are received within the City with broadcast stations in Boynton Beach, Fort Lauderdale, Hollywood, Miami, Miramar, Palm Beach Gardens, and West Palm Beach. Cable television is provided to the entire City by Comcast and BellSouth Entertainment, Inc. The City has its own informational cable channel that televises all Commission meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, www.ppines.com. On the web site, information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual and monthly financial statements are available.

City of Pembroke Pines, Florida

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Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores, including Dillard's, JCPenney, Macy's and Sears plus approximately 135 more stores and restaurants. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex contains approximately 70 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities. The City is the executive office headquarters for Claire's Stores, Inc., an international retail chain which owns, franchises or joint ventures approximately 3,361 stores selling costume jewelry and fashion accessories. Pembroke Pines is also the administrative headquarters for Decorator Industries, Inc., a publicly-held Corporation (Amex: DII) who designs, manufactures and sells various interior furnishings to the recreational vehicle, manufactured housing and hospitality industries. The company has six manufacturing plants and approximately 275 employees across the United States.

The dynamics of the growth of commercial and residential activities in Pembroke Pines and its surrounding area has resulted in at least seven hotels offering a variety of hospitality suites. Within the City is the Grand Palms Golf and Country Club Resort at Pines Boulevard just west of Interstate I-75 offering upscale lodgings, as well as the Hampton Inn Hotel just east of Interstate I-75 and Sheridan and the adjacent newly-built all-suite Holiday Inn Express Hotel & Suites. Just to the south, east of Interstate I-75 at Miramar Parkway in adjacent Miramar, are the Courtyard by Marriott, the Residence Inn by Marriott, the Hilton Garden Inn and the Wingate by Wyndham.