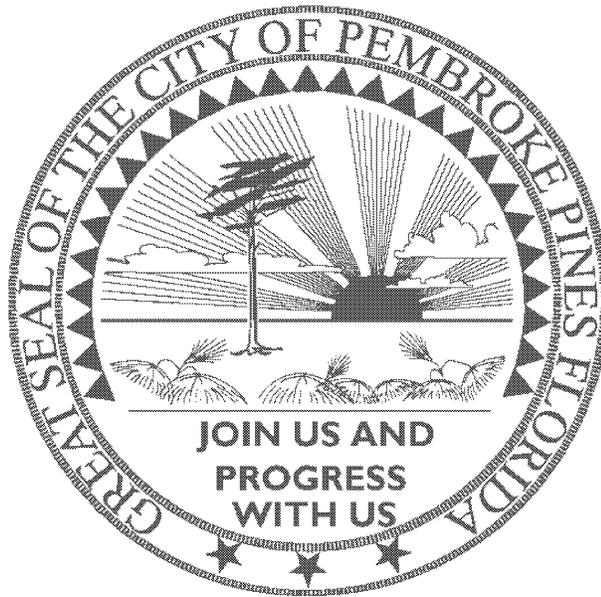


**Comprehensive
Annual Financial
Report
of the
City of Pembroke Pines, Florida**



**For the
Fiscal Year Ended
September 30, 2002**

City of Pembroke Pines

**Comprehensive Annual Financial Report
For the fiscal year ended September 30, 2002**



**Prepared by
The Finance Department**

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2002

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City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2002

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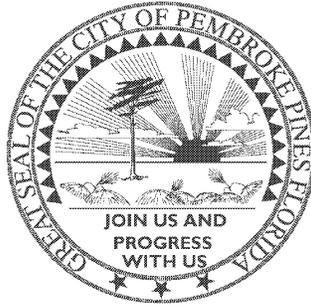
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City of Pembroke Pines, Florida

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I. INTRODUCTORY SECTION

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



May 7, 2003

To the Citizens of the City of Pembroke Pines:

State law requires that all general purpose local governments 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 generally accepted auditing standards 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, 2002.

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, management of the City 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 management, 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 Rachlin Cohen & Holtz 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, 2002 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, 2002, 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, federally 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, 2002.

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 9th largest city in Florida. As of September 30, 2002, the most recent official population estimate was 144,792. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 35 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District. 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 and four members and is responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of various advisory boards, the City Manager and City Attorney. 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, sewer, sanitation, a recycling program, a multi-purpose Walter C. Young Resource Center, recreation facilities and owns and operates seven Charter Schools.

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 and to receive their comments. 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. The City's budget is approved at the department level. The City Manager and 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 of revenues and expenditures. 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 comparison is presented on page 69 as part of the required supplementary information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is 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 forty-two years of its existence. Its geographic location, surrounded by the affluent tri-county market of Miami-Dade, Broward and Palm Beach counties, opens up an area that has a population of more than five million with retail sales that exceed \$56 billion. 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.

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. The City's strict zoning regulations, and a balanced land-use plan provide for the orderly development of industrial, commercial, residential, and recreational development.

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

City of Pembroke Pines	3.9%
Broward County	5.9%
State of Florida	5.3%
United States	5.8%

According to the 2000 Census, as published by the U. S. Census Bureau, employment of the residents in Pembroke Pines is dominated by the service industry, which accounted for approximately 70% of its employment, 19% represented retail and wholesale trade, while manufacturing and construction accounted for 11%. It is also interesting to note that the 80% of employed individuals in Pembroke Pines work in private industry, 14% are government employees, and the other 6% are self-employed. These numbers are also representative of similar trends for Broward County and throughout the State of Florida. This means that in an economic decline, the City and the State as a whole is likely to be more negatively affected, but will experience rapid growth in an economic boom. In anticipation of increases in demand for goods and services, the City has taken initiatives to improve the quality of life of its residents by effective planning and forecasting techniques.

The City, in its effort to provide educational and life-long advancement facilities to its residents, and to meet the ever-increasing demands for these facilities, completed in January 2003, the construction of the 80,000 sq. ft. shared-use facility that consists of classrooms and an auditorium. The Academic Village currently consists of a Charter High School, the Southwest Regional Branch of the Broward County Library, and a branch campus of Broward Community College. The addition of Florida International University (FIU) will help to establish this facility as a focal point of learning and advancement for the residents of the City. The facility also includes a sixteen (16) acre natural preserve with elevated observation walkways.

Although the City is over 95% built out, Pembroke Pines continues to maintain the lowest tax rate of any full-service city in Broward County, and currently has the ninth lowest millage rate for all the 30 cities in Broward. Fiscal year 2002 was the first time in five consecutive years that the City increased its millage rate to 4.4597 from 3.9034. Pembroke Pines is beginning to experience a state of increasing demand for services with limited available resources. Yet, the City is steadfast in its resolve to continue to be progressive and by leveraging its current resources in innovative ways, will thereby remain true to its motto "Join us and progress with us".

Long-Term Financial Planning

Construction of the City's fourth Charter Elementary School located at Pembroke Shores Park is currently under way. It will provide 600 student stations costing approximately \$7,500,000. Funding for this project is currently being finalized. The Charter Agreement to operate this school is between Florida State University and the City of Pembroke Pines. It was signed on February 3, 2003 for a 15-year term commencing July 1, 2003 and ending June 30, 2018. Construction began on December 23, 2002 with completion expected in August 2003 in time for the 2003-2004 school year.

On March 1, 2001, the City entered into a 50-year lease with the State of Florida for a 157-acre property. The City has since then renovated a number of buildings and the facility is now known as the Howard C. Forman Human Services Campus. It will be subleased to various health, educational, professional and residential treatment facilities, and long-term care organizations. In addition, the City is exploring the possibility of building approximately 400 senior housing units on the premises. Approximately 26 acres have been subleased, through the State, for 50 years to the Miami Jewish Home and Hospital for the Aged, Inc. This organization will build an independent living facility of 128 units with 152 beds, an assisted living facility of 96 units with 120 beds, and a special care section of 39 units with 60 beds.

On March 27, 2003, the City received a \$2,000,000 grant from the Broward County Conservation, Green Space and Open Spaces Grant Program. In addition, the City anticipates receiving approximately \$750,000 from the State of Florida to pay for the purchase of 64 acres. The acquisition of 57 acres took place on September 26, 2002 at a cost of \$2,349,510. The purchase of the remaining seven acres has not been finalized. Approximately 70% of this property will be maintained as wetlands. The remainder will be used to build six soccer fields, restrooms, concession stands and parking facilities. The estimated cost to develop this property is \$2,500,000. The funds to develop this project were borrowed on a previous bond issue.

The City is contemplating the purchase and development of 115 acres of land adjacent to City Hall. This purchase would allow the City to monitor the development of the land to conform to the “City Center” concept and theme for a mixed-use facility consisting of compatible shops, commercial space, residential, and a hotel. At this point, it is in the preliminary stages and no commitments have been made. In the event the City decides it is in the public interest to purchase the land, the up-front cost would total between \$21 and \$25 million for acquisition. This cost would be recovered through the sale of prepared sites.

Cash Management Policies and Practices

The City invests operating funds in an effort to earn a competitive yield on its portfolio. This is consistent with its primary objective of safeguarding public assets by minimizing the level of credit and market risks assumed. The investment priority is safety of capital, liquidity of funds, and investment income, in that order. To that end, the City’s investments are guided by a detailed investment policy, adopted by Ordinance and further explained in Note 3a of the notes to the basic financial statements. During the year, surplus funds were administered by the State Board of Administration, managed by external investment managers and invested in certificates of deposit.

During the year, the City had operating funds invested with the following money managers:

<u>Money Manager</u>	<u>Average Balance</u>	<u>Interest Income</u>	<u>Rate of Return (%)</u>
State Board of Administration	\$72,747,278	\$1,491,661	2.06%
Florida League of Cities	\$20,839,332	\$1,910,151	7.86%
Evergreen Investment Management Co.	\$29,288,736	\$2,608,153	8.32%

In FY 2002, the City earned \$6,545,712 in investment income, as compared with \$8,610,731 earned in fiscal year 2001; this represents a 24% decrease from the previous year. The average rate of return for the entire portfolio was 5.52%, a 35% decline from the previous year. The performance of the portfolio was primarily attributable to an overall decline in interest rates during the year. The City will continue to closely monitor and evaluate its investment earnings and portfolio holdings as new economic conditions unfold.

Self-Insurance Program

The City's self-insurance program is funded in the Public Insurance Fund (an Internal Service Fund). Self-Insured Retention (SIR) applies to each specific type of coverage as follows:

<u>Coverage</u>	<u>Self-Insurance Retention Per Occurrence</u>	<u>Insured</u>
General/Auto Liability	\$150,000	\$ 1,000,000
Property	25,000	190,497,335
Fidelity Bond	25,000	75,000
Workers' Compensation	200,000	Statutory (unlimited)

Pension and Other Postemployment Benefits

The City maintains two single-employer defined benefit pension plans: the General Employees Pension Plan (GEPP) and the City Pension Fund for Firefighters and Police Officers (CPFFPO). Once a year, an independent actuary is engaged by the pension plans to calculate the amount of the annual contribution that the City must make to ensure that the plans will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As at September 30, 2002, the net assets of the GEPP totaled \$44,253,599 and the assets of the CPFFPO totaled \$80,499,679.

In addition to the defined benefit plans described above, the City maintains two defined contribution plans created in accordance with Internal Revenue Code Section 401(a). One plan provides pension benefits for upper management, department directors, and their assistants. The City contributes the same percentage of annual covered payroll, consistent with the GEPP. For the fiscal year ended September 30, 2002 the City contributed 20.56%; and the employees contribute 5%. The other plan provides benefits for the employees of the Charter Schools and Early Learning Centers. The City's required contribution to this plan is 5% of the plan members' gross salary.

The City also provides postretirement health care and life insurance benefits for retirees. Spouses are included in this coverage, for a limited number of employees hired before October 1, 1991. As at September 30, 2002 there were 138 retirees receiving this benefit.

Additional information on the City's pension arrangements and postemployment benefits can be found in Notes 4d, 4e and 4f in the notes to the basic financial statements.

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, 2001. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the City received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2001. The City of Pembroke Pines has received this award consecutively 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 policy documentation, financial planning, and organization.

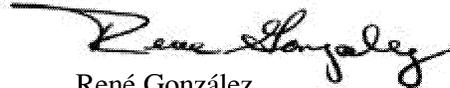
The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. Special recognition is given to the firm of Rachlin Cohen & Holtz LLP for their assistance and professionalism.

In closing, without the leadership and support of the Mayor and the City Commissioners, preparation of this report would not have been possible.

Sincerely,



Charles F. Dodge
City Manager



René González
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines,
Florida

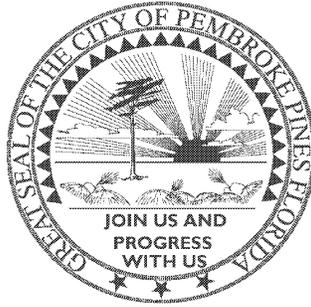
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

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.



President

Executive Director



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List of City Officials

Form of Government:

Commission-Manager

City Commission:

Alex G. Fekete, Mayor

Frank C. Ortis, Vice Mayor

William B. Armstrong, Commissioner

Ben Fiorendino, Commissioner

Susan B. Katz, Commissioner

City Manager:

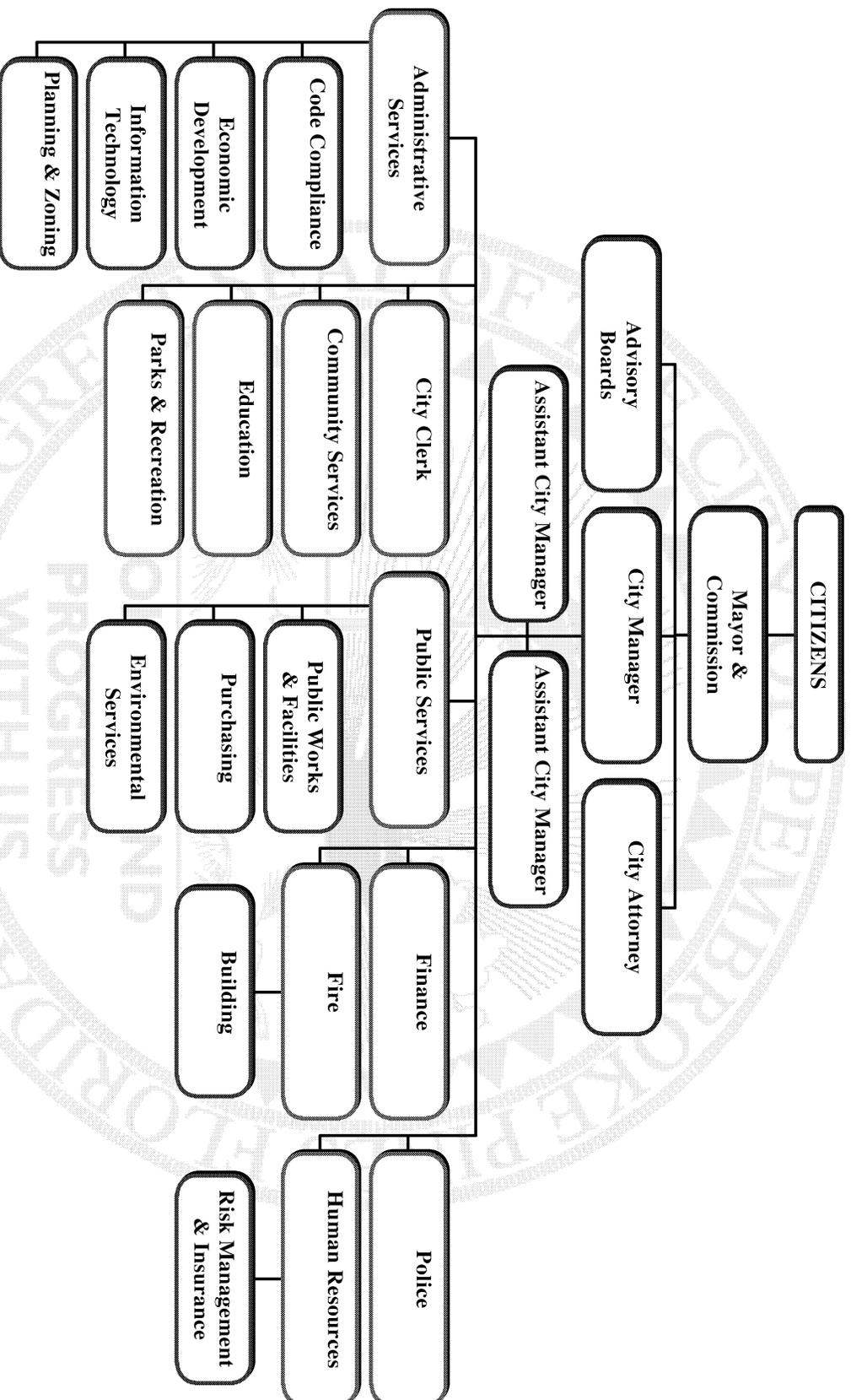
Charles F. Dodge

Director of Finance:

René D. González



City of Pembroke Pines Organizational Chart



II. FINANCIAL SECTION

- **Report of Independent Certified Public Accountants**
- **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**
- **Capital Assets Used in Operation of Governmental Funds**



Report of Independent Certified Public Accountants



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor, City Commission and City Manager
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 fiscal year ended September 30, 2002, which, collectively, comprise the City's basic financial statements as listed in the table of contents. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 63% and 58%, respectively, of the assets and contributions of the fiduciary fund type. 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. 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 conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 opinion.

As disclosed in Note 1 to the basic financial statements, the City implemented the new financial reporting requirements of Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*.

In our opinion, 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, 2002, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Honorable Mayor, City Commission and City Manager
City of Pembroke Pines, Florida
Page Two

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-17 and pages 69-71, respectively, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. 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 accompanying information identified in the table of contents as combining and individual fund financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; and Chapter 10.550, Rules of the Auditor General, 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 information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

Rachlin Cohen & Holtz LLP

Fort Lauderdale, Florida
December 6, 2002

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, 2002. 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 vi of this report.

This is the first year that the City has reported its financial statements in a government-wide format using the GASB Statement Number 34 reporting model. Thus, comparative information from prior years in the GASB 34 format is not available. Fund-based financial reporting and government-wide financial reporting are not viewed as being in conflict; however, they are not comparable. Since government-wide comparative information is not available this year, the City's fund-based comparative information is being used in selected sections.

Financial Highlights

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$376.7 million (*net assets*). Of this amount, \$35.3 million (*unrestricted net assets*) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$17.5 million during the current fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$143.1 million, an increase of \$8.3 million in comparison with the prior year. Approximately 5.2 percent of this total amount is available for spending at the government's discretion (*unrestricted fund balance*).
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities were \$7.4 million, or 5.7 percent of total governmental activities expenses.
- The City's total debt increased by \$48.6 million (48 percent) during the current fiscal year. The increase was due primarily to the issuance of \$52.0 million of revenue bonds for the construction of Charter Schools.

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).

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. The business-type activities of the City include water and sewer operations.

The government-wide financial statements can be found on pages 18-19 of this report.

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

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 72-75 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget (page 69). The basic governmental fund financial statements can be found on pages 20-22 of this report.

Proprietary funds. The City maintains two 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 23-27 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 28-29 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 30-68 of this report.

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

Required supplementary information can be found on pages 69-71 of this report.

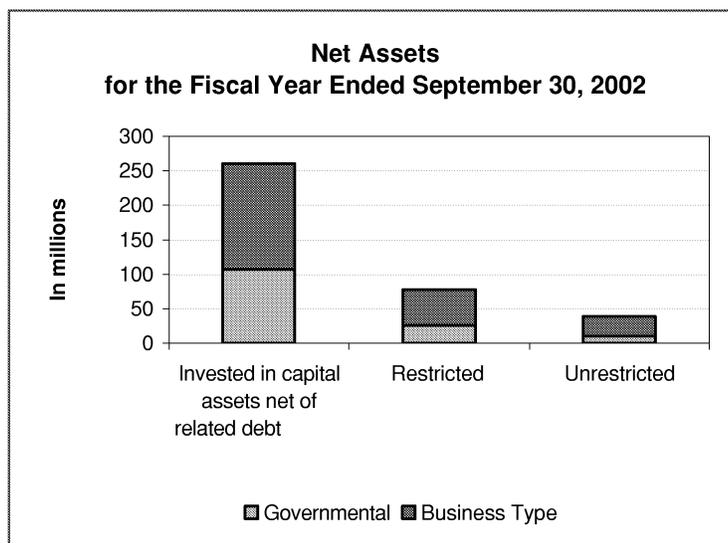
The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 72-78 of this report.

Government-wide Financial Analysis

Since this is the first year that the City has reported its financial statements in a government-wide format using the GASB Statement Number 34 reporting model, comparative information from prior years in the GASB 34 format is not available. Therefore, in lieu of government-wide comparative information, fund-based comparative information is being provided in selected sections. In future years, a comparative analysis of government-wide data will be presented.

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, total net assets exceeded liabilities by \$376.7 million at the close of the most recent fiscal year. By far the largest portion of the City's net assets (72 percent) represents investment in capital assets (e.g., land, buildings, machinery and equipment), 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



City of Pembroke Pines, Florida

Management's Discussion and Analysis

must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$70.9 million (19 percent), represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$35.3 million (9 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Pembroke Pines' Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 49,724,837	\$ 9,155,366	\$ 58,880,203
Restricted assets	34,918,998	54,961,490	89,880,488
Capital assets, net	<u>259,636,439</u>	<u>153,811,331</u>	<u>413,447,770</u>
Total assets	<u>344,280,274</u>	<u>217,928,187</u>	<u>562,208,461</u>
Long-term liabilities	163,729,591	996,125	164,725,716
Other liabilities	<u>37,433,477</u>	<u>(16,674,657)</u>	<u>20,758,820</u>
Total liabilities	<u>201,163,068</u>	<u>(15,678,532)</u>	<u>185,484,536</u>
Invested in capital assets, net of related debt	116,772,277	153,811,331	270,583,608
Restricted	18,913,070	51,957,510	70,870,580
Unrestricted	<u>7,431,859</u>	<u>27,837,878</u>	<u>35,269,737</u>
Total net assets	<u>\$143,117,206</u>	<u>\$233,606,719</u>	<u>\$376,723,925</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

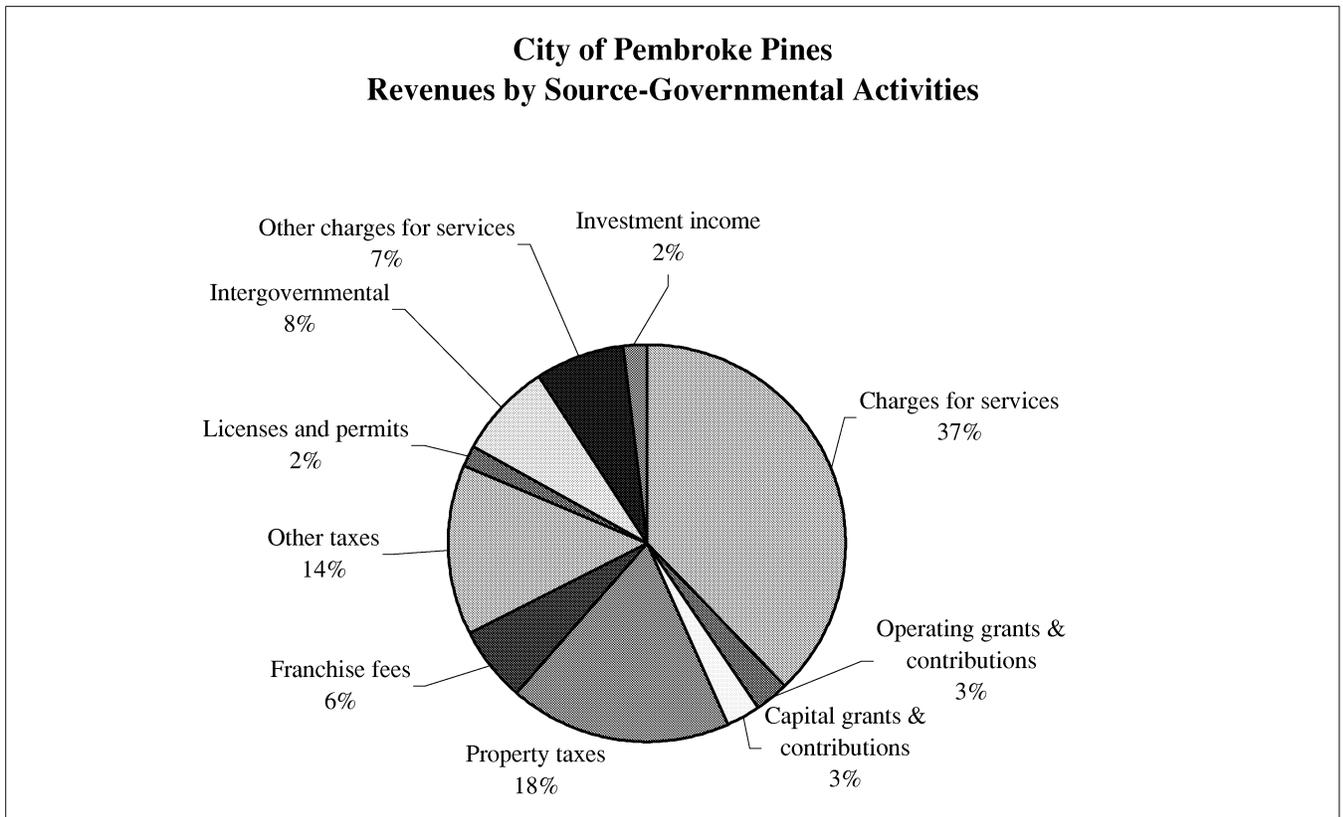
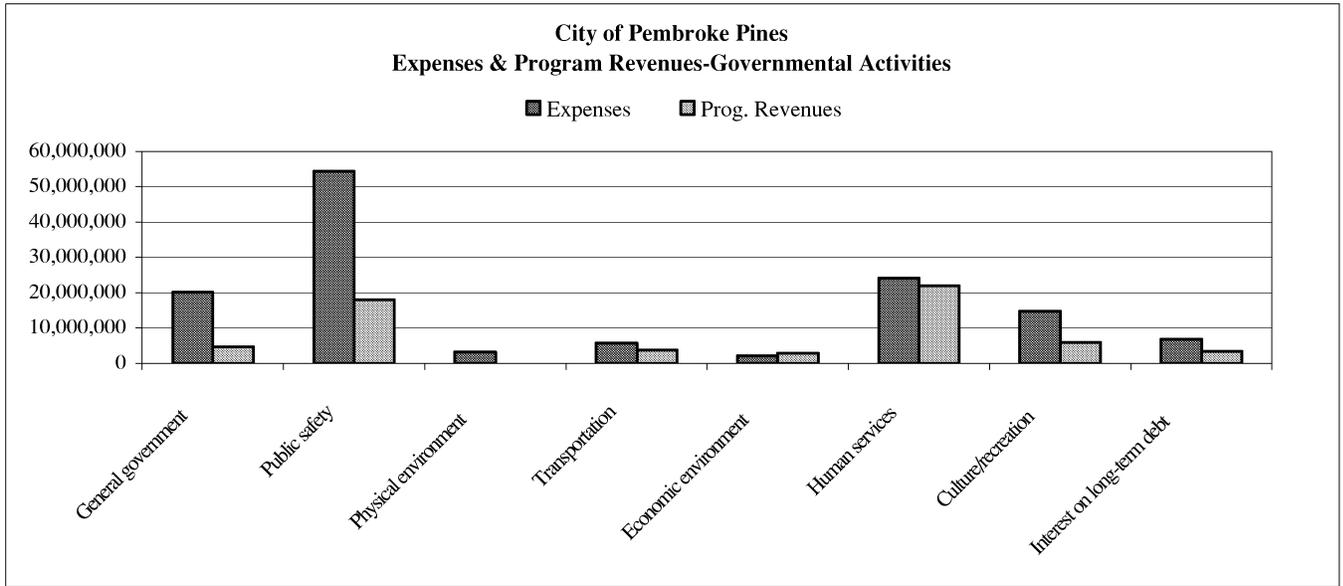
City of Pembroke Pines' Changes in Net Assets

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 52,759,294	\$ 34,730,886	\$ 87,490,180
Operating Grants & Contributions	3,630,457	-	3,630,457
Capital Grants & Contributions	4,120,865	-	4,120,865
General Revenues:			
Property taxes	25,230,301	-	25,230,301
Franchise fees on gross receipts	8,272,014	-	8,272,014
Other taxes	19,457,804	-	19,457,804
Licenses and permits	2,466,261	-	2,466,261
Intergovernmental	10,560,558	-	10,560,558
Charges for services	10,307,458	-	10,307,458
Other miscellaneous	<u>2,578,463</u>	<u>4,029,709</u>	<u>6,608,172</u>
Total revenues	<u>139,383,475</u>	<u>38,760,595</u>	<u>178,144,070</u>
Expenses:			
General government services	20,085,237	-	20,085,237
Public safety	54,363,115	-	54,363,115
Physical environment	3,184,132	-	3,184,132
Transportation	5,785,707	-	5,785,707
Economic environment	2,154,679	-	2,154,679
Human services	24,138,249	-	24,138,249
Culture/Recreation	14,640,884	-	14,640,884
Interest on long-term debt	6,722,426	-	6,722,426
Water utility services	-	3,843,161	3,843,161
Sewer/wastewater services	-	8,590,253	8,590,253
Water-sewer combined service	<u>-</u>	<u>17,112,758</u>	<u>17,112,758</u>
Total Expenses	<u>131,074,429</u>	<u>29,546,172</u>	<u>160,620,601</u>
Change in net assets	8,309,046	9,214,423	17,523,469
Net assets- beginning	<u>134,808,160</u>	<u>224,392,296</u>	<u>359,200,456</u>
Net assets- ending	<u>\$143,117,206</u>	<u>\$233,606,719</u>	<u>\$376,723,925</u>

City of Pembroke Pines, Florida

Management's Discussion and Analysis

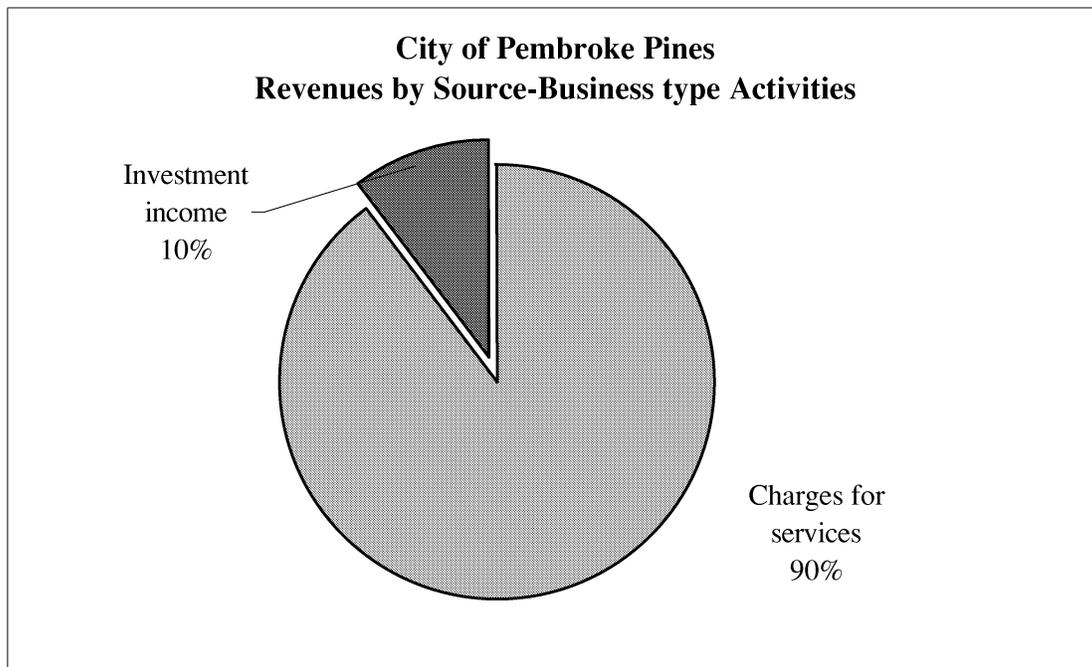
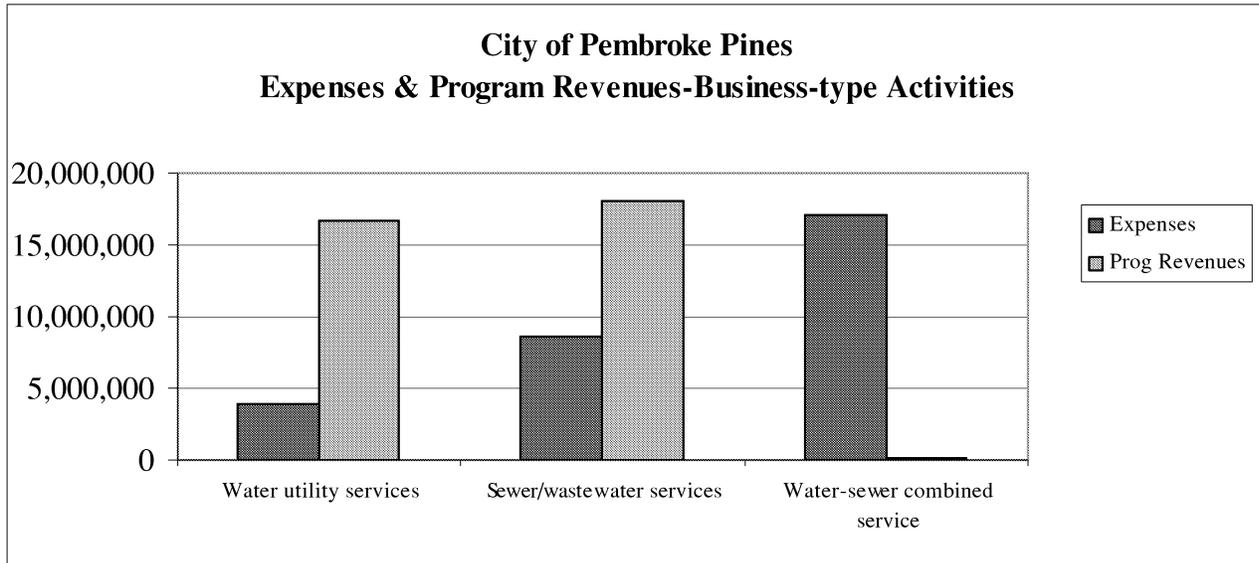
Governmental activities. Net assets of the City's governmental activities increased by 6.2 percent (\$8.3 million) from \$134.8 million in last fiscal year compared to \$143.1 million in the current fiscal year. Expenses for the most part increased moderately during the current year and were well under budgeted levels.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

Business-type activities. The net assets of the City's business-type activities increased by 4.1 percent (\$9.2 million) from \$224.4 million last fiscal year compared to \$233.6 million in the current fiscal year. The same increased cost awareness, resulted in lower than anticipated expenditures.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

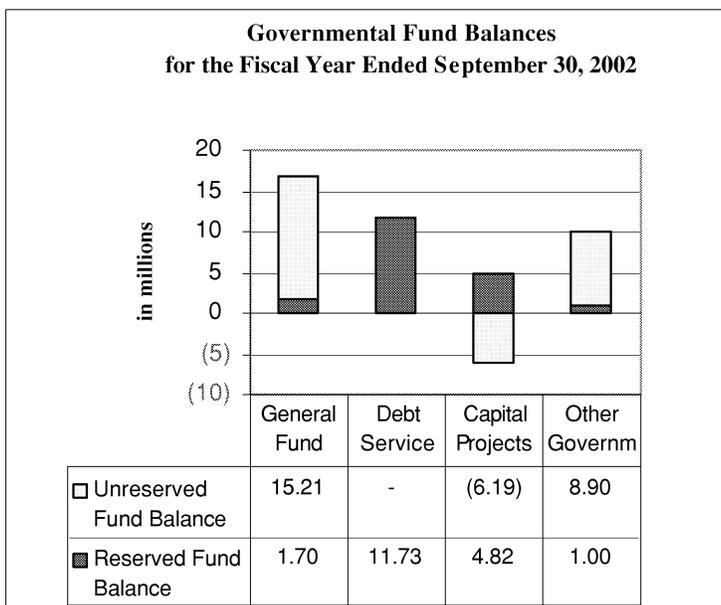
Financial Analysis of the City's Funds

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 \$37.2 million, an increase of \$23.4 million in comparison with the prior year. This increase was mainly due to increased cost awareness, resulting in lower than anticipated expenditures. Approximately 48.2 percent of this total amount (\$17.9 million) represents unreserved 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, grant expenditures and encumbrances.

The General Fund is the chief 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 fund balance of the General Fund was \$15.2 million, and reserved fund balance was \$1.7 million, for a total fund balance of \$16.9 million.



City of Pembroke Pines, Florida

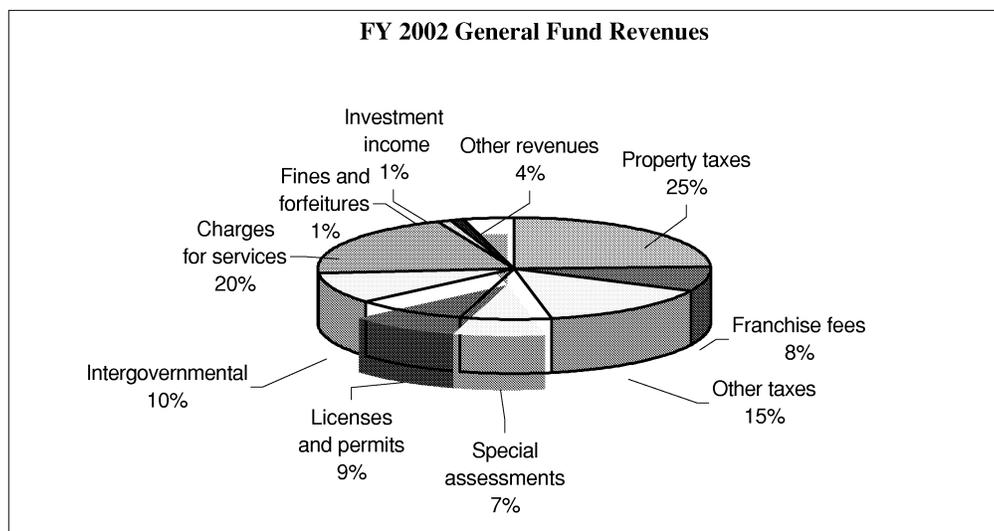
Management's Discussion and Analysis

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>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percentage of Increase (Decrease)</u>
Property taxes	\$24,235,301	25%	\$18,215,935	21%	\$6,019,366	33%
Franchise fees	7,550,181	8%	8,479,230	10%	(929,049)	-11%
Other taxes	14,700,707	15%	10,368,643	12%	4,332,064	42%
Special assessments	7,389,152	7%	7,315,983	9%	73,169	1%
Licenses and permits	9,141,666	9%	9,052,457	11%	89,209	1%
Intergovernmental	9,758,986	10%	8,231,730	10%	1,527,256	19%
Charges for services	19,964,434	20%	17,773,723	21%	2,190,711	12%
Fines and forfeitures	850,608	1%	1,033,433	1%	(182,825)	-18%
Investment income	1,112,352	1%	1,847,515	2%	(735,163)	-40%
Other revenues	<u>4,220,500</u>	<u>4%</u>	<u>2,973,582</u>	<u>3%</u>	<u>1,246,918</u>	<u>42%</u>
Total revenues	<u>\$98,923,887</u>	<u>100%</u>	<u>\$85,292,231</u>	<u>100%</u>	<u>\$13,631,656</u>	<u>16%</u>

Compared to the prior fiscal year, total General Fund revenues increased by \$13.6 million or 16 percent in fiscal year 2002. Property taxes accounted for the bulk of the increase. The \$6.0 million or 33 percent increase in property tax revenue was due to new construction and increases in taxable values.

On October 1, 2001, the State of Florida instituted a communications services tax (included in the above schedule in "Other taxes"). This tax replaced the franchise fees on cable television and communication service companies, which explains the decrease in that revenue category. It also replaced the public service tax on the above-mentioned companies.



City of Pembroke Pines, Florida

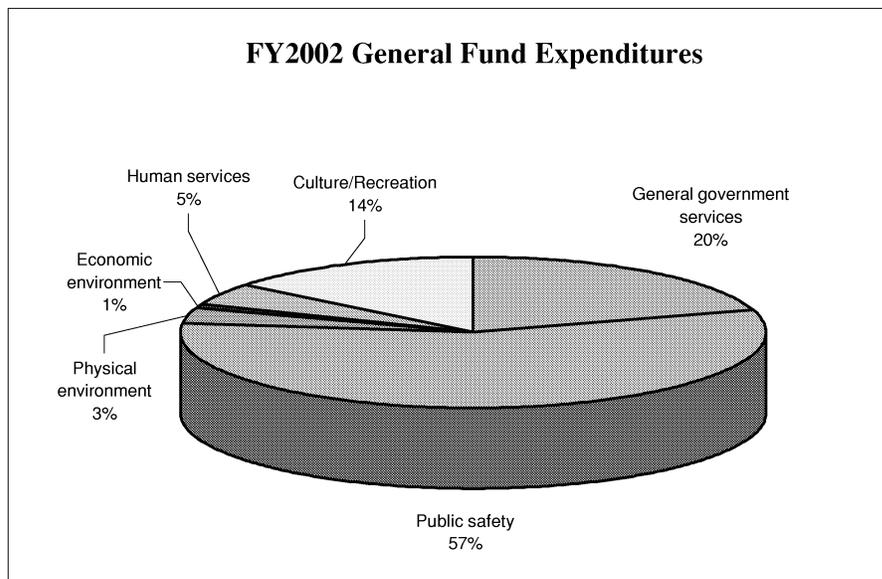
Management's Discussion and Analysis

Expenditures in the General Fund are shown in the following schedule:

<u>Expenditures:</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percentage of Increase (Decrease)</u>
General government services	\$18,577,568	20%	\$15,175,095	18%	\$3,402,473	22%
Public safety	52,125,314	57%	49,223,841	58%	2,901,473	6%
Physical environment	3,185,017	3%	2,870,259	3%	314,758	11%
Transportation	-	0%	189,310	0%	(189,310)	-100%
Economic environment	740,292	1%	913,074	1%	(172,782)	-19%
Human services	4,470,460	5%	4,563,378	6%	(92,918)	-2%
Culture/Recreation	<u>12,906,673</u>	<u>14%</u>	<u>11,869,329</u>	<u>14%</u>	<u>1,037,344</u>	<u>9%</u>
Total	<u>\$92,005,324</u>	<u>100%</u>	<u>\$84,804,286</u>	<u>100%</u>	<u>\$7,201,038</u>	<u>8%</u>

In fiscal year 2002, total General Fund expenditures increased by \$7.2 million or 8 percent compared to the prior year. The bulk of the increase was due to union negotiated cost-of-living wage increases of 2 percent on October 1, 2001, and 2 percent on April 1, 2002. The rising cost of health insurance was another factor for the overall increase in expenses.

The increase in General government services was affected by the remodeling and operation of the Howard C. Forman Human Services Campus, which commenced late in fiscal year 2001. During the 2002 fiscal year, expenditures (for a full year) amounted to \$1.0 million more than the prior year. Other increases affecting this category related to changes in the allocation of insurance cost.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

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 \$27,837,878. 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

During the past year, the budget was modified several times. At the end of the third quarter the City Commission approved a revised budget principally to:

- appropriate for a grant to Broward County Community College which was approved by Commission in 2000-01;
- adjust the carryover of funds by the amounts spent in the previous fiscal year; and
- establish a budget for the new Early Learning Center that will be opening at the Central Campus.

Subsequently, the budget was amended to increase the Emergency Home Energy Assistance Program – (EHEAP) and include the Florida Recreation Development Assistance Program (FRDAP) and Respite for Elders Living in Everyday Families (RELIEF) grants.

Even though these adjustments increased the budget by \$0.6 million, actual charges were \$12.3 million (11.8 percent) below the final budget due to savings in:

- **personnel services** of \$4.8 million (\$2.4 million in salaries and social security matching for vacancies and partially filled positions during the fiscal year; \$1.4 million in health insurance claims; and \$0.6 million in contributions to the general employees pension plan);
- **operating expenses** of \$5.3 million (entire contingency budget of \$1.5 million, \$0.6 million in contractual services and \$0.6 million in rentals resulting from a decrease in debt service allocation to the Early Learning Center); and
- **capital expenditures** of \$1.8 million of which \$0.9 million was encumbered and as such would be paid for with funds from next fiscal year.

Resources available for appropriation were \$1.4 million (1.4 percent) below the final budgeted amount due mainly to:

- the state of the economy and the impact of September 11th. In this regard, sales tax under performed by \$0.3 million and interest/investment income was lower than anticipated by \$0.7 million.
- over estimated building permits revenues by \$0.9 million.
- a reduction in the number of classrooms resulting in a \$0.5 million loss in Early Learning Center fees.

These shortfalls were partially offset by \$1.7 million increase in Communications Services Tax revenue.

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, 2002, amount to \$413 million (net of accumulated depreciation). These assets include land, buildings, improvements other than buildings, and machinery and equipment. The total increase in the City's capital assets for the current fiscal year was 10 percent.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total 2002</u>
Land	\$48,334,581	\$3,006,562	\$51,341,143
Buildings	68,125,895	4,688,133	72,814,028
Improvements other than buildings	31,982,438	110,154,090	142,136,528
Machinery and equipment	13,851,154	831,265	14,682,419
Infrastructure	6,754,200	-	6,754,200
Construction in progress	<u>90,588,171</u>	<u>35,131,281</u>	<u>125,719,452</u>
	<u>\$259,636,439</u>	<u>\$153,811,331</u>	<u>\$413,447,770</u>

The net addition to capital assets before depreciation for governmental activities equaled \$41 million and included the following items:

- Built the Central Campus which includes an additional Charter Elementary School [600 students]; a Middle School [600]; and a Preschool [250] located at Sheridan Street and Flamingo Road.
- A joint-use facility building at the Academic Village to be shared with Florida International University is under construction.
- Constructed a 400 MHz Emergency Radio Dispatch Center.
- Built a recreation storage park on Pembroke Road providing 502 boat and trailer spaces.
- Acquired 8.5 acres of land using Florida Commission Trust Funds for expansion of the Wetlands Bank.
- Purchased land through the County's land preservation bond program to provide for the construction of additional wetlands and park facilities.
- Installed lightning prediction systems at eight sports facilities.
- Constructed a vehicle maintenance facility for fire and rescue vehicles.

Of the \$8.6 million increase in capital assets before depreciation for business-type activities, the majority was completion of construction-in-progress projects including:

- Continued rehabilitation of the sewer treatment plant.
- Upgrading the odor control system.
- Water and sewer lines and lift stations dedicated by developers.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Additional information on the City's capital assets can be found in Note 3d. starting on page 45 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$149.4 million. All of the City's outstanding debt is secured by specified revenue sources.

	Governmental Activities	
	2002	2001
Revenue Bonds	\$149,425,000	\$ 81,780,000
Loans	<u>-</u>	<u>19,016,628</u>
	<u>\$149,425,000</u>	<u>\$100,796,628</u>

During the current fiscal year, the City's net outstanding debt increased by 48.2 percent. The key factors in this increase were the following:

- On October 12, 2001 the City issued \$19.6 million of revenue bonds payable from a pledge on the electric public service tax revenues. It financed various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10.0 million Capital Improvement Certificate of Indebtedness, Series 2000.
- On December 11, 2001, the City issued \$31.91 million of revenue bonds payable from a pledge on the rental payments received from the City's Charter Schools and Early Learning Centers. It financed the construction and equipping of a Central Campus comprising of an Early Learning Center, a Charter Elementary School, and a Charter Middle School, as well as enabling the payoff of the remaining \$9,016,628 principal and \$411,168 accrued interest of the Certificate of Indebtedness, Series 1997.
- On April 4, 2002, the City issued \$20.06 million of revenue bonds payable from a pledge on the rental payments received by the City's Charter Schools. It financed the purchase of 30 new school buses, and provided funds for the construction of an 88,000 square foot shared educational facility with a capacity of 400 high school students to be located on the City's existing Academic Village which includes a Charter High School campus.

Additional information on the City's long-term debt can be found in Note 3 starting on page 49 of this report.

Economic Factor 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 is 94 percent. Only 5 percent of the City remains undeveloped. Build out is expected by the year 2007.

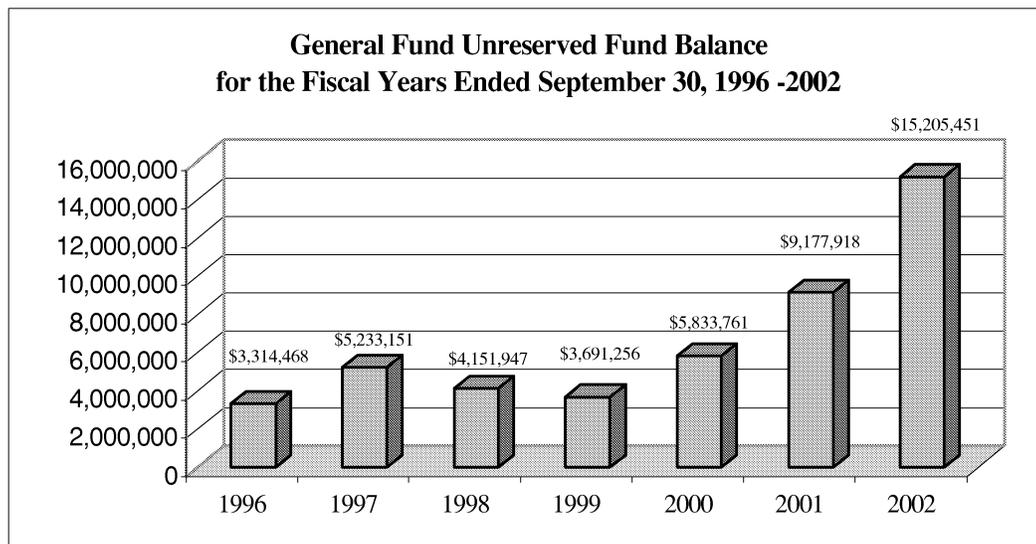
City of Pembroke Pines, Florida

Management's Discussion and Analysis

The successes from our current fiscal year will provide an excellent springboard for some of next year's programs. Here are some examples of those successes:

- Negotiated an agreement with Florida International University for construction of a joint-use facility building at the Academic Village.
- An internal audit of the address database used by the State to allocate the *Communications Services Tax* revealed that 200 City blocks were inaccurately identified by the State as being outside the boundaries of the City. The correction of this error will generate approximately \$100,000 per year in additional revenue.
- An internal audit of occupational licenses revealed 900 business addresses without a valid license. The City is in the process of determining whether or not these businesses are still in operation.
- An outside audit of the Property Appraiser's tax roll identified 309 property folios that the County had miscoded to other cities. The effect of this finding will result in approximately \$62,000 of additional annual revenue.
- Facilitated the viewing of utility bills on the Internet.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$15.2 million. It is approximately equal to two months of the General Fund expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph. A portion of unreserved fund balance will be used to preclude or moderate future tax and user fee increases.

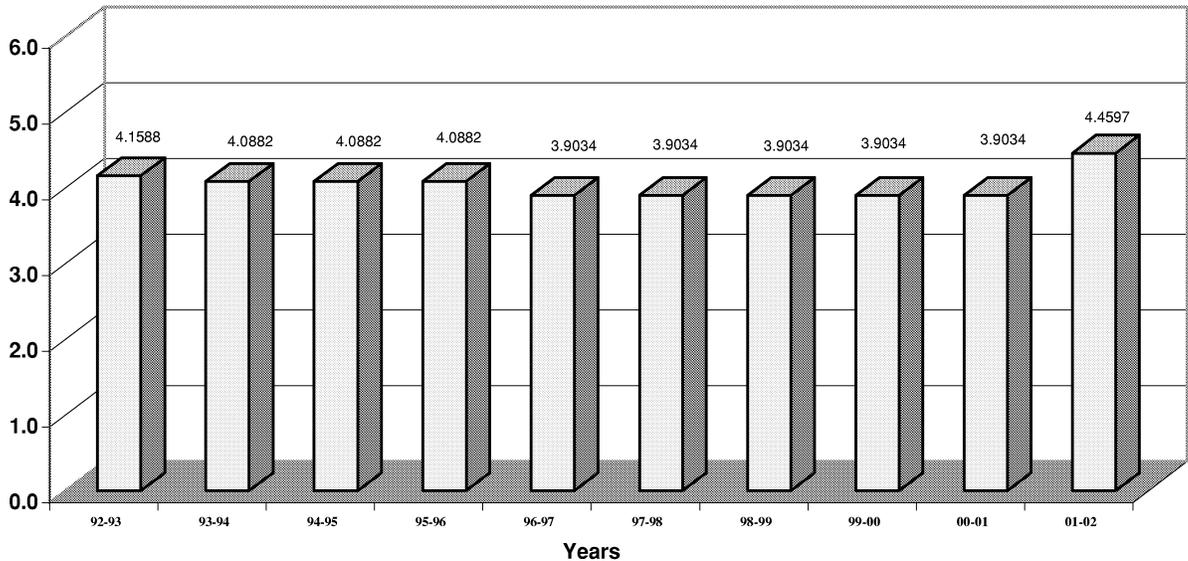


In 1995, the State of Florida limited all local governments' ability to increase property taxable values in any given year to 3 percent or cost of living, whichever is lower. With the exception of the current year, the following graph indicates that property tax rates have been reduced or have remained steady over the last ten years. For many years, the City, just like many cities across the country, has 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.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Millage Rate History



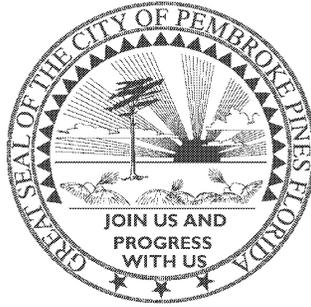
On May 1, 2002, the water and sewer rates were increased by 3.3 percent (based on the change in the consumer price index) in accordance with Ordinance 796, adopted on June 25, 1986. In addition, the rates will be increased on October 1, 2002 by 1.6 percent (based on the change in the consumer price index) in accordance with Ordinance 1414, adopted on June 19, 2002. The rates will be increased again on January 1, 2003 by 15.5 percent to make up the waived consumer price increases from October 1, 1994 to October 1, 1999.

All these factors were considered in preparing the City's budget for fiscal year 2002.

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, Pembroke Pines, Florida 33026.



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Basic Financial Statements



Government-wide Financial Statements



City of Pembroke Pines, Florida

Statement of Net Assets

September 30, 2002

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Assets			
Pooled cash and cash equivalents	\$12,617,303	\$41,671	\$12,658,974
Investments	24,367,613	6,347,066	30,714,679
Receivables	9,919,887	2,766,629	12,686,516
Inventories	78,926	-	78,926
Restricted assets:			
Pooled cash and cash equivalents	34,918,998	21,993,221	56,912,219
Investments	-	32,968,269	32,968,269
Prepaid costs	25,125	-	25,125
Unamortized bond issue costs	2,715,983	-	2,715,983
Capital assets, net	<u>259,636,439</u>	<u>153,811,331</u>	<u>413,447,770</u>
Total assets	<u>344,280,274</u>	<u>217,928,187</u>	<u>562,208,461</u>
Liabilities			
Accounts payable and accrued liabilities	10,440,525	213,326	10,653,851
Deposits	1,705,114	-	1,705,114
Deferred revenue	5,247,103	91,259	5,338,362
Internal balances	19,907,251	(19,907,251)	-
Payable from restricted assets:			
Deposits	-	2,928,009	2,928,009
Due to police & fire pension fund	133,484	-	133,484
Noncurrent liabilities:			
Due within one year	12,420,824	539,685	12,960,509
Due in more than one year	<u>151,308,767</u>	<u>456,440</u>	<u>151,765,207</u>
Total liabilities	<u>201,163,068</u>	<u>(15,678,532)</u>	<u>185,484,536</u>
Net assets			
Invested in capital assets, net of related debt	116,772,277	153,811,331	270,583,608
Restricted for:			
\$2 Police Education	115,422	-	115,422
ADA/Paratransit Program	82,696	-	82,696
Charter schools	4,038,644	-	4,038,644
Community Bus Program	96,396	-	96,396
Debt Service	9,196,231	-	9,196,231
FDLE - Confiscated	1,586,744	-	1,586,744
Justice - Confiscated	411,170	-	411,170
Older Americans Act	319,418	-	319,418
Road & Bridge Fund	2,407,113	-	2,407,113
Treasury - Confiscated	89,440	-	89,440
Wetland Mitigation Trust	569,796	-	569,796
Expansion	-	51,957,510	51,957,510
Unrestricted	<u>7,431,859</u>	<u>27,837,878</u>	<u>35,269,737</u>
Total net assets	<u>\$143,117,206</u>	<u>\$233,606,719</u>	<u>\$376,723,925</u>

See notes to basic financial statements.

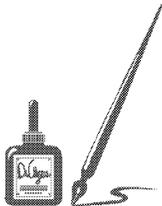
City of Pembroke Pines, Florida

Statement of Activities
For the Year Ended September 30, 2002

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$20,085,237	\$4,573,562	\$ -	\$ -	\$(15,511,675)	\$ -	\$(15,511,675)
Public safety	54,363,115	17,614,392	355,441	-	(36,393,282)	-	(36,393,282)
Physical environment	3,184,132	1,625	-	-	(3,182,507)	-	(3,182,507)
Transportation	5,785,707	3,075,107	677,015	46,350	(1,987,235)	-	(1,987,235)
Economic environment	2,154,679	1,288,795	1,563,960	-	698,076	-	698,076
Human services	24,138,249	18,950,247	927,783	2,074,515	(2,185,704)	-	(2,185,704)
Culture/Recreation	14,640,884	3,799,282	106,258	2,000,000	(8,735,344)	-	(8,735,344)
Interest on long-term debt	6,722,426	3,456,284	-	-	(3,266,142)	-	(3,266,142)
Total governmental activities	<u>131,074,429</u>	<u>52,759,294</u>	<u>3,630,457</u>	<u>4,120,865</u>	<u>(70,563,813)</u>	<u>-</u>	<u>(70,563,813)</u>
Business-type activities:							
Water utility services	3,843,161	16,608,411	-	-	-	12,765,250	12,765,250
Sewer/wastewater services	8,590,253	18,013,567	-	-	-	9,423,314	9,423,314
Water-sewer combined service	17,112,758	108,908	-	-	-	(17,003,850)	(17,003,850)
Total business-type activities	<u>29,546,172</u>	<u>34,730,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,184,714</u>	<u>5,184,714</u>
Total	<u>\$160,620,601</u>	<u>\$87,490,180</u>	<u>\$3,630,457</u>	<u>\$4,120,865</u>	<u>(70,563,813)</u>	<u>5,184,714</u>	<u>(65,379,099)</u>
General revenues:							
Property taxes					25,230,301	-	25,230,301
Franchise fees on gross receipts					8,272,014	-	8,272,014
Utility taxes					8,530,503	-	8,530,503
Communication service tax					7,094,762	-	7,094,762
Other taxes					3,832,539	-	3,832,539
Licenses and permits					2,466,261	-	2,466,261
Intergovernmental revenue					10,560,558	-	10,560,558
Charges for services					10,307,458	-	10,307,458
Miscellaneous revenues					61,950	-	61,950
Investment earnings not restricted					2,516,513	4,029,199	6,545,712
Gain on sale of capital assets					-	510	510
Total general revenues					<u>78,872,859</u>	<u>4,029,709</u>	<u>82,902,568</u>
Change in net assets					8,309,046	9,214,423	17,523,469
Net assets - beginning					134,808,160	224,392,296	359,200,456
Net assets - ending					<u>\$143,117,206</u>	<u>\$233,606,719</u>	<u>\$376,723,925</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida

**Balance Sheet
Governmental Funds
September 30, 2002**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and cash equivalents	\$ 2,980,844	\$ -	\$ -	\$ 9,634,436	\$ 12,615,280
Investments	21,565,456	-	-	-	21,565,456
Receivables:					
Special Assessments	-	-	756,548	132,156	888,704
Franchise fees and taxes	4,985,245	-	-	417,026	5,402,271
Other	340,700	-	580	238,660	579,940
Inventories	78,926	-	-	-	78,926
Prepaid costs	-	-	-	25,125	25,125
Due from other funds	4,942,549	512,802	-	-	5,455,351
Due from other governments	51,317	-	2,005,066	992,589	3,048,972
Restricted Assets:					
Pooled cash and cash equivalents	5,000	11,238,165	23,106,037	569,796	34,918,998
Total assets	<u>\$ 34,950,037</u>	<u>\$ 11,750,967</u>	<u>\$ 25,868,231</u>	<u>\$ 12,009,788</u>	<u>\$ 84,579,023</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	5,201,669	18,844	831,234	37,048	6,088,795
Accrued liabilities	31,115	-	-	150,429	181,544
Retainage payable	-	-	1,276,811	-	1,276,811
Due to other funds	133,484	-	5,710,118	233,928	6,077,530
Interfund payables	750,000	-	1,909,283	-	2,659,283
Compensated absences	7,220,258	-	-	192,144	7,412,402
Deposits	1,428,532	-	-	276,582	1,705,114
Deferred revenue	3,276,070	-	755,135	1,215,898	5,247,103
Advances from other funds	-	-	16,759,273	-	16,759,273
Total liabilities	<u>18,041,128</u>	<u>18,844</u>	<u>27,241,854</u>	<u>2,106,029</u>	<u>47,407,855</u>
Fund balances:					
Reserved for:					
Subsequent years' expenditures	-	-	-	579,402	579,402
Prepaid costs	-	-	-	25,125	25,125
Encumbrances	1,578,458	-	4,819,169	393,678	6,791,305
Debt service	-	11,732,123	-	-	11,732,123
Disaster assistance	125,000	-	-	-	125,000
Unreserved, reported in:					
General fund	15,205,451	-	-	-	15,205,451
Special revenue funds:					
Designated	-	-	-	4,170,280	4,170,280
Undesignated	-	-	-	4,735,274	4,735,274
Capital projects funds	-	-	(6,192,792)	-	(6,192,792)
Total fund balances	<u>16,908,909</u>	<u>11,732,123</u>	<u>(1,373,623)</u>	<u>9,903,759</u>	<u>37,171,168</u>
Total liabilities and fund balances	<u>\$ 34,950,037</u>	<u>\$ 11,750,967</u>	<u>\$ 25,868,231</u>	<u>\$ 12,009,788</u>	

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.	259,634,563
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	2,715,983
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, is not reported in the funds.	(2,535,892)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(153,868,616)
Net assets of governmental activities	<u>\$ 143,117,206</u>

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, 2002

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 24,235,301	\$ -	\$ 995,000	\$ -	\$ 25,230,301
Franchise fees	7,550,181	721,833	-	-	8,272,014
Utility taxes	6,372,105	2,158,398	-	-	8,530,503
Communications services tax	7,094,762	-	-	-	7,094,762
Other taxes	1,233,840	-	-	2,598,698	3,832,538
Special assessments	7,389,152	-	976,392	99,472	8,465,016
Licenses and permits	9,141,666	-	-	-	9,141,666
Intergovernmental	9,758,986	-	3,480,619	19,720,483	32,960,088
Charges for services	19,964,434	-	-	521,401	20,485,835
Fines and forfeitures	850,608	-	-	429,848	1,280,456
Investment Income	1,112,352	207,317	680,151	207,278	2,207,098
Contribution	-	-	11,430	1,175,381	1,186,811
Rental revenue	4,035,520	3,456,284	-	98,086	7,589,890
Other	184,980	-	-	10,302	195,282
Total revenues	<u>98,923,887</u>	<u>6,543,832</u>	<u>6,143,592</u>	<u>24,860,949</u>	<u>136,472,260</u>
Expenditures					
Current:					
General government	18,577,568	-	11,140	1,460	18,590,168
Public safety	52,125,314	-	4,488,580	789,031	57,402,925
Physical environment	3,185,017	-	-	-	3,185,017
Transportation	-	-	85,002	4,020,966	4,105,968
Economic environment	740,292	-	-	1,563,960	2,304,252
Human services	4,470,460	-	29,411,116	17,159,476	51,041,052
Culture and recreation	12,906,673	-	3,767,549	-	16,674,222
Debt service:					
Principal	-	3,925,000	400,353	-	4,325,353
Interest	-	5,360,537	-	-	5,360,537
Other debt service costs	-	1,477,904	-	-	1,477,904
Total expenditures	<u>92,005,324</u>	<u>10,763,441</u>	<u>38,163,740</u>	<u>23,534,893</u>	<u>164,467,398</u>
Excess (deficiency) of revenues over expenditures	<u>6,918,563</u>	<u>(4,219,609)</u>	<u>(32,020,148)</u>	<u>1,326,056</u>	<u>(27,995,138)</u>
Other financing sources (uses):					
Transfers in	-	-	-	1,576,893	1,576,893
Transfers out	(323,358)	-	-	(1,253,535)	(1,576,893)
Revenue bonds issued	-	23,625,824	47,944,176	-	71,570,000
Discount on revenue bonds	-	-	(363,592)	-	(363,592)
Current refunding of Certificates of Indebtedness	-	(19,792,421)	-	-	(19,792,421)
Total other financing sources (uses)	<u>(323,358)</u>	<u>3,833,403</u>	<u>47,580,584</u>	<u>323,358</u>	<u>51,413,987</u>
Net change in fund balances	6,595,205	(386,206)	15,560,436	1,649,414	23,418,849
Fund balances - beginning	<u>10,313,704</u>	<u>12,118,329</u>	<u>(16,934,059)</u>	<u>8,254,345</u>	<u>13,752,319</u>
Fund balances - ending	<u>\$ 16,908,909</u>	<u>\$ 11,732,123</u>	<u>\$ (1,373,623)</u>	<u>\$ 9,903,759</u>	<u>\$ 37,171,168</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, 2002

Amounts reported for governmental activities in the statement of activities
(Page 19) are different because:

Net change in fund balances - total governmental funds (Page 21) \$ 23,418,849

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these 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	39,738,573	
Depreciation expense (excluding depreciation on internal service fund)	(8,543,226)	
Net adjustment		31,195,347

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) 1,600,310

The issuance of long-term debt (e.g. revenue bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

The details of the difference are as follows:

Debt issued:		
2001 Series Public Improvement Revenue Bonds	(19,840,174)	
2001A Series Charter School Revenue Bonds	(31,724,270)	
2001B Series Charter School Revenue Bonds	(19,641,964)	
	(71,206,408)	
Principal payments:		
Public Improvement Revenue Bonds	3,305,000	
Bank Loans	19,016,628	
Capital Improvement Revenue Bonds	620,000	
	22,941,628	
Bond Issue Costs, Bond Discount/Premium & Bond Refunding	1,199,535	
Net adjustment		(47,065,245)

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 government funds:

The details of the difference are as follows:

Compensated absences		(532,588)
Accrued interest		(307,627)

Change in net assets of governmental activities (Page 19) \$ 8,309,046

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2002

	Business-type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Assets		
Current:		
Pooled cash and cash equivalents	\$ 41,671	\$ 2,023
Investments	6,347,066	2,802,157
Accounts receivable:		
Customer accounts, net	2,292,901	-
Special Assessments	404,656	-
Other	69,072	-
Due from other funds	488,695	-
Interfund receivables	2,659,283	-
Total current assets	<u>12,303,344</u>	<u>2,804,180</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	21,993,221	-
Investments	32,968,269	-
Total restricted assets	<u>54,961,490</u>	<u>-</u>
Advances to other funds	<u>16,759,273</u>	<u>-</u>
Capital assets:		
Land	3,006,562	-
Buildings and utility plant	146,740,691	-
Construction-in-progress	35,131,281	-
Machinery and equipment	4,534,531	13,294
Less accumulated depreciation	<u>(35,601,734)</u>	<u>(11,418)</u>
Total capital assets (net of accumulated depreciation)	<u>153,811,331</u>	<u>1,876</u>
Total noncurrent assets	<u>225,532,094</u>	<u>1,876</u>
Total assets	<u>\$ 237,835,438</u>	<u>\$ 2,806,056</u>

(Continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
(Continued)
September 30, 2002

	Business-type Activities	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	\$ 44,086	\$ 357,483
Retainage payable	169,240	-
Claims payable	-	2,438,777
Total current liabilities	<u>213,326</u>	<u>2,796,260</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	<u>2,928,009</u>	<u>-</u>
Noncurrent liabilities:		
Compensated absences	996,125	9,796
Deferred revenue	91,259	-
Total noncurrent liabilities	<u>1,087,384</u>	<u>9,796</u>
Total liabilities	<u>4,228,719</u>	<u>2,806,056</u>
Net assets:		
Invested in capital assets, net of related debt	153,811,331	1,876
Restricted for expansion	51,957,510	-
Unrestricted	27,837,878	(1,876)
Total net assets	<u>233,606,719</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 237,835,438</u>	<u>\$ 2,806,056</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, 2002

	Business-type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 22,578,177	\$ 11,595,803
Special assessments	308,206	-
Other	77,648	-
Total operating revenues	<u>22,964,031</u>	<u>11,595,803</u>
Operating expenses:		
Operating, administrative and maintenance	25,464,934	12,773,212
Depreciation	4,081,238	906
Total operating expenses	<u>29,546,172</u>	<u>12,774,118</u>
Operating loss	<u>(6,582,141)</u>	<u>(1,178,315)</u>
Nonoperating revenues:		
Interest income	4,029,199	309,415
Other income	24,064	868,900
Total nonoperating revenues	<u>4,053,263</u>	<u>1,178,315</u>
Loss before contributions	<u>(2,528,878)</u>	<u>-</u>
Capital contributions	<u>11,743,301</u>	<u>-</u>
Change in net assets	9,214,423	-
Net assets, beginning	<u>224,392,296</u>	<u>-</u>
Net assets, ending	<u>\$ 233,606,719</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, 2002

	Business-type Activities	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	\$ 22,350,126	\$ 11,596,066
For deposits	430,305	-
Cash payments to suppliers for goods and services	(8,635,811)	(13,147,284)
Cash payments to employees for services	(5,873,419)	(94,456)
Quasi-external operating payments	(10,664,195)	-
Other operating revenues	1,048,215	-
Net cash used by operating activities	<u>(1,344,779)</u>	<u>(1,645,674)</u>
Cash flows from noncapital financing activities		
Decrease in due from other funds	6,686	-
Interest earned from other funds	400,353	-
Operating grants received	7,187	-
Net cash provided by noncapital financing activities	<u>414,226</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(3,292,308)	-
Other	23,554	868,900
Proceeds from sale of equipment	556	-
Capital contributions provided by developers	6,440,870	-
Increase in advances to other funds	(65,823)	-
Net cash provided by capital and related financing activities	<u>3,106,849</u>	<u>868,900</u>

(Continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
(Continued)
Fiscal Year Ended September 30, 2002

	Business-type Activities	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	(7,084,897)	-
Proceeds from sale and maturities of investment securities	2,979,007	336,895
Interest and dividends on investments	3,628,846	309,415
Net cash provided (used) by investing activities	<u>(477,044)</u>	<u>646,310</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	1,699,252	(130,464)
Pooled cash and cash equivalents at beginning of year	<u>20,335,640</u>	<u>132,487</u>
Pooled cash and cash equivalents at end of year	<u>\$ 22,034,892</u>	<u>\$ 2,023</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (6,582,141)	\$ (1,178,315)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	4,081,238	906
Change in assets and liabilities:		
Receivables:		
Decrease in customer accounts, net	6,165	263
Decrease in other, net	662,362	-
Increase (decrease) in accounts payable	150,220	(405,686)
Increase in deferred revenue	(234,217)	-
Increase (decrease) in other liabilities	141,289	(62,842)
Increase in customer deposits	430,305	-
	<u> </u>	<u> </u>
Net cash used by operating activities	<u>\$ (1,344,779)</u>	<u>\$ (1,645,674)</u>
Noncash investing, capital, and financing activities		
Property contributed by developers	<u>\$ 5,302,431</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2002

	Pension Trust Funds	Agency Funds
Assets		
Pooled cash and cash equivalents	\$ -	\$ 3,087,395
Investments	126,126,175	-
Due from other funds	133,484	-
Receivables:		
Accrued interest and dividends	488,226	-
Other	7,763	894,397
Total assets	126,755,648	3,981,792
 Liabilities		
DROP participants payable	1,964,467	-
Accounts payable	37,903	950,029
Accrued liabilities	-	3,031,763
Total liabilities	2,002,370	3,981,792
 Net Assets		
Held in trust for pension benefits and other purposes	\$ 124,753,278	\$ -

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, 2002

	Pension Trust Funds
Additions	
Contributions:	
Plan members	\$ 4,446,309
Employer	7,247,920
State/County	<u>1,233,840</u>
Total contributions	<u>12,928,069</u>
Investment earnings (loss):	
Investment loss	(1,337,871)
Less investment expenses	<u>385,456</u>
Net investment loss	(1,723,327)
Gain from demutualization	<u>2,320,963</u>
Total additions	<u>13,525,705</u>
Deductions	
Pension benefits	4,661,513
Refunds of contributions	61,813
Administrative expenses	<u>202,597</u>
Total deductions	4,925,923
Change in net assets	8,599,782
Net assets- beginning	<u>116,153,496</u>
Net assets- ending	<u>\$ 124,753,278</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, 2002

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 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 through Charter Schools, 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. For the fiscal year ended September 30, 2002, the City implemented the new financial reporting requirements of GASB Statement No. 34. As a result, an entirely new financial presentation format has been implemented. 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 Statement No.14, "The Financial Reporting Entity," and would have included all component units had one of the following conditions existed:

1. City appointment of a voting majority of the units' board.
2. City can impose its will on the unit.
3. Financial benefit or burden relationship exists.

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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers 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. Expenditures 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 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 general government, 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 other than debt service payments made by enterprise funds. 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 reporting entity includes only one Capital Project Fund and it is used to account for the acquisition and construction of capital assets from bond proceeds.

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 government reports the following fund types:

The *internal service fund* accounts for general liability, workers' compensation and health and life insurance coverages, 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:

Fund	Brief Description
General Trust Fund	Used to account for assets held by the City as an agent for other funds.
Sanitation Fund	Used to account for assets held by the City as an agent for a private organization.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *pension 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.

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 government's water and sewer function and various other functions of the government. 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 and internal service fund are charges for services. Operating expenses for 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, 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, certificates of deposit 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 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments (Continued)

All investments of the City, except the SBA Investment Pool, 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. Additional deposits and investment disclosures are presented in Note 3a.

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 and special assessments as their major receivables.

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 government as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as 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>Useful Lives (Years)</u>	
<u>Assets</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.

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 Revenue 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 water and sewer connection fees and utility deposits. See Note 3.c. for more details on the restricted assets.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 480 hours in September of each fiscal year, or have the option to continue accumulating up to 720 hours. Firefighters working shifts are paid for accumulated hours in excess of 576. Upon separation from service, employees receive full payment for unused vacation and sick leave.

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 payable 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. 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. 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Equity

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

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. Budgets and Budgetary Accounting

Budget Process

1. Prior to February 15, departmental access to the proposed budget module is enabled to initiate the capture of data for the ensuing fiscal period. The budget module has the following tools available to facilitate the budget process:
 - a. Defined object codes required by the State Uniform Accounting System.
 - b. An alphabetical listing of object codes for expenditure accounts.
 - c. A current personnel roster.
 - d. Computer prepared budget worksheets showing actual expenditures for the prior and current year; the current working budget; and a status quo personnel cost projection.
2. Each individual department prepares a proposed budget comprised of the following:
 - a. Goals
 - b. Objectives
 - c. Performance measures
 - d. Functions and major activities
 - e. Organizational chart
 - f. Staffing level
 - g. Budget summary
 - h. Budget highlights
 - i. Accomplishments during the prior year
 - j. Budget worksheets by line item
 - k. Supporting schedules

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

b. Budgets and Budgetary Accounting (Continued)

Budget Process (Continued)

3. The information is reviewed by the Finance Department for accuracy and proper form.
4. During the month of May, the City Manager, the Department Heads, and Finance, review the proposed budget and make any necessary revisions.
5. No later than ninety 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.
6. Two public hearings are conducted at the City Commission Chambers, to inform the taxpayers and receive their comments. The adopted budget is integrated into the accounting software system effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
7. 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.
8. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department.
 - b. The City Commission approves budget adjustments that transfer monies from fund to fund.
 - c. The City Commission may approve additional appropriations of revenues and expenditures. If it is done, this requires the adoption of an amended budget ordinance.
9. The final budget includes budget transfers and supplemental appropriations, which have the effect of amending the original adopted budget. Supplemental appropriations of \$29,999,753 for the fiscal year ended September 30, 2002 consisted primarily of bond proceeds accounted for in the Debt Service and Capital Project funds.

Other Budget Information

1. 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 for any department, within an individual fund. Therefore, the legal level of control is at the department level.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

b. Budgets and Budgetary Accounting (Continued)

Other Budget Information (Continued)

2. The following governmental funds have annual appropriated budgets:

- a. General Fund
- b. Debt Service Fund
- c. Special Revenue Funds, which consist of the following:
 - Road & Bridge Fund
 - State Housing Initiative Program (SHIP)
 - Community Development Block Grant (CDBG)
 - Law Enforcement Grant
 - ADA Paratransit Program
 - Police Community Service Grant
 - Cops More Grant
 - Cops Grant
 - Community Bus Program
 - Charter Schools
 - Older Americans Act
 - Confiscated Treasury
 - Confiscated Justice
 - \$2 Police Assessment
 - FDLE (Florida Department of Law Enforcement)
- d. Capital Projects Fund. The budget for this fund is adopted on a project length basis.

The budgets of general governmental fund types are prepared on a modified accrual basis of accounting. This means revenues must be both measurable and available to liquidate liabilities of the current period.

Likewise, expenditures generally are recognized when an event or transaction is expected to draw upon current spendable resources. For example, debt service payments are budgeted in the year that they are paid, as opposed to the period to which the interest costs relate. Similarly, capital outlays are budgeted when expenditures are expected to occur.

3. The hierarchy for reporting and budgetary control is as follows:
 - a. Fund
 - b. Function
 - c. Division
 - d. Project
 - e. Object code

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

c. 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
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, 2002, the City complied, in all material respects, with these revenue restrictions.

d. Deficit Fund Equity

As of September 30, 2002 the municipal construction fund had a deficit fund balance of \$1,373,623 as compared with \$16,934,059 from the previous year. The decrease of \$15,560,436 is mainly as a result of new bond proceeds received and accounted for as other financing sources in the municipal construction fund amounting to \$47.6 million, which have not been fully expended.

This 2002 deficit fund balance is attributable to expenditures for ongoing municipal park construction projects. In 2000, the utility fund made advances to the municipal construction fund in the amount of \$20,906,029, to provide funding for these park projects. The utility fund's total advances to the municipal construction fund of \$18,668,556 at September 30, 2002 are expected to be repaid in future years based upon ad valorem revenue dedicated for municipal park construction. The City anticipates that the utility fund will be fully paid by 2010 based upon the current millage rate of 0.4041, which has been earmarked for this purpose.

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

a. Deposits and Investments (Continued)

Deposits

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

In accordance with City Ordinance 1384, the City is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities, the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA), and the Florida Municipal Investment Trust administered by the Florida League of Cities. The Local Government Surplus Funds Trust Fund is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The Florida Municipal Investment Trust (the Fund) 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 Surplus Funds Trust Fund and the Florida Municipal Investment Trust 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.

Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. The three categories of risk are as follows:

- Category 1 - Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

a. Deposits and Investments (Continued)

Investments (Continued)

At year-end, the City's investments were classified as follows:

<u>Types of Investment</u>	<u>Category 1</u>	<u>Carrying Value</u>
US government and agencies	\$ 30,034,537	\$ 30,034,537
Commercial paper	11,955,530	11,955,530
Corporate bonds	36,158,404	36,158,404
Foreign bonds	300,000	300,000
Common stocks	29,598,865	29,598,865
Mortgage-backed securities	<u>1,457,730</u>	1,457,730
	<u>\$109,505,066</u>	
Investments not subject to risk categorization:		
Investment pools		86,024,623
Mutual funds		<u>52,833,842</u>
Total investments		<u>\$248,363,531</u>

The following is a reconciliation of deposits and investments to the Statement of Net Assets and Fiduciary Net Assets:

By Category:		
Deposits		\$ 14,104,180
Investments		<u>248,363,531</u>
		<u>\$262,467,711</u>
Statement of Net Assets:		
Pooled cash and cash equivalents		\$ 12,658,974
Investments		30,714,679
Restricted Assets:		
Pooled cash and cash equivalents		56,912,219
Investments		32,968,269
Statement of Fiduciary Net Assets:		
Pooled cash and cash equivalents, Agency Funds		3,087,395
Investments, Fiduciary Funds		<u>126,126,175</u>
		<u>\$262,467,711</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

a. Deposits and Investments (Continued)

Risks and Uncertainties

The City's Municipal Employees Retirement Plans (the Plans) have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. The Plans, through their investment advisors, monitor their investments and the risks associated therewith on a regular basis, which the City believes minimizes these risks.

b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2002 are as follows:

Receivables	Governmental	Business-type	Total
Customer accounts	\$ -	\$2,361,855	\$ 2,361,855
Special assessments	888,704	404,656	1,293,360
Franchise fees and taxes	5,402,271	-	5,402,271
Other	579,940	69,072	649,012
Due from other governments	<u>3,048,972</u>	<u>-</u>	<u>3,048,972</u>
Gross receivables	9,919,887	2,835,583	12,755,470
Less: Allowance for uncollectible accounts	<u>-</u>	<u>(68,954)</u>	<u>(68,954)</u>
Net total receivables	<u>\$9,919,887</u>	<u>\$2,766,629</u>	<u>\$12,686,516</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

c. Restricted Assets

The City is required to segregate and restrict certain amounts in connection with the ordinances governing the issuance of Revenue Bonds. Amounts segregated and restricted at September 30, 2002 are as follows:

	Public	Public	Capital	Public	Capital	Public	Public	Charter	Charter
	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	School	School
	Refunding	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
	Revenue	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
	Series	Series	Series	Series	Series	Series	Series	Series	Series
	1992	1993	1993	1995	1998	1999	2001	2001A	2001B
	Totals								
Investments held for:									
Sinking fund for payment of principal and interest	\$ 417,807	\$ 2,424,125	\$ 263,298	\$ -	\$ 567,088	\$ 1,100,396	\$ 478,348	\$ 414,611	\$ 460,070
Reserve fund for payment of principal and interest	86,403	-	528,553	751,931	-	139,944	-	2,135,000	1,470,591
Total restricted assets related to debt	\$ 504,210	\$ 2,424,125	\$ 791,851	\$ 751,931	\$ 567,088	\$ 1,240,340	\$ 478,348	\$ 2,549,611	\$ 1,930,661
Total restricted assets - Capital Projects - construction funds									23,106,037
Total restricted assets - Wetland Mitigation - permanent funds									569,796
Total restricted assets - Escrow Deposit- general fund									5,000
Total restricted assets - Governmental activities									34,918,998
Utility Supported Equivalent Residential Connections (ERC's)									792,199
Customer deposits									3,003,978
Water sewer connections									51,165,313
Total restricted assets - Business-type activities									54,961,490
Total restricted assets									\$ 89,880,488

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

d. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2002 is as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 44,665,114	\$ 3,766,085	\$ (96,618)	\$ 48,334,581
Construction in progress	60,784,317	29,804,449	(595)	90,588,171
Total capital assets, not being depreciated	105,449,431	33,570,534	(97,213)	138,922,752
Capital assets, being depreciated:				
Buildings	81,228,879	20,347	-	81,249,226
Improvements other than buildings	38,554,438	2,169,605	-	40,724,043
Machinery and equipment	34,070,400	5,908,948	(535,867)	39,443,481
Infrastructure	31,336,568	-	-	31,336,568
Total capital assets, being depreciated	185,190,285	8,098,900	(535,867)	192,753,318
Less accumulated depreciation for:				
Buildings	(11,513,640)	(1,609,691)	-	(13,123,331)
Improvements other than buildings	(6,712,212)	(2,029,393)	-	(8,741,605)
Machinery and equipment	(22,070,135)	(3,990,631)	468,439	(25,592,327)
Infrastructure	(23,667,949)	(914,419)	-	(24,582,368)
Total accumulated depreciation	(63,963,936)	(8,544,134)	468,439	(72,039,631)
Total capital assets, being depreciated, net	121,226,349	(445,234)	(67,428)	120,713,687
Governmental activities capital assets, net	\$ 226,675,780	\$ 33,125,300	\$ (164,641)	\$ 259,636,439

*Beginning balance has been restated to include infrastructure assets per GASB 34.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

d. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction in progress	32,049,317	3,081,964	-	35,131,281
Total capital assets, not being depreciated	<u>35,055,879</u>	<u>3,081,964</u>	<u>-</u>	<u>38,137,843</u>
Capital assets, being depreciated:				
Buildings	6,851,879	-	-	6,851,879
Improvements other than buildings	134,533,497	5,355,315	-	139,888,812
Machinery and equipment	4,391,983	157,414	(14,866)	4,534,531
Total capital assets, being depreciated	<u>145,777,359</u>	<u>5,512,729</u>	<u>(14,866)</u>	<u>151,275,222</u>
Less accumulated depreciation for:				
Buildings	(2,025,379)	(138,367)	-	(2,163,746)
Improvements other than buildings	(26,157,408)	(3,577,314)	-	(29,734,722)
Machinery and equipment	(3,352,575)	(365,557)	14,866	(3,703,266)
Total accumulated depreciation	<u>(31,535,362)</u>	<u>(4,081,238)</u>	<u>14,866</u>	<u>(35,601,734)</u>
Total capital assets, being depreciated, net	114,241,997	1,431,491	-	115,673,488
Business-type activities capital assets, net	<u>\$ 149,297,876</u>	<u>\$ 4,513,455</u>	<u>\$ -</u>	<u>\$ 153,811,331</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 638,210
Public safety	2,363,915
Physical environment	87,816
Transportation	1,843,869
Economic environment	8,065
Human services	2,009,394
Culture/recreation	1,592,865
Total depreciation expense - governmental activities	<u>\$ 8,544,134</u>
Business-type activities:	
Water-sewer combined service	\$ 4,081,238
Total depreciation expense - business-type activities	<u>\$ 4,081,238</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

e. Interfund Receivables, Payables and Transfers

The composition of interfund balances and transfers as of September 30, 2002 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Community Development Block Grant	\$ 102,309	Provide temporary resources
General	Law Enforcement Grant	2,729	Provide temporary resources
General	Cops More Grant	36,324	Provide temporary resources
General	COPS Grants	40,750	Provide temporary resources
General	Community Bus Program	51,816	Provide temporary resources
General	Municipal Construction	4,708,621	Capital projects expenditures
Debt Service	Municipal Construction	512,802	Capital projects expenditures
Utility	Municipal Construction	488,695	Capital projects expenditures
Pension-Fire & Police	General Fund	<u>133,484</u>	Fund pension plan
Total		<u>\$6,077,530</u>	

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility	Municipal Construction	\$ 1,909,283	Capital projects expenditures
Utility	General	<u>750,000</u>	Short-term loan
Total		<u>\$ 2,659,283</u>	

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	Municipal Construction	\$16,759,273	Capital projects expenditures
Total		<u>\$16,759,273</u>	

*This amount is not expected to be paid within one year from September 30, 2002.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

e. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers:

	Transfer in:				Total	Purpose
	Police Community Services Grant	Cops More Grant	COPS Grants	Charter High School		
Transfer out:						
General fund	\$ 14,391	\$ 38,713	\$ 127,291	\$ -	\$ 180,395	Required contribution for grant match
General fund	-	-	-	142,963	142,963	Net gain from Charter Early Learning Centers
Charter Elementary School	-	-	-	624,460	624,460	Supplement other funds
Charter Middle School	-	-	-	629,075	629,075	Supplement other funds
Total	<u>\$ 14,391</u>	<u>\$ 38,713</u>	<u>\$ 127,291</u>	<u>\$ 1,396,498</u>	<u>\$ 1,576,893</u>	

f. Operating Leases

The City leases to two private businesses, office space located on the site of the previous City Hall. Also, the City leases 3,200 square feet at 7960 Johnson Street to Elan Lawn Service; 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce at the City Hall Building; and 276 square feet to a podiatrist plus an additional space to a provider of physical, occupational and speech therapies in the Senior Citizen Multipurpose Center. The restaurant at the City's Golf & Racquet Club is also leased out to an operator. The City's assets, which are leased as of September 30, 2002, consist of \$72,700 in land and \$212,077 in buildings for a total of \$284,777. The accumulated depreciation and the net book value of the buildings as of September 30, 2002 is \$73,771 and \$211,006, respectively.

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, 2002 the City had sub-leased portions of the site, now known as the "Howard C. Forman Human Services Campus", to eight healthcare-related providers at various rentals and terms.

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 \$3,000 and \$40,000 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 regarding the construction or use of telecommunication towers.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (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, 2002 are:

Fiscal year ending September 30:	
2003	\$1,708,344
2004	917,894
2005	811,719
2006	588,126
2007	454,320
Thereafter	<u>1,467,200</u>
Total minimum future rentals	<u>\$5,947,603</u>

g. Long-Term Debt

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets or specific revenue sources. The outstanding revenue bonds include the following:

Public Improvement Refunding Revenue Bonds, Series 1992 – On March 3, 1992, the City issued \$3,855,000 for the purpose of advance refunding the Public Improvement Refunding Revenue Bonds, Series 1985 which had been issued to refund prior debt issued to finance the cost of acquisition of the Pembroke Lakes Golf and Racquet facility. These bonds have an outstanding balance of \$490,000 and are due in varying installments through December 1, 2002. These bonds bear interest at rates from 3.7% to 5.8%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon (i) the City's electric franchise fee revenues and (ii) the net revenues of the Pembroke Lakes Golf and Racquet facility. The bonds are also secured by a surety bond and any casualty insurance proceeds received with respect to any damage. The bonds are not subject to redemption prior to maturity.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2003	<u>\$490,000</u>	<u>\$14,210</u>	<u>\$504,210</u>

Public Improvement Revenue Bonds, Series 1993 - On June 29, 1993, the City issued \$15,200,000 for the dual purpose of refunding the Public Improvement Revenue Bonds, Series 1986 and to fund a portion of the 1993 project. The projects consisted of improvements to the City's Southwest Focal Point Senior Center, fire station, Walter C. Young Resource Center, and various other capital improvements. These bonds have an outstanding balance of \$2,365,000, which is due on October 1, 2002, and was subsequently paid on that date. These bonds bear interest at rates from 3.8% to 5%, with interest paid 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 all deposits into the account credited under the resolution. The bonds are not subject to redemption prior to maturity.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Public Improvement Revenue Bonds, Series 1993 (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30: 2003	\$2,365,000	\$59,125	\$2,424,125

Capital Improvement Revenue Bonds, Series 1993 - On November 17, 1993, the City issued \$7,780,000 for the purpose of funding the acquisition, construction and equipping the Southwest Focal Point Senior Center. These bonds have an outstanding balance of \$6,730,000 and are due in varying installments through December 1, 2023 and bear interest at rates from 3.10% to 5.375%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon (i) net revenues of the Senior Center and (ii) the City's electric franchise fee revenues which have previously been pledged by the City to secure the Series 1992 Bonds. Those bonds maturing on or prior to December 1, 2003 are not subject to redemption prior to maturity. The bonds maturing on or after December 1, 2004 are subject to redemption at the option of the City, on or after December 1, 2003, in such order of maturity as the City selects, at the redemption prices set forth below, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2003 to November 30, 2004	102%
December 1, 2004 to November 30, 2005	101%
December 1, 2005 and thereafter	100%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2003	\$ 175,000	\$ 348,457	\$ 523,457
2004	180,000	340,357	520,357
2005	190,000	331,683	521,683
2006	200,000	322,295	522,295
2007	210,000	312,170	522,170
2008-2012	1,210,000	1,386,407	2,596,407
2013-2017	1,560,000	1,025,359	2,585,359
2018-2022	2,030,000	546,100	2,576,100
2023-2024	975,000	53,079	1,028,079
	<u>\$6,730,000</u>	<u>\$4,665,907</u>	<u>\$11,395,907</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Public Improvement Revenue Bonds, Series 1998 - On September 23, 1998, the City issued \$24,055,000 for the purpose of acquiring land for a Charter High School, construction and equipping of a Charter Middle School, site development for the Academic Village, a communication system for the Fire Department and improvements to the City's fire stations and police annex. The Academic Village is the site for the Charter High School, a county regional library, and a branch of Broward Community College. These bonds have an outstanding balance of \$24,055,000 and are due in varying installments through October 1, 2022, and bear interest at rates which range from 3.90% to 5.0%, with interest paid 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 Charter Middle School and the Charter High School. Those bonds maturing on or prior to October 1, 2008 are not subject to redemption prior to maturity. The bonds maturing on or after October 1, 2009 are subject to redemption at the option of the City, on or after October 1, 2008, 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:			
2003	\$ -	\$1,134,175	\$1,134,175
2004	770,000	1,119,160	1,889,160
2005	805,000	1,088,045	1,893,045
2006	835,000	1,055,245	1,890,245
2007	870,000	1,020,710	1,890,710
2008-2012	4,920,000	4,501,362	9,421,362
2013-2017	6,175,000	3,216,420	9,391,420
2018-2022	7,865,000	1,474,875	9,339,875
2023	<u>1,815,000</u>	<u>45,375</u>	<u>1,860,375</u>
	<u>\$24,055,000</u>	<u>\$14,655,367</u>	<u>\$38,710,367</u>

Capital Improvement Revenue Bonds, Series 1999 – On April 27, 1999, the City issued \$45,240,000 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. These bonds have an outstanding balance of \$44,215,000 and are due in varying installments through December 1, 2026 and bear interest at rates from 3.10% to 5.25%, with interest paid 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 fee revenues, and rentals from the City's Charter Schools, Early Learning Centers, and senior housing facility. These bonds were issued on parity with both of the Capital Improvement Revenue Bonds, Series 1992 and Series 1993. Those bonds maturing on or prior to December 1, 2008 are not subject to redemption prior to maturity. The bonds maturing on or after December 1, 2009 are subject to redemption at the option of the City,

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Capital Improvement Revenue Bonds, Series 1999 (Continued)

on or after December 1, 2008, 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:			
2003	\$ 470,000	\$ 2,117,727	\$ 2,587,727
2004	1,005,000	2,090,926	3,095,926
2005	1,045,000	2,053,253	3,098,253
2006	1,080,000	2,013,400	3,093,400
2007	1,125,000	1,970,942	3,095,942
2008-2012	6,380,000	9,107,252	15,487,252
2013-2017	8,000,000	7,498,874	15,498,874
2018-2022	10,240,000	5,279,246	15,519,246
2023-2027	<u>14,870,000</u>	<u>2,111,025</u>	<u>16,981,025</u>
	<u>\$44,215,000</u>	<u>\$34,242,645</u>	<u>\$78,457,645</u>

Capital Improvement Certificate of Indebtedness 1997 - On December 19, 1997, the City issued \$10,000,000 for the purpose of providing funds for community center projects. It bore interest at 4.63% with principal and interest due annually on December 15th. This loan was collateralized by pledged public service tax revenues. On December 11, 2001, the outstanding principal balance of \$9,016,628 plus \$411,168 interest was paid off from the proceeds of the \$31,910,000 Charter School Revenue Bonds, Series 2001A.

Capital Improvement Certificate of Indebtedness 2000 – On December 28, 2000, the City issued \$10,000,000 to fund the construction of various projects throughout the City. It bore interest at 4.622% with principal and interest due annually on January 15th. This loan was collateralized by the pledged Half-Cent Sales Tax revenues. On October 12, 2001, the outstanding principal balance of \$10,000,000 plus \$364,624 interest was paid off from the proceeds of the \$19,600,000 Public Improvement Revenue Bonds, Series 2001.

Public Improvement Revenue Bonds, Series 2001 – On October 12, 2001, the City issued \$19,600,000 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 plus \$364,624 accrued interest. These bonds have an outstanding balance of \$19,600,000 and are due in varying installments through October 1, 2022 and bear interest at rates from 3.5% to 5.5%, with interest paid 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 1993 and 1998. Those bonds maturing prior to

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Public Improvement Revenue Bonds, Series 2001 (Continued)

October 1, 2012 are not subject to redemption prior to maturity. The bonds maturing on or 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:			
2003	\$ -	\$ 903,500	\$ 903,500
2004	655,000	892,038	1,547,038
2005	670,000	868,850	1,538,850
2006	695,000	844,962	1,539,962
2007	720,000	820,200	1,540,200
2008-2012	4,030,000	3,663,440	7,693,440
2013-2017	4,955,000	2,683,360	7,638,360
2018-2022	6,395,000	1,211,200	7,606,200
2023	1,480,000	37,000	1,517,000
	<u>\$19,600,000</u>	<u>\$11,924,550</u>	<u>\$31,524,550</u>

Charter School Revenue Bonds, Series 2001A – On December 11, 2001, the City issued \$31,910,000 for the purpose of providing funds for the construction and equipping of a Central Campus comprising of an Early Learning Center, a Charter Elementary School, and a Charter Middle School, as well as enabling the payoff of the remaining \$9,016,628 principal and \$411,168 accrued interest of the Certificate of Indebtedness, Series 1997. These bonds have an outstanding balance of \$31,910,000 and are due in varying installments through July 1, 2031 and bear interest at rates from 2.7% to 5.375%, with interest paid semi-annually on January 1st and July 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the rental payments to be received from the City’s Charter Schools and Early Learning Centers. Those bonds maturing on and prior to July 1, 2011 are not subject to redemption prior to maturity. The bonds maturing on and after July 1, 2012 are subject to redemption at the option of the City, on or after July 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Charter School Revenue Bonds, Series 2001A (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2003	\$ -	\$ 1,534,579	\$ 1,534,579
2004	600,000	1,534,579	2,134,579
2005	615,000	1,518,379	2,133,379
2006	635,000	1,499,314	2,134,314
2007	655,000	1,477,724	2,132,724
2008-2012	3,680,000	6,984,918	10,664,918
2013-2017	4,620,000	6,040,887	10,660,887
2018-2022	5,950,000	4,710,500	10,660,500
2023-2027	7,595,000	3,066,000	10,661,000
2028-2031	<u>7,560,000</u>	<u>968,000</u>	<u>8,528,000</u>
	<u>\$31,910,000</u>	<u>\$29,334,880</u>	<u>\$61,244,880</u>

Charter School Revenue Bonds, Series 2001B – On April 4, 2002, the City issued \$20,060,000 for the purpose of purchasing 30 new school buses, and for providing funds for the construction of an 88,000 square foot shared educational facility with a capacity of 400 high school students to be located on the City’s existing Academic Village Charter High School campus. These bonds have an outstanding balance of \$20,060,000 and are due in varying installments through July 1, 2031 and bear interest at rates from 3% to 5.25%, with interest paid semi-annually on January 1st and July 1st. The principal and interest on these bonds are payable from a pledge of and lien upon rental payments to be received from the Charter Schools. The City entered into an Interlocal Agreement with Florida International University (FIU) on March 13, 2002 allowing FIU specified usage of the shared educational facility for 10 years, for increasing annual rentals starting at \$400,000 per year, payable to the Charter High School in quarterly advance payments beginning January 1, 2003. Such rental payments are also pledged to pay the debt service on this bond issue. The Series 2001B Bonds were issued on a parity with Charter School Revenue Bonds, Series 2001A. Those bonds maturing on and prior to July 1, 2012 are not subject to redemption prior to maturity. The bonds maturing on and after July 1, 2013 are subject to redemption at the option of the City, on or after July 1, 2012, in such order of maturity as the City selects, plus accrued interest to the redemption date.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DET AILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Revenue Bonds (Continued)

Charter School Revenue Bonds, Series 2001B (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2003	\$ 175,000	\$ 954,468	\$ 1,129,468
2004	515,000	949,217	1,464,217
2005	530,000	933,768	1,463,768
2006	555,000	916,277	1,471,277
2007	570,000	896,298	1,466,298
2008-2012	3,225,000	4,108,415	7,333,415
2013-2017	2,625,000	3,431,037	6,056,037
2018-2022	3,340,000	2,713,563	6,053,563
2023-2027	4,255,000	1,791,312	6,046,312
2028-2031	<u>4,270,000</u>	<u>574,875</u>	<u>4,844,875</u>
	<u>\$20,060,000</u>	<u>\$17,269,230</u>	<u>\$37,329,230</u>

Advanced and Current Refunded Bonds – The following are bonds for which the City has provided the necessary resources to purchase securities that were placed in an irrevocable trust for the purpose of generating the required resources for all future debt service payments:

Water and Sewer Revenue Bonds, Series 1972 - The outstanding balance is \$355,000. These bonds were defeased by the Water and Sewer Refunding Revenue Bonds, Series 1983 and subsequently these bonds were refunded by the Consolidated Utility Systems Revenue Bonds, Series 1992. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. The Water and Sewer Refunding Bonds, Series 1983 were called on September 1, 1993.

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$22,320,000. 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.

Capital Improvement Revenue Bonds, Series 1995 – A portion of the proceeds from the sale of the Series 1999 Capital Improvement Revenue Bonds provided funds to advance refund all of the City’s outstanding Capital Improvement Revenue Bonds, Series 1995. These bonds were defeased on April 27, 1999 and have an outstanding balance of \$9,850,000. Escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. The reacquisition price exceeded the net carrying amount of the old debt by \$688,363. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 28 years by \$517,106 and resulted in an economic gain (net present value benefit) of \$397,089.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

g. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2002 was as follows:

	<u>Beginning</u>		<u>Reductions</u>	<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Bonds and loans payable:					
Revenue bonds:					
Public Improvement Refunding					
Revenue Bonds, Series 1992	\$ 955,000	\$ -	\$ (465,000)	\$ 490,000	\$ 490,000
Public Improvement Revenue					
Bonds, Series 1993	5,205,000	-	(2,840,000)	2,365,000	2,365,000
Capital improvement Revenue					
Bonds, Series 1993	6,895,000	-	(165,000)	6,730,000	175,000
Public Improvement Revenue					
Bonds, Series 1998	24,055,000	-	-	24,055,000	-
Capital improvement Revenue					
Bonds, Series 1999	44,670,000	-	(455,000)	44,215,000	470,000
Public Improvement Revenue					
Bonds, Series 2001	-	19,600,000	-	19,600,000	-
Charter School Revenue Bonds,					
Series 2001A	-	31,910,000	-	31,910,000	-
Charter School Revenue Bonds,					
Series 2001B	-	20,060,000	-	20,060,000	175,000
Total revenue bonds	81,780,000	71,570,000	(3,925,000)	149,425,000	3,675,000
Loans:					
Certificate of Indebtedness 1997	9,016,628	-	(9,016,628)	-	-
Certificate of Indebtedness 2000	10,000,000	-	(10,000,000)	-	-
Total loans	19,016,628	-	(19,016,628)	-	-
Less deferred amounts:					
For issuance discounts/premiums	(96,568)	(363,592)	11,365	(448,795)	(23,817)
On refunding	(381,247)	-	127,082	(254,165)	(127,082)
Total bonds and loans payable	100,318,813	71,206,408	(22,803,181)	148,722,040	3,524,101
Estimated self-insurance claims	2,731,279	14,338,923	(14,631,425)	2,438,777	1,479,476
Compensated absences	11,425,765	7,856,760	(6,713,751)	12,568,774	7,417,247
Governmental activity					
Long-term liabilities	\$114,475,857	\$93,402,091	\$(44,148,357)	\$163,729,591	\$ 12,420,824

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

h. Long-Term Debt (Continued)

Changes in Long-Term Liabilities (Continued)

	Beginning			Ending	Due
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Within</u>
Business-type activities:					<u>One Year</u>
Compensated absences	\$ 854,837	\$ 597,125	\$ (455,837)	\$ 996,125	\$ 539,685
Business-type activity					
Long-term liabilities	<u>\$ 854,837</u>	<u>\$ 597,125</u>	<u>\$ (455,837)</u>	<u>\$ 996,125</u>	<u>\$ 539,685</u>

Compensated absences typically have been liquidated in the general and other governmental funds. Claims liability typically has been liquidated in the general and internal service funds.

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 \$200,000 for each workers' compensation claim, \$150,000 per occurrence for each general liability claim, and \$25,000 for each occurrence of damage to City-owned property. 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 \$2,438,777 reported in the fund at September 30, 2002 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30, which requires that claims liabilities, including IBNR (incurred but not reported claims), be 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

a. Risk Management (Continued)

The changes in the fund's claims liability amount during the past three 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>
1999-2000	\$4,592,867	\$11,066,892	\$(10,897,097)	\$4,762,662
2000-2001	4,762,662	10,532,845	(12,564,228)	2,731,279
2001-2002	2,731,279	14,338,923	(14,631,425)	2,438,777

b. Contingent Liabilities

The City has two underground storage tanks for which they have completed remedial action. The City believes that no further action is required on either site.

Amounts received or receivable from grant agencies are subject to audit and adjustment 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 expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits incidental to its operations. Although the outcome of these lawsuits is not presently determinable, it is in the opinion of the City management and counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

c. Commitments

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida, (Hollywood). The agreement provides for the connection of the City's eastern sewage collection system to the City of Hollywood's treatment and disposal facility. The City is being charged based on average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expense. The charges to operations of the utility fund under this agreement were \$4,409,632 during the year ended September 30, 2002. Currently, the City and Hollywood are in litigation related to allegations of overcharges by Hollywood to the City, and to the City's opposition to Hollywood's proposed expansion of its Regional Wastewater Plant.

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 Center includes a school for 6th, 7th and 8th graders.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

c. Commitments (Continued)

On October 21, 1992, the City entered into an agreement with Florida Wetlandsbank (FW), a Florida Joint Venture. The agreement provides that FW will market, construct, operate, and maintain a Wetland Mitigation Bank for those wishing to undertake development of Wetlands in the City and satisfy their off-site mitigation requirements. FW pays a \$1,000 maintenance fee per acre contracted to the Wetland Mitigation Trust Fund. In addition, FW pays a \$7,000 license fee per acre for the first 75 acres, then \$8,500 per acre to the municipal construction fund. FW posts a performance bond and an irrevocable letter of credit or other security for all construction in progress. Upon completion of the improvements, FW will maintain each project for 5 years, at which time the City will assume maintenance of the project.

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 as the "Howard C. Forman Human Services Campus", and is currently subleasing the site's facilities to various health care providers. The City is looking into establishing affordable senior housing, geriatric care, educational facilities and other health care services at the site (See Note 3.f. "Operating Leases" and Note 5 "Subsequent Events").

The City has the following construction commitments as of September 30, 2002:

<u>Vendor</u>	<u>Description</u>	<u>Original Amount</u>	<u>Balance September 30, 2002</u>
The Haskell Company	University Campus	\$14,942,896	\$5,003,930
The Haskell Company	Police Substation	2,826,650	729,149
The Haskell Company	Walnut Creek Park	2,065,951	1,813,591
Widell, Inc.	Odor Control & Plant Rehab	4,231,800	2,235,973

d. Postretirement Health and Life Insurance Benefits

Ordinances 990, 1015, and 1024, adopted on April 15, 1992, November 4, 1992, and February 17, 1993, respectively, provide coverage of health and life insurance to 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 was limited to employee (single) coverage only. 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. The allocated premium related to the retiree's health care and life insurance benefits is recognized as an expenditure by the City. For the fiscal year ended September 30, 2002, those costs totaled \$686,229. As of September 30, 2002, there were 138 eligible retirees receiving this benefit.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

d. Postretirement Health and Life Insurance Benefits (Continued)

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 entirely by the covered individual.

e. Municipal Employees Retirement Plans

The City is the sponsor of two single-employer Public Employee Retirement Systems (PERS) that are administered by the City to provide pension benefits to its employees. 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.

Summary of Significant Accounting Policies

Basis of Accounting – The Plans' 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 are presented at estimated fair value as provided by the custodial bank and investment counsel.

Plan Membership Information

At October 1, 2001, the date of the latest actuarial evaluation, the Plans' membership consisted of:

	<u>General Employees</u>	<u>Firefighters and Police Officers</u>
Retirees and beneficiaries currently receiving benefits	133	-
Terminated employees entitled to benefits, but not yet receiving them	107	-
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	-	73
Current employees:		
Vested	251	207
Non-vested	<u>253</u>	<u>209</u>
Total	<u>744</u>	<u>489</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

e. Municipal Employees Retirement Plans (Continued)

General Employees Pension Plan

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 Ordinance 992 dated April 15, 1992, Ordinance 1058 dated December 15, 1993, Ordinance 1297 dated March 17, 1999, and Ordinance 1413 dated June 19, 2002. 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 2.75% of average yearly earnings for the highest two years of continuous service multiplied by years of service (not to exceed 29.09 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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

e. Municipal Employees Retirement Plans (Continued)

General Employees Pension Plan (Continued)

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, while the City's contribution of \$3,604,737 or 20.56% 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 20 years. Chapter 112, Part VII, Florida Statutes requires amortization of unfunded liabilities over a period no longer than 30 years.

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

Investments

As of September 30, 2002, the Plan held no single investment that exceeded 5% of plan net assets. See Note 3 (Part a.) for risk categorization of investments.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year is as follows:

Annual required contribution	\$ 3,604,737
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	3,604,737
Contributions made	<u>(3,604,737)</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

The annual required contribution for the current year was determined as part of the October 1, 2001 actuarial valuation using the entry age normal-frozen initial liability actuarial cost method. The actuarial assumptions included an 8.25% investment rate of return, net of administrative expenses and projected salary increases of 8.5%, and includes an inflation component of 3%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

e. Municipal Employees Retirement Plans (Continued)

General Employees Pension Plan (Continued)

<u>Three-Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/00	\$2,800,921	100%	\$ -
9/30/01	3,361,081	100	-
9/30/02	3,604,737	100	-

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, 2002, \$425,502 was contributed to the DROP.

City Pension Fund for Firefighters and Police Officers

Plan Description

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

Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	1198	December 18, 1996
829	March 4, 1987	1249	January 7, 1998
967	September 19, 1991	1318	November 17, 1999
1014	November 4, 1992	1321	December 15, 1999
1067	February 16, 1994	1325	January 19, 2000
1091	September 8, 1994	1353	September 20, 2000
1131	September 6, 1995	1360	November 15, 2000

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 (Continued)

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. The Fire Chief and the Police Chief may elect to become members.

Any police officer may retire and receive normal retirement benefits after the earliest of completing 20 years of continuous service and attaining 50 years of age, or after completing 10 years of continuous service and attaining 55 years of age, or completing 20 years of continuous service regardless of age, or upon attaining 55 years of age regardless of time of service, if an eligible participant on February 19, 1981.

Any firefighter may retire and receive normal retirement benefits after the earliest of completing 10 years of continuous service and attaining 50 years of age, or completing 20 years of continuous service regardless of age, or attaining 55 years of age regardless of time of service, if an eligible participant on February 19, 1981.

Police officers may retire early upon completion of 20 years of continuous service, regardless of age, or after completing 10 years of continuous service and attaining 50 years of age. Currently, firefighters may not elect to retire early.

Service Retirement Benefits

Upon normal retirement, a participant will receive a monthly pension amount equal to 3% (or 4% for participants with over 20 years of service) of 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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

e. Municipal Employees Retirement Plans (Continued)

City Pension Fund for Firefighters and Police Officers (Continued)

Disability Benefits

A participant who incurs a service-connected disability is entitled to a monthly benefit equal to the greater of (a) 66-2/3% of monthly earnings on the date of disability 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.

Death Benefits

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

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 \$4,877,023 or 21.29% of covered payroll.

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.

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.

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

Investments

As of September 30, 2002, the Plan held no single investment that exceeded 5% of plan net assets. See Note 3 (Part a.) for risk categorization of investments.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

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

The annual pension cost and net pension obligation for the current year is as follows:

Annual required contribution	\$ 4,877,023
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>4,877,023</u>
Contributions made	<u>(4,877,023)</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the October 1, 2001 actuarial valuation using the entry age normal cost method. The actuarial assumptions included an 8% investment rate of return, net of administrative expenses and projected salary increases of 6%, which include an inflation component of 4%.

Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/00	\$3,550,488	100%	\$ -
9/30/01	4,267,395	100	-
9/30/02	4,877,023	100	-

DROP Plan

During December 1996, the CPFFPO adopted the Deferred Retirement Option Plan (DROP) under Ordinance 1198. The Ordinance allows eligible employees to participate in the DROP for a maximum of five years. Upon election to participate in the DROP, monthly retirement benefits that would have been payable had the member terminated employment and elected to receive monthly pension payments, shall be made into the member's DROP account. DROP payments contributed to a member's DROP account earn or lose interest at the same rate and frequency as in the CPFFPO, less reasonable and necessary administrative expenses. For the year ended September 30, 2002 investment income (loss) in the financial statements of the CPFFPO excluded investment income (loss) on DROP accounts totaling (\$38,106).

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

NOTE 4. OTHER INFORMATION (Continued)

f. Defined Contribution Plans

The City offers two defined contribution plans as follows:

City Employees

The City offers a defined contribution plan (the Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance Number 829. The Plan provides a portable retirement program for “mobile” administrative, professional, and technical employees of the City. 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 the plan permits rollovers.

At September 30, 2002, there were five (5) Plan members. Plan members are required to contribute 5% of their annual covered payroll to the Plan. The City is required to contribute based on the same criteria as that established for the General Employees Defined Benefit Pension Plan (20.56% of annual covered payroll). The City contributed \$149,236 to the Plan for the year ended September 30, 2002. Provisions of the Plan may be amended by the City Commission. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the City has no fiduciary responsibility, and therefore, the net assets of the Plan are not included in the City’s financial statements.

Charter Schools and Early Learning Centers Employees

Effective July 1, 2000, the City established a defined contribution plan for employees of the Charter Schools and Early Learning 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, 2002, there were three hundred forty-eight (348) plan members. Effective January 1, 2002, the Charter Schools’ Plan members may contribute one hundred (100%) percent of their gross salary during the fiscal year, up to a maximum of \$11,000. The City’s required contribution is five (5%) percent of the plan member’s gross salary. For the year ended September 30, 2002, the City contributed \$405,857 to the Charter School’s Plan. Provisions of the Charter School’s Plan may be amended by the City Commission. The Charter School’s Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility, and therefore, the net assets of the Charter School’s Plan are not included in the City’s financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements (Continued)

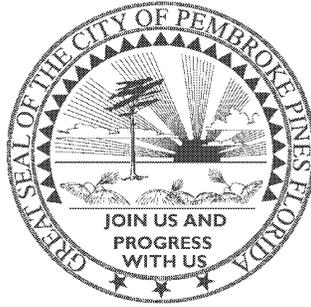
NOTE 5. SUBSEQUENT EVENTS (UNAUDITED)

On November 6, 2002, the City Commission voted to issue revenue bonds for two schools. The first project consists of building the City's fourth Charter Elementary School at Pembroke Shores Park. It will be a 600-student facility costing approximately \$7,500,000. Repayment of the bonds is anticipated to come from state funds through Florida State University (FSU) in Tallahassee, which is sponsoring the school as a "Developmental Research Charter Laboratory School" to train teachers and use it as an educational laboratory. The Charter Agreement between Florida State University and the City was signed on February 3, 2003 for a 15-year term from July 1, 2003 through June 30, 2018 with provisions for extensions. Construction on the school began in December 2002 with completion expected by August 2003 in time for the 2003-2004 school year.

The second project consists of converting an existing building at the City's Howard C. Forman Human Services Campus for approximately \$500,000. The school would serve 40 autistic and special-needs children, and include a standard day care center to accommodate 50 children. Final arrangements for issuing the proposed revenue bonds are awaiting Commission Public Hearings and the formalization of such arrangements with Florida State University. The agreement with FSU requires the City, as the operator of the school, to pay a \$250,000 annual University Oversight and Research Fee to FSU. The City intends to apply for Sparsity Supplements, which are stipend funds from the State of Florida, to pay for this annual obligation to FSU.

Pursuant to a City Commission vote on February 10, 2003, the City agreed to transfer the duties of the City Manager and the Deputy City Manager to CHARLES F. DODGE, LLC, a Florida limited liability company ("CFD"). The agreement is for a 5-year period commencing February 15, 2003 with a 5-year renewal option. The agreement provides for an annual payment of \$669,000 to CFD paid in advance with monthly installments beginning March 1, 2003, and annual cost of living increases each October 1st. The City will also provide at no charge to CFD offices, facilities, personnel, equipment, supplies, and specified insurance. The agreement can be terminated by the City upon 90 days prior written notice, or by CFD upon 180 days prior written notice. Upon termination or non-renewal of the agreement, the City Manager and Deputy City Manager will transition back to employee status at the compensation equal to that amount payable to them, individually, at the time of their transition into this agreement.

On April 2, 2003, the City Commission voted to approve an agreement between the City and its firefighters' union. The agreement, which includes a no strike provision, is for three years retroactive to October 1, 2002 and terminates on September 30, 2005. The firefighters will receive a 2% wage increase retroactive to October 1, 2002; a 2% wage increase on April 1, 2004; and a 2% wage increase on April 1, 2005. Pension benefits will also be increased annually for cost of living adjustments beginning April 1, 2005. The agreement provides for retirement after 20 years' service with benefits of 80% of the final pay, with a provision to allow additional employment for another five years with the same pay scale and raises, but with no further increases in pension benefits. The agreement will provide \$54,000 top pay for the lowest-ranking firefighter in the first year of the contract, increasing to \$56,000 in the third year. The cost of the raises for the 210 members of the firefighters' union is estimated to be \$130,000 during the first year, and the cost of the new pension benefits to be \$4,000,000 over the three-year period. The City is considering borrowing an estimated \$39,720,000, in insured taxable pension fund bonds, over a 30-year term to pay for the increased costs resulting from this agreement. Interest rates on these bonds are estimated to range from 3.1% to 5.8% over the term of the bonds.



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Required Supplementary Information



City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$44,887,356	\$44,489,913	\$46,486,189	\$1,996,276
Licenses and permits	10,030,837	10,030,837	9,141,666	(889,171)
Intergovernmental revenue	10,640,945	10,856,690	9,758,986	(1,097,704)
Charges for services	20,436,289	20,676,686	19,964,434	(712,252)
Fines and forfeits	976,259	976,259	850,608	(125,651)
Miscellaneous revenues	13,259,831	13,262,431	12,722,004	(540,427)
Total revenues	<u>100,231,517</u>	<u>100,292,816</u>	<u>98,923,887</u>	<u>(1,368,929)</u>
Expenditures				
General government services	21,948,841	22,840,312	18,577,568	4,262,744
Public safety	55,420,618	55,445,836	52,125,314	3,320,522
Physical environment	4,472,478	4,335,478	3,185,017	1,150,461
Economic environment	1,064,665	1,066,431	740,292	326,139
Human services	5,052,655	5,282,527	4,470,460	812,067
Culture/Recreation	15,664,486	15,300,064	12,906,673	2,393,391
Total expenditures	<u>103,623,743</u>	<u>104,270,648</u>	<u>92,005,324</u>	<u>12,265,324</u>
Excess (deficiency) of revenues over expenditures	<u>(3,392,226)</u>	<u>(3,977,832)</u>	<u>6,918,563</u>	<u>10,896,395</u>
Other financing uses				
Transfers out	(398,630)	(393,006)	(323,358)	69,648
Total other financing uses	<u>(398,630)</u>	<u>(393,006)</u>	<u>(323,358)</u>	<u>69,648</u>
Net change in fund balances	<u>(3,790,856)</u>	<u>(4,370,838)</u>	<u>6,595,205</u>	<u>10,966,043</u>
Fund balances - beginning	<u>10,313,704</u>	<u>10,313,704</u>	<u>10,313,704</u>	<u>-</u>
Fund balances - ending	<u>\$6,522,848</u>	<u>\$5,942,866</u>	<u>\$16,908,909</u>	<u>\$10,966,043</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Employer Contributions
September 30, 2002

<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					
2002	\$ 3,604,737	\$ 3,604,737	\$ -	\$ 3,604,737	100.0%
2001	3,361,081	3,361,081	-	3,361,081	100.0
2000	2,800,921	2,800,921	-	2,800,921	100.0
1999	2,336,107	2,336,107	-	2,336,107	100.0
1998	1,882,862	1,882,862	-	1,882,862	100.0
1997	1,516,854	1,516,854	-	1,516,854	100.0
Firefighters and Police Officers					
2002	\$ 4,877,023	\$ 3,643,183	\$ 1,233,840	\$ 4,877,023	100.0%
2001	4,267,395	3,254,269	1,013,126	4,267,395	100.0
2000	3,550,488	2,580,359	970,129	3,550,488	100.0
1999	2,750,728	1,762,362	988,366	2,750,728	100.0
1998	2,366,116	1,450,517	915,599	2,366,116	100.0
1997	2,467,000	1,608,478	858,522	2,467,000	100.0

(A) Actuarially determined contribution requirements.

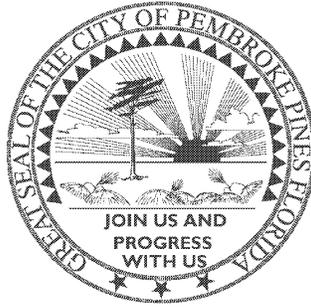
(B) Total actual contributions as a percentage of annual required contributions.

The information presented in the required supplemental schedules above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

	General Employees	Firefighters and Police Officers
Valuation date	10/1/2001	10/1/2001
Actuarial cost method	Entry age normal frozen initial liability	Entry age normal cost
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	15 years	21 years
Asset valuation method	Fair value	Fair value
Actuarial assumptions:		
Investment rate of return	8.25%	8.0%
Projected salary increases*	8.50%	6.0%
Cost of living adjustments	None	None
*Includes inflation at	3.0%	4.0%

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2002

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						
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
10/1/1998	30,441,656	38,673,221	8,231,565	78.7	13,037,087	63.1
10/1/1997	26,713,835	28,624,021	1,910,186	93.3	11,346,678	16.8
10/1/1996	22,998,034	27,046,393	4,048,359	85.0	10,651,263	38.0
Firefighters and Police Officers						
10/1/2001	\$ 89,587,047	\$ 103,737,625	\$ 14,150,578	86.4%	\$ 22,906,692	61.8%
10/1/2000	81,680,000	93,080,000	11,400,000	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
10/1/1998	58,718,000	64,162,000	5,444,000	91.5	17,676,000	30.8
10/1/1997	50,966,000	55,530,000	4,564,000	91.8	16,128,000	28.3
10/1/1996	39,920,000	47,437,000	7,517,000	84.2	15,209,000	49.4



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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 receipt and disbursement of funds earmarked for construction and maintenance of roads, bridges, sidewalks, and streetlights.

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

1. Minor home repairs.
2. Weatherization.
3. Roof replacement program.
4. Emergency repair program.
5. Administration.
6. Homebuyer assistance.

Community Development Block Grant Fund - To account for Federal funds received from the U.S. Department of Housing and Urban Development (HUD). These funds are used to provide the following:

1. Home repairs.
2. Weatherization.
3. Emergency repair program.
4. Commercial revitalization.
5. Homebuyer assistance.
6. Administration.
7. Senior Center transportation.

Law Enforcement Grant Fund – To account for the Federal funded program: Victim's Advocate (Victims of Crime Act)

1. One (1) part time Clerk Specialist and one (1) part time intern.
2. Overtime.
3. Benefits.
4. Operating expenses.
5. Office equipment.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued):

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 to run this program.

Police Community Service Grant - To account for the Federal funded program:

Block Grant:

1. Operating expenses
2. Office equipment

Cops More Grant - To account for the Federal funded program:

Cops More:

1. One (1) full time Micro Computer Specialist.
2. Overtime.
3. Benefits.
4. Operating expenses.
5. Office equipment.

COPS Grants - To account for the Federal funded programs:

Cops Ahead:

1. Two (2) full time officers
2. Benefits.

Cops in School:

1. Two (2) full time officers.
2. Benefits.

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.

Charter Schools – 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 charter schools have a fiscal year end of June 30th.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds: (Continued)

Older Americans Act – To account for Federal funds received from the Division of Health and Human Services and from the local Area-wide Agency on Aging. These funds are used to provide the following:

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

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

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

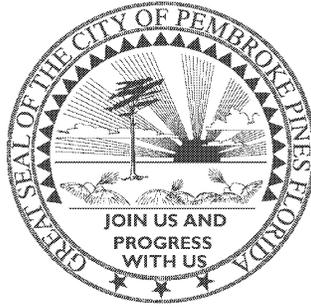
\$2 Police Assessment – To account for funds and property seized or confiscated by the City's Police Department in connection with local forfeiture cases.

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

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.



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City of Pembroke Pines, Florida
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2002

	Special Revenue							
	State	Community Development Block Grant	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	Cops More Grant	COPS Grants	Community Bus Program
Assets								
Pooled cash and cash equivalents	\$ 1,880,152	\$ -	\$ 21	\$ 69,141	\$ 65,967	\$ -	\$ -	\$ 151,365
Receivables:								
Special Assessments:								
Delinquent	10,130	-	-	-	-	-	-	-
Deferred	105,064	-	-	-	-	-	-	-
Accrued interest	16,962	-	-	-	-	-	-	-
Franchise fees and taxes	417,026	-	-	-	-	-	-	-
Other	205,120	-	-	-	-	-	-	-
Total receivables	<u>754,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from other governments	-	77,184	2,708	46,350	-	36,324	40,750	-
Prepaid costs	-	25,125	-	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 2,634,454</u>	<u>\$ 102,309</u>	<u>\$ 2,729</u>	<u>\$ 115,491</u>	<u>\$ 65,967</u>	<u>\$ 36,324</u>	<u>\$ 40,750</u>	<u>\$ 151,365</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 34,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	102,309	2,729	-	-	36,324	40,750	51,816
Compensated absences	42,746	-	-	32,794	-	-	-	1,051
Deposits	1,833	-	-	-	65,967	-	-	-
Deferred revenue	<u>105,064</u>	<u>1,044,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>183,768</u>	<u>1,044,867</u>	<u>2,729</u>	<u>32,794</u>	<u>65,967</u>	<u>36,324</u>	<u>40,750</u>	<u>52,867</u>
Fund balances:								
Reserved for:								
Subsequent years' expenditures	-	-	-	-	-	-	-	-
Prepaid costs	-	25,125	-	-	-	-	-	-
Encumbrances	<u>137,787</u>	<u>114,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:								
Designated for rent payments	-	-	-	-	-	-	-	-
Undesignated (deficit)	<u>2,312,899</u>	<u>(114,765)</u>	<u>-</u>	<u>82,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,498</u>
Total fund balances	<u>2,450,686</u>	<u>-</u>	<u>-</u>	<u>82,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,498</u>
Total liabilities and fund balances	<u>\$ 2,634,454</u>	<u>\$ 102,309</u>	<u>\$ 2,729</u>	<u>\$ 115,491</u>	<u>\$ 65,967</u>	<u>\$ 36,324</u>	<u>\$ 40,750</u>	<u>\$ 151,365</u>

(Continued)

City of Pembroke Pines, Florida
 Combining Balance Sheet
 Nonmajor Governmental Funds
 (Continued)
 September 30, 2002

	Special Revenue						Permanent Fund		Total Nonmajor Governmental Funds
	Charter* Schools	Older Americans Act	Confiscated Treasury	Confiscated Justice	\$2 Police Assessment	FDLE	Wetland Mitigation Trust Fund	-	
Assets									
Pooled cash and cash equivalents	\$ 3,898,468	\$ 235,236	\$ 89,441	\$ 411,169	\$ 115,422	\$ 1,673,187	\$ -	\$ -	\$ 9,634,436
Receivables:									
Special Assessments:									
Delinquent	-	-	-	-	-	-	-	-	10,130
Deferred	-	-	-	-	-	-	-	-	105,064
Accrued interest	-	-	-	-	-	-	-	-	16,962
Franchise fees and taxes	-	-	-	-	-	-	-	-	417,026
Other	33,540	-	-	-	-	-	-	-	238,660
Total receivables	33,540	-	-	-	-	-	-	-	787,842
Due from other governments	665,542	123,731	-	-	-	-	-	-	992,589
Prepaid costs	-	-	-	-	-	-	-	-	25,125
Restricted pooled cash and investments	-	-	-	-	-	-	-	569,796	569,796
Total assets	\$ 4,597,550	\$ 358,967	\$ 89,441	\$ 411,169	\$ 115,422	\$ 1,673,187	\$ 569,796	\$ 569,796	\$ 12,009,788
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 2,923	-	-	-	-	-	-	-	\$ 37,048
Accrued liabilities	150,429	-	-	-	-	-	-	-	150,429
Due to other funds	-	-	-	-	-	-	-	-	233,928
Compensated absences	76,005	39,548	-	-	-	-	-	-	192,144
Deposits	188,307	-	-	-	-	86,442	-	-	276,582
Deferred revenue	-	-	-	-	-	-	-	-	1,215,898
Total liabilities	417,664	39,548	-	-	-	86,442	-	-	2,106,029
Fund balances:									
Reserved for:									
Subsequent years' expenditures	9,606	-	-	-	-	-	569,796	-	579,402
Prepaid costs	-	-	-	-	-	-	-	-	25,125
Encumbrances	-	-	-	276	4,480	136,370	-	-	393,678
Unreserved:									
Designated for rent payments	4,170,280	-	-	-	-	-	-	-	4,170,280
Undesignated (deficit)	-	319,419	89,441	410,893	110,942	1,450,375	-	-	4,735,274
Total fund balances	4,179,886	319,419	89,441	411,169	115,422	1,586,745	569,796	-	9,903,759
Total liabilities and fund balances	\$ 4,597,550	\$ 358,967	\$ 89,441	\$ 411,169	\$ 115,422	\$ 1,673,187	\$ 569,796	\$ 569,796	\$ 12,009,788

* As of June 30, 2002

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

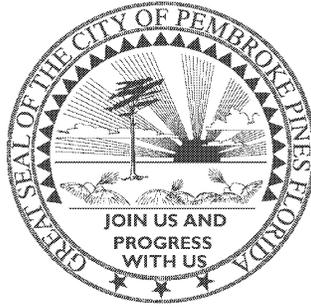
	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Charter* Schools	Older Americans Act	Confiscated Treasury	Confiscated Justice	\$2 Police Assessment	FDLE	Wetland Mitigation Trust Fund		
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,598,698
Special assessments	-	-	-	-	-	-	-	-	99,472
Intergovernmental	15,304,405	844,962	-	-	-	-	-	-	19,720,483
Charges for services	301,774	-	-	-	-	-	-	-	521,401
Fines and forfeits	-	-	543	55,551	42,844	330,910	-	-	429,848
Investment Income	112,201	3,672	1,886	9,584	2,256	34,572	11,661	-	207,278
Contributions	108,255	62,935	-	-	-	-	-	-	1,175,381
Rental revenue	98,086	-	-	-	-	-	-	-	98,086
Other	-	-	-	-	-	-	-	-	10,302
Total revenues	<u>15,924,721</u>	<u>911,569</u>	<u>2,429</u>	<u>65,135</u>	<u>45,100</u>	<u>365,482</u>	<u>11,661</u>	<u>24,860,949</u>	
Expenditures:									
General government	-	-	-	-	-	-	1,460	1,460	1,460
Public Safety	-	-	-	98,008	27,470	156,076	-	-	789,031
Transportation	-	-	-	-	-	-	-	-	4,020,966
Economic Environment	-	-	-	-	-	-	-	-	1,563,960
Human services	16,313,474	846,002	-	-	-	-	-	-	17,159,476
Total expenditures	<u>16,313,474</u>	<u>846,002</u>	<u>-</u>	<u>98,008</u>	<u>27,470</u>	<u>156,076</u>	<u>1,460</u>	<u>23,534,893</u>	
Excess (deficiency) of revenues over expenditures	<u>(388,753)</u>	<u>65,567</u>	<u>2,429</u>	<u>(32,873)</u>	<u>17,630</u>	<u>209,406</u>	<u>10,201</u>	<u>1,326,056</u>	
Other financing sources (uses):									
Transfers in	1,396,498	-	-	-	-	-	-	-	1,576,893
Transfers out	<u>(1,253,535)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,253,535)</u>
Total other financing sources (uses)	<u>142,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,358</u>
Net change in fund balances	<u>(245,790)</u>	<u>65,567</u>	<u>2,429</u>	<u>(32,873)</u>	<u>17,630</u>	<u>209,406</u>	<u>10,201</u>	<u>1,649,414</u>	
Fund balances, beginning	<u>4,425,676</u>	<u>253,852</u>	<u>87,012</u>	<u>444,042</u>	<u>97,792</u>	<u>1,377,339</u>	<u>559,595</u>	<u>8,254,345</u>	
Fund balances, ending	<u>\$ 4,179,886</u>	<u>\$ 319,419</u>	<u>\$ 89,441</u>	<u>\$ 411,169</u>	<u>\$ 115,422</u>	<u>\$ 1,586,745</u>	<u>\$ 569,796</u>	<u>\$ 9,903,759</u>	

* As of June 30, 2002

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

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**
 - Road and Bridge Fund
 - State Housing Initiative Program
 - Community Development Block Grant
 - Law Enforcement Grant
 - ADA Paratransit Program
 - Police Community Service Grant
 - Cops More Grant
 - COPS Grants
 - Community Bus Program
 - Charter Schools
 - Older Americans Act
 - Confiscated - Treasury
 - Confiscated - Justice
 - \$2 Police Assessment
 - FDLE
 - Wetland Mitigation Trust Fund



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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, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Franchise fees	\$ 960,582	\$ 960,582	\$ 721,833	\$ (238,749)
Utility taxes	1,955,478	2,379,621	2,158,398	(221,223)
Investment Income	601,000	601,000	207,317	(393,683)
Rental revenue	<u>3,833,038</u>	<u>3,833,038</u>	<u>3,456,284</u>	<u>(376,754)</u>
Total revenues	<u>7,350,098</u>	<u>7,774,241</u>	<u>6,543,832</u>	<u>(1,230,409)</u>
Expenditures				
Debt service:				
Principal	5,072,791	3,925,000	3,925,000	-
Interest	4,755,743	5,360,539	5,360,537	2
Other debt service costs	<u>2,875</u>	<u>1,483,903</u>	<u>1,477,904</u>	<u>5,999</u>
Total expenditures	<u>9,831,409</u>	<u>10,769,442</u>	<u>10,763,441</u>	<u>6,001</u>
Excess (deficiency) of revenues over expenditures	<u>(2,481,311)</u>	<u>(2,995,201)</u>	<u>(4,219,609)</u>	<u>(1,224,408)</u>
Other financing sources (uses):				
Revenue bonds issued	-	23,625,824	23,625,824	-
Current refunding of Certificates of Indebtednes:	<u>-</u>	<u>(19,792,421)</u>	<u>(19,792,421)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>3,833,403</u>	<u>3,833,403</u>	<u>-</u>
Net change in fund balances	(2,481,311)	838,202	(386,206)	(1,224,408)
Fund balances - beginning	<u>12,118,329</u>	<u>12,118,329</u>	<u>12,118,329</u>	<u>12,118,329</u>
Fund balances - ending	<u>\$ 9,637,018</u>	<u>\$ 12,956,531</u>	<u>\$ 11,732,123</u>	<u>\$ 10,893,921</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, 2002

	Special Revenue Funds									
	Road and Bridge Fund					State Housing Initiative Program				
	Budgeted Amounts		Actual	Variance with Final Budget		Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final	Amounts	Positive	(Negative)	Original	Final	Amounts	Positive	(Negative)	
Revenues:										
Taxes	\$2,612,721	\$2,612,721	\$ 2,598,698	\$ (14,023)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	112,560	99,472	(13,088)	-	-	-	-	-	-
Intergovernmental	1,078,441	1,078,441	960,557	(117,884)	1,020,159	2,851,273	1,088,151	(1,763,122)	(1,763,122)	
Charges for services	203,600	203,600	203,600	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Investment Income	50,000	50,000	25,135	(24,865)	40,000	40,000	-	(40,000)	(40,000)	
Contributions	-	804,191	1,004,191	200,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-	-
Other	1,000	1,000	10,302	9,302	-	-	-	-	-	-
Total revenues	3,945,762	4,862,513	4,901,955	39,442	1,060,159	2,891,273	1,088,151	(1,803,122)	(1,803,122)	
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Transportation	5,212,857	5,335,231	3,352,893	1,982,338	-	-	-	-	-	-
Economic Environment	-	-	-	-	2,164,766	2,851,273	1,088,151	1,763,122	1,763,122	
Human services	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,212,857	5,335,231	3,352,893	1,982,338	2,164,766	2,851,273	1,088,151	1,763,122	1,763,122	
Excess (deficiency) of revenues over expenditures	(1,267,095)	(472,718)	1,549,062	2,021,780	(1,104,607)	40,000	-	(40,000)	(40,000)	
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (use)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(1,267,095)	(472,718)	1,549,062	2,021,780	(1,104,607)	40,000	-	(40,000)	(40,000)	
Fund balances, beginning	901,624	901,624	901,624	-	-	-	-	-	-	-
Fund balances, ending	\$ (365,471)	\$ 428,906	\$ 2,450,686	\$ 2,021,780	\$ (1,104,607)	\$ 40,000	\$ -	\$ (40,000)	\$ (40,000)	

(Continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

	Special Revenue Funds										
	Community Development Block Grant					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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments											
Intergovernmental	688,000	1,197,811	598,333	(599,478)	17,884	17,884	14,715	(3,169)			
Charges for services											
Fines and forfeits											
Investment income											
Contributions											
Rental revenue											
Other											
Total revenues	<u>688,000</u>	<u>1,197,811</u>	<u>598,333</u>	<u>(599,478)</u>	<u>17,884</u>	<u>17,884</u>	<u>14,715</u>	<u>(3,169)</u>			
Expenditures:											
General government											
Public Safety											
Transportation	132,039	134,225	122,524	11,701	-	17,884	14,715	3,169			
Economic Environment	1,059,890	1,063,586	475,809	587,777	-	-	-	-			
Human services											
Total expenditures	<u>1,191,929</u>	<u>1,197,811</u>	<u>598,333</u>	<u>599,478</u>	<u>17,884</u>	<u>17,884</u>	<u>14,715</u>	<u>3,169</u>			
Excess (deficiency) of revenues over expenditures	<u>(503,929)</u>										
Other financing sources (uses):											
Transfers in											
Transfers out											
Total other financing sources (use)											
Net change in fund balances	(503,929)										
Fund balances, beginning											
Fund balances, ending	<u>\$ (503,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
(Continued)
Fiscal Year Ended September 30, 2002

	Special Revenue Funds						COPS Grants	Variance with Final Budget Positive (Negative)	
	Cops More Grant			Budgeted Amounts					Actual Amounts
	Budgeted Amounts Original	Final	Actual Amounts	Budgeted Amounts Original	Final	Actual Amounts			
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Special assessments	-	-	-	-	-	-	-		
Intergovernmental	25,000	122,529	61,324	(61,205)	176,013	117,927	(58,086)		
Charges for services	-	-	-	-	-	-	-		
Fines and forfeits	-	-	-	-	-	-	-		
Investment Income	-	-	-	-	-	-	-		
Contributions	-	-	-	-	-	-	-		
Rental revenue	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
Total revenues	<u>25,000</u>	<u>122,529</u>	<u>61,324</u>	<u>(61,205)</u>	<u>176,013</u>	<u>117,927</u>	<u>(58,086)</u>		
Expenditures:									
General government	-	-	-	-	-	-	-		
Public Safety	191,787	181,847	100,037	81,810	245,653	245,218	435		
Transportation	-	-	-	-	-	-	-		
Economic Environment	-	-	-	-	-	-	-		
Human services	-	-	-	-	-	-	-		
Total expenditures	<u>191,787</u>	<u>181,847</u>	<u>100,037</u>	<u>81,810</u>	<u>245,653</u>	<u>245,218</u>	<u>435</u>		
Excess (deficiency) of revenues over expenditures	<u>(166,787)</u>	<u>(59,318)</u>	<u>(38,713)</u>	<u>20,605</u>	<u>(69,640)</u>	<u>(127,291)</u>	<u>(57,651)</u>		
Other financing sources (uses):									
Transfers in	(23,245)	(59,318)	38,713	98,031	(69,640)	127,291	196,931		
Transfers out	-	-	-	-	-	-	-		
Total other financing sources (use)	<u>(23,245)</u>	<u>(59,318)</u>	<u>38,713</u>	<u>98,031</u>	<u>(69,640)</u>	<u>127,291</u>	<u>196,931</u>		
Net change in fund balances	(190,032)	(118,636)	-	118,636	(139,280)	-	139,280		
Fund balances, beginning	-	-	-	-	-	-	-		
Fund balances, ending	<u>\$ (190,032)</u>	<u>\$ (118,636)</u>	<u>\$ -</u>	<u>\$ 118,636</u>	<u>\$ (139,280)</u>	<u>\$ -</u>	<u>\$ 139,280</u>		

(Continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

	Special Revenue Funds						Variance with Final Budget Positive (Negative)
	Community Bus Program			Charter Schools*			
	Budgeted Amounts Original	Final	Actual Amounts	Budgeted Amounts Original	Final	Actual Amounts	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	197,756	287,756	289,880	14,621,694	15,649,727	15,304,405	(345,322)
Charges for services	16,100	16,100	16,027	300,000	300,000	301,774	1,774
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	2	2	320,582	315,482	112,201	(203,281)
Contributions	-	-	-	50,000	107,914	108,255	341
Rental revenue	-	-	-	211,951	211,951	98,086	(113,865)
Other	-	-	-	20,000	20,000	-	(20,000)
Total revenues	<u>213,856</u>	<u>303,858</u>	<u>305,909</u>	<u>15,524,227</u>	<u>16,605,074</u>	<u>15,924,721</u>	<u>(680,353)</u>
Expenditures:							
General government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation	219,601	221,060	207,411	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Total expenditures	<u>219,601</u>	<u>221,060</u>	<u>207,411</u>	<u>17,144,331</u>	<u>17,714,444</u>	<u>16,313,474</u>	<u>1,400,970</u>
Excess (deficiency) of revenues over expenditures	<u>(5,745)</u>	<u>82,798</u>	<u>98,498</u>	<u>(1,620,104)</u>	<u>(1,109,370)</u>	<u>(388,753)</u>	<u>720,617</u>
Other financing sources (uses):							
Transfers in	-	-	-	1,766,492	1,916,492	1,396,498	(519,994)
Transfers out	-	-	-	(1,616,492)	(1,766,492)	(1,253,535)	512,957
Total other financing sources (use)	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>142,963</u>	<u>(7,037)</u>
Net change in fund balances	<u>(5,745)</u>	<u>82,798</u>	<u>98,498</u>	<u>(1,470,104)</u>	<u>(959,370)</u>	<u>(245,790)</u>	<u>713,580</u>
Fund balances, beginning	-	-	-	4,425,676	4,425,676	4,425,676	-
Fund balances, ending	<u>\$ (5,745)</u>	<u>\$ 82,798</u>	<u>\$ 98,498</u>	<u>\$ 2,955,572</u>	<u>\$ 3,466,306</u>	<u>\$ 4,179,886</u>	<u>\$ 713,580</u>

* As of June 30, 2002

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

	Special Revenue Funds						Variance with Final Budget Positive (Negative)
	Older American Act			Confiscated - Treasury			
	Budgeted Amounts Original	Final	Actual Amounts	Budgeted Amounts Original	Final	Actual Amounts	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	702,698	874,629	844,962	(29,667)	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	543	543	-
Investment Income	-	3,672	3,672	-	5,400	1,886	(3,514)
Contributions	66,404	82,755	62,935	(19,820)	-	-	-
Rental revenue	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>769,102</u>	<u>961,056</u>	<u>911,569</u>	<u>(49,487)</u>	<u>5,400</u>	<u>5,943</u>	<u>(3,514)</u>
Expenditures:							
General government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	79,913	79,913	79,913
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human services	816,481	987,514	846,002	141,512	-	-	-
Total expenditures	<u>816,481</u>	<u>987,514</u>	<u>846,002</u>	<u>141,512</u>	<u>79,913</u>	<u>79,913</u>	<u>79,913</u>
Excess (deficiency) of revenues over expenditures	<u>(47,379)</u>	<u>(26,458)</u>	<u>65,567</u>	<u>92,025</u>	<u>(74,513)</u>	<u>(73,970)</u>	<u>76,399</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (use)	-	-	-	-	-	-	-
Net change in fund balances	<u>(47,379)</u>	<u>(26,458)</u>	<u>65,567</u>	<u>92,025</u>	<u>(74,513)</u>	<u>(73,970)</u>	<u>76,399</u>
Fund balances, beginning	<u>253,852</u>	<u>253,852</u>	<u>253,852</u>	<u>-</u>	<u>87,012</u>	<u>87,012</u>	<u>-</u>
Fund balances, ending	<u>\$ 206,473</u>	<u>\$ 227,394</u>	<u>\$ 319,419</u>	<u>\$ 92,025</u>	<u>\$ 12,499</u>	<u>\$ 13,042</u>	<u>\$ 76,399</u>

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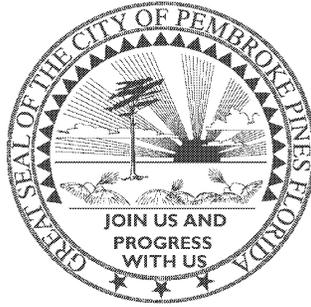
City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

	Special Revenue Funds						Variance with Final Budget Positive (Negative)
	Confiscated - Justice			\$2 Police Assessment			
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget Positive (Negative)	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	55,551	-	56,287	42,844	(13,443)	
Investment Income	22,200	9,584	(12,616)	5,400	2,256	(3,144)	
Contributions	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>22,200</u>	<u>77,751</u>	<u>(12,616)</u>	<u>61,687</u>	<u>45,100</u>	<u>(16,587)</u>	
Expenditures:							
General government	-	-	-	-	-	-	-
Public Safety	366,820	98,008	268,812	66,788	27,470	39,318	
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Total expenditures	<u>366,820</u>	<u>98,008</u>	<u>268,812</u>	<u>66,788</u>	<u>27,470</u>	<u>39,318</u>	
Excess (deficiency) of revenues over expenditures	<u>(344,620)</u>	<u>(289,069)</u>	<u>256,196</u>	<u>(5,101)</u>	<u>17,630</u>	<u>22,731</u>	
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (use)	-	-	-	-	-	-	-
Net change in fund balances	<u>(344,620)</u>	<u>(32,873)</u>	<u>256,196</u>	<u>(5,101)</u>	<u>17,630</u>	<u>22,731</u>	
Fund balances, beginning	<u>444,042</u>	<u>444,042</u>	<u>-</u>	<u>97,792</u>	<u>97,792</u>	<u>-</u>	
Fund balances, ending	<u>\$ 99,422</u>	<u>\$ 411,169</u>	<u>\$ 256,196</u>	<u>\$ 92,691</u>	<u>\$ 115,422</u>	<u>\$ 22,731</u>	

(Continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
(Continued)
Fiscal Year Ended September 30, 2002

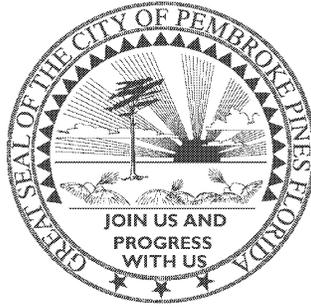
	Special Revenue Funds				Permanent Fund			
	FDLE				Wetland Mitigation Trust Fund			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	330,910	330,910	-	-	-	-	-
Investment Income	74,400	74,400	34,572	(39,828)	25,000	(25,000)	11,661	36,661
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>74,400</u>	<u>405,310</u>	<u>365,482</u>	<u>(39,828)</u>	<u>25,000</u>	<u>(25,000)</u>	<u>11,661</u>	<u>36,661</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public Safety	1,003,315	1,000,125	156,076	844,049	3,000	3,000	1,460	1,540
Transportation	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>1,003,315</u>	<u>1,000,125</u>	<u>156,076</u>	<u>844,049</u>	<u>3,000</u>	<u>3,000</u>	<u>1,460</u>	<u>1,540</u>
Excess (deficiency) of revenues over expenditures	<u>(928,915)</u>	<u>(594,815)</u>	<u>209,406</u>	<u>804,221</u>	<u>22,000</u>	<u>(28,000)</u>	<u>10,201</u>	<u>38,201</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (use)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>(928,915)</u>	<u>(594,815)</u>	<u>209,406</u>	<u>804,221</u>	<u>22,000</u>	<u>(28,000)</u>	<u>10,201</u>	<u>38,201</u>
Fund balances, beginning	<u>1,377,339</u>	<u>1,377,339</u>	<u>1,377,339</u>	-	<u>559,595</u>	<u>559,595</u>	<u>559,595</u>	-
Fund balances, ending	<u>\$ 448,424</u>	<u>\$ 782,524</u>	<u>\$ 1,586,745</u>	<u>\$ 804,221</u>	<u>\$ 581,595</u>	<u>\$ 531,595</u>	<u>\$ 569,796</u>	<u>\$ 38,201</u>



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FIDUCIARY FUND TYPES

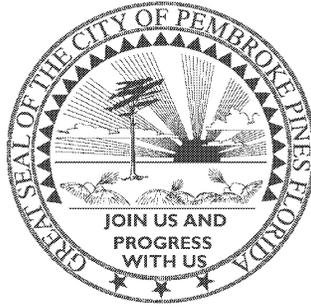
- PENSION TRUST FUNDS
- AGENCY FUNDS



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PENSION 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.



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City of Pembroke Pines, Florida
Combining Statement of Net Assets
Pension Trust Funds
September 30, 2002

	<u>General Employees Pension Fund</u>	<u>Police Officers and Firefighters Pension Fund</u>	<u>Totals</u>
Assets			
Investments	\$ 44,253,599	\$ 81,872,576	\$ 126,126,175
Due from other funds	-	133,484	133,484
Receivables:			
Accrued interest and dividends	-	488,226	488,226
Other	-	7,763	7,763
Total assets	<u>44,253,599</u>	<u>82,502,049</u>	<u>126,755,648</u>
 Liabilities			
DROP participants payable	-	1,964,467	1,964,467
Accounts payable	<u>-</u>	<u>37,903</u>	<u>37,903</u>
Total liabilities	<u>-</u>	<u>2,002,370</u>	<u>2,002,370</u>
 Net Assets			
Net assets held in trust for pension benefits	<u>\$ 44,253,599</u>	<u>\$ 80,499,679</u>	<u>\$ 124,753,278</u>

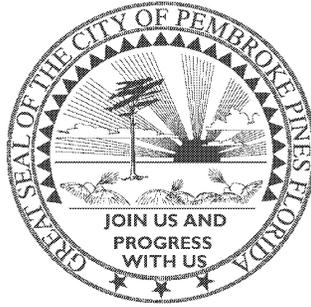
City of Pembroke Pines, Florida
Combining Statement of Changes in Net Assets
Pension Trust Funds
Fiscal Year Ended September 30, 2002

	General Employees <u>Pension Fund</u>	Police Officers and Firefighters <u>Pension Fund</u>	<u>Totals</u>
Additions			
Contributions:			
Plan members	\$ 1,762,532	2,683,777	\$ 4,446,309
Employer	3,604,737	3,643,183	7,247,920
State/County	-	1,233,840	1,233,840
Total contributions	<u>5,367,269</u>	<u>7,560,800</u>	<u>12,928,069</u>
Investment earnings (loss):			
Investment loss	(1,180,048)	(157,823)	(1,337,871)
Less investment expenses	<u>50,188</u>	<u>335,268</u>	<u>385,456</u>
Net investment loss	(1,230,236)	(493,091)	(1,723,327)
Gain from demutualization	<u>2,320,963</u>	-	<u>2,320,963</u>
Total additions	<u>6,457,996</u>	<u>7,067,709</u>	<u>13,525,705</u>
Deductions			
Pension benefits	2,392,087	2,269,426	4,661,513
Refunds of contributions	(60,977)	122,790	61,813
Administrative expenses	<u>8,034</u>	<u>194,563</u>	<u>202,597</u>
Total deductions	2,339,144	2,586,779	4,925,923
Change in net assets	4,118,852	4,480,930	8,599,782
Net assets- beginning	<u>40,134,747</u>	<u>76,018,749</u>	<u>116,153,496</u>
Net assets- ending	<u>\$ 44,253,599</u>	<u>\$ 80,499,679</u>	<u>\$ 124,753,278</u>

AGENCY FUNDS

The **General Trust Fund** is used to account for assets held by the City as an agent for other funds.

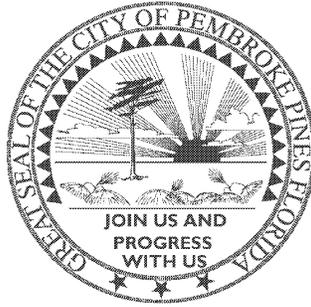
The **Sanitation Fund** is used to account for assets held by the City as an agent for a private organization.



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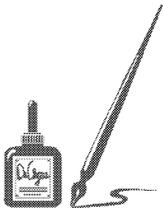
City of Pembroke Pines, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2002

	<u>Balance</u> <u>September 30,</u> <u>2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2002</u>
General Trust Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,569,855	\$ 69,080,392	\$ 68,618,590	\$ 3,031,657
Miscellaneous accounts receivable	7,170	106	7,170	106
Total assets	<u>\$ 2,577,025</u>	<u>\$ 69,080,498</u>	<u>\$ 68,625,760</u>	<u>\$ 3,031,763</u>
Liabilities:				
Accrued liabilities	\$ 2,389,940	\$ 64,809,672	\$ 64,167,849	\$ 3,031,763
Due to other funds	187,085	4,422,466	4,609,551	-
Total liabilities	<u>\$ 2,577,025</u>	<u>\$ 69,232,138</u>	<u>\$ 68,777,400</u>	<u>\$ 3,031,763</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ 196,243	\$11,892,760	\$12,033,265	\$ 55,738
Customer accounts receivable	590,598	10,120,692	9,816,999	894,291
Total assets	<u>\$ 786,841</u>	<u>\$ 22,013,452</u>	<u>\$ 21,850,264</u>	<u>\$ 950,029</u>
Liabilities:				
Accounts payable	\$ 786,841	\$ 10,743,899	\$ 10,580,711	\$ 950,029
Total liabilities	<u>\$ 786,841</u>	<u>\$ 10,743,899</u>	<u>\$ 10,580,711</u>	<u>\$ 950,029</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,766,098	\$ 80,973,152	\$ 80,651,855	\$ 3,087,395
Customer accounts receivable	590,598	10,120,692	9,816,999	894,291
Miscellaneous accounts receivable	7,170	106	7,170	106
Total assets	<u>\$ 3,363,866</u>	<u>\$ 91,093,950</u>	<u>\$ 90,476,024</u>	<u>\$ 3,981,792</u>
Liabilities:				
Accounts payable	\$ 786,841	\$ 10,743,899	\$ 10,580,711	\$ 950,029
Accrued liabilities	2,389,940	64,809,672	64,167,849	3,031,763
Due to other funds	187,085	4,422,466	4,609,551	-
Total liabilities	<u>\$ 3,363,866</u>	<u>\$ 79,976,037</u>	<u>\$ 79,358,111</u>	<u>\$ 3,981,792</u>



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Capital Assets Used in the Operation of Governmental Funds



City of Pembroke Pines, Florida
Schedule of Capital Assets - By Source
September 30, 2002

	<u>General Government</u>	<u>Charter* Schools</u>	<u>Total</u>
Governmental funds capital assets:			
Land	\$ 48,334,580	\$ -	\$ 48,334,580
Buildings	81,249,226	-	81,249,226
Improvements other than buildings	38,251,081	2,472,962	40,724,043
Machinery and equipment	37,592,358	1,837,827	39,430,185
Construction in progress	90,588,174	-	90,588,174
Infrastructure	31,336,568	-	31,336,568
Total governmental funds capital assets	<u>\$ 327,351,987</u>	<u>\$ 4,310,789</u>	<u>\$ 331,662,776</u>
Investments in governmental funds capital assets by source:			
General government	\$ 277,032,311	\$ -	\$ 277,032,311
Federal revenue sharing fund	266,134	-	266,134
Federal and state grants	1,986,432	-	1,986,432
Law enforcement trust fund	1,152,680	-	1,152,680
Gifts and donations	46,914,430	-	46,914,430
Charter Elementary School	-	1,860,706	1,860,706
Charter Middle School	-	2,252,006	2,252,006
Charter High School	-	198,077	198,077
Total investment in governmental funds capital assets	<u>\$ 327,351,987</u>	<u>\$ 4,310,789</u>	<u>\$ 331,662,776</u>

*As of June 30, 2002

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Pembroke Pines, Florida
Schedule of Capital Assets - By Function and Activity
September 30, 2002

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General government:						
Legislative	\$ 2,661,935	\$ 353,778	\$ 3,150	\$ 56,523	\$ -	\$ 3,075,386
City manager	-	-	-	94,223	-	94,223
Personnel	-	-	-	44,607	-	44,607
City clerk	-	-	-	344,727	-	344,727
City engineer	-	-	-	212,492	-	212,492
City planner	-	-	-	141,359	-	141,359
Finance	-	-	-	2,737,880	-	2,737,880
Central stores	-	359,685	-	177,583	-	537,268
Maintenance compound	-	819,509	2,850	64,092	-	886,451
General government building	159,417	8,361,656	640,405	632,103	-	9,793,581
Total general government	<u>2,821,352</u>	<u>9,894,628</u>	<u>646,405</u>	<u>4,505,589</u>	<u>-</u>	<u>17,867,974</u>
Public safety:						
Code enforcement	-	-	-	139,970	-	139,970
Building and zoning	-	318	-	1,474,419	-	1,474,737
Police	190,997	3,312,142	77,401	10,032,237	-	13,612,777
Fire	1,036,413	3,319,577	12,829	5,884,675	-	10,253,494
Rescue	171,409	1,089,989	2,300	2,646,731	-	3,910,429
Total public safety	<u>1,398,819</u>	<u>7,722,026</u>	<u>92,530</u>	<u>20,178,032</u>	<u>-</u>	<u>29,391,407</u>
Transportation:						
Streets and sidewalks	202,504	-	14,629,876	1,319,278	31,336,568	47,488,226
Transit system	-	-	-	214,480	-	214,480
Total transportation	<u>202,504</u>	<u>-</u>	<u>14,629,876</u>	<u>1,533,758</u>	<u>31,336,568</u>	<u>47,702,706</u>
Human services:						
Community services	11,142,134	54,734,662	724,546	6,062,536	-	72,663,878
Parks and recreation:						
Recreation	31,119,771	7,384,522	22,114,863	3,955,574	-	64,574,730
Landscaping	1,650,000	1,513,388	42,861	891,087	-	4,097,336
Total parks and recreation	<u>32,769,771</u>	<u>8,897,910</u>	<u>22,157,724</u>	<u>4,846,661</u>	<u>-</u>	<u>68,672,066</u>
Intragovernmental services:						
Surplus property	-	-	-	465,782	-	465,782
Total general fixed assets allocated to functions	<u>48,334,580</u>	<u>81,249,226</u>	<u>38,251,081</u>	<u>37,592,358</u>	<u>31,336,568</u>	<u>236,763,813</u>
Construction in progress						<u>90,588,174</u>
Total general government						<u>327,351,987</u>
Education* (charter schools):						
Elementary school	-	-	1,218,921	641,785	-	1,860,706
Middle school	-	-	1,254,041	997,965	-	2,252,006
High school	-	-	-	198,077	-	198,077
Total charter schools	<u>-</u>	<u>-</u>	<u>2,472,962</u>	<u>1,837,827</u>	<u>-</u>	<u>4,310,789</u>
Total capital assets	<u>\$ 48,334,580</u>	<u>\$ 81,249,226</u>	<u>\$ 40,724,043</u>	<u>\$ 39,430,185</u>	<u>\$ 31,336,568</u>	<u>\$ 331,662,776</u>

*As of June 30, 2002

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Pembroke Pines, Florida
Schedule of Changes in Capital Assets - By Function and Activity (City)
Fiscal year Ended September 30, 2002

<u>Function and Activity</u>	<u>Balance</u> <u>September 30,</u> <u>2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2002</u>
General government:				
Legislative	\$ 3,075,386	\$ -	\$ -	\$ 3,075,386
City manager	87,668	6,555	-	94,223
Personnel	38,809	5,798	-	44,607
City clerk	327,261	21,253	3,787	344,727
City engineer	202,968	11,237	1,713	212,492
City planner	142,886	1,873	3,400	141,359
Finance	2,670,566	95,784	28,470	2,737,880
Central stores	500,126	37,142	-	537,268
Maintenance compound	886,451	-	-	886,451
General government building	<u>9,587,244</u>	<u>206,337</u>	<u>-</u>	<u>9,793,581</u>
Total general government	<u>17,519,365</u>	<u>385,979</u>	<u>37,370</u>	<u>17,867,974</u>
Public safety:				
Code enforcement	148,960	2,809	11,799	139,970
Building and zoning	1,404,684	103,448	33,395	1,474,737
Police	12,638,988	1,124,556	150,767	13,612,777
Fire	9,845,728	407,766	-	10,253,494
Rescue	<u>3,686,136</u>	<u>228,033</u>	<u>3,740</u>	<u>3,910,429</u>
Total public safety	<u>27,724,496</u>	<u>1,866,612</u>	<u>199,701</u>	<u>29,391,407</u>
Transportation:				
Streets and sidewalks	45,588,956	1,899,270	-	47,488,226
Transit system	<u>134,504</u>	<u>79,976</u>	<u>-</u>	<u>214,480</u>
Total transportation	<u>45,723,460</u>	<u>1,979,246</u>	<u>-</u>	<u>47,702,706</u>
Human services:				
Community services	<u>68,519,530</u>	<u>4,243,399</u>	<u>99,051</u>	<u>72,663,878</u>
Parks and recreation:				
Recreation	61,536,156	3,182,194	143,620	64,574,730
Landscaping	<u>4,008,724</u>	<u>88,612</u>	<u>-</u>	<u>4,097,336</u>
Total parks and recreation	<u>65,544,880</u>	<u>3,270,806</u>	<u>143,620</u>	<u>68,672,066</u>
Intragovernmental services:				
Surplus property	<u>610,425</u>	<u>-</u>	<u>144,643</u>	<u>465,782</u>
Construction in progress	<u>60,784,317</u>	<u>29,804,449</u>	<u>592</u>	<u>90,588,174</u>
Total capital assets	<u>\$ 286,426,473</u>	<u>\$ 41,550,491</u>	<u>\$ 624,977</u>	<u>\$ 327,351,987</u>

(Continued)

City of Pembroke Pines, Florida
Schedule of Changes in Capital Assets - By Function and Activity (Charter Schools)
Fiscal Year Ended September 30, 2002

<u>Function and Activity</u>	<u>Balance June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
Education:				
Elementary schools	\$ 1,840,470	\$ 20,236	\$ -	\$ 1,860,706
Middle schools	2,230,105	21,901		2,252,006
High School	129,372	68,705	-	198,077
Total capital assets*	<u>\$ 4,199,947</u>	<u>\$ 110,842</u>	<u>\$ -</u>	<u>\$ 4,310,789</u>

*Charter schools reported as of June 30, 2002

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

III. STATISTICAL SECTION

- **Government-wide Information**
- **Fund Information**



City of Pembroke Pines, Florida

**Government-wide Expenses by Function
Last Ten Fiscal Years (1)**

<u>Fiscal Year</u>	-----Primary Government Expenses-----										-----Business-type Expenses-----		
	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Interest on Long-term Debt</u>	<u>Water Utility Services</u>	<u>Sewer/ Wastewater Services</u>	<u>Water-sewer Combined Service</u>	<u>Total</u>	
2002	\$20,085,237	\$54,363,115	\$3,184,132	\$5,785,707	\$2,154,679	\$24,138,249	\$14,640,884	\$6,722,426	\$3,843,161	\$8,590,253	\$17,112,758	\$160,620,601	

(1) Information for fiscal years ended September 30, 1993-2001 are unavailable in this format.

City of Pembroke Pines, Florida

Government-wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	-----Program Revenues-----				-----General Revenues-----					Total			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Taxes	Franchise Fees	Licenses and Permits	Inter-Governmental	Charges for Services		Investment Earnings not restricted	Gain on Sale of Capital Assets	Miscellaneous
2002	\$87,490,180	\$3,630,457	\$4,120,865		\$44,688,105	\$8,272,014	\$2,466,261	\$10,560,558	\$10,307,458	\$6,545,712	\$510	\$61,950	\$178,144,070

(1) Information for fiscal years ended September 30, 1993-2001 are unavailable in this format.

City of Pembroke Pines, Florida

General Governmental Expenditures by Function (1) Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1993	\$ 5,845,305	\$ 20,765,713	\$ 1,385,247	\$ 947,089	\$ -	\$ 390,533	\$ 2,888,676	\$ 6,297,484	\$ 5,450,990	\$ 43,971,037
1994	6,942,077	24,282,440	1,570,809	1,234,976	-	376,993	3,329,254	7,599,585	5,856,192	51,192,326
1995	6,956,437	25,638,263	1,659,277	1,423,447	253,653	413,353	3,806,170	7,783,868	5,719,200	53,653,668
1996	8,048,977	28,847,511	1,625,914	1,662,015	700,700	687,553	6,310,444	10,570,470	6,706,278	65,159,862
1997	9,446,857	31,523,940	1,884,668	1,955,506	1,175,189	452,925	6,853,420	18,582,225	8,292,627	80,167,357
1998	11,738,447	33,375,468	1,706,350	1,814,599	1,255,744	1,365,655	7,983,387	30,786,009	11,872,425	101,898,084
1999	12,630,675	38,717,663	2,183,408	2,212,580	1,435,000	6,011,970	9,107,760	37,092,691	14,677,388	124,069,135
2000	13,820,415	40,882,902	2,397,188	2,957,048	2,154,668	11,936,830	10,971,957	31,621,355	10,059,541	126,801,904
2001	14,726,757	47,557,927	2,829,740	3,514,568	2,244,331	19,471,201	11,436,951	21,450,938	17,629,720	140,862,133
2002	18,590,168	57,402,925	3,185,017	4,105,968	2,304,252	51,041,052	16,674,222	(2)	30,956,215	184,259,819

(1) Includes all government fund types and expendable trust funds.

(2) Included as part of the various functional categories for 2002.

City of Pembroke Pines, Florida

General Governmental Revenues by Source (1)

Fiscal Year	Ad Valorem Taxes	Non Ad Valorem Taxes	Licenses and Permits	Special Assessments	Inter- Governmental	Charges for Services	Fines and Forfeitures	Investment Income	Other	Total
1993	\$ 8,202,909	\$ 10,374,276	\$ 6,335,263	\$ 5,831,733	\$ 6,325,023	\$ 4,396,191	\$ 768,093	\$ 564,615	\$ 844,952	\$ 43,643,055
1994	8,726,812	12,728,439	9,494,707	2,795,814	5,702,519	5,362,721	781,614	873,980	2,192,332	48,658,938
1995	9,974,699	14,462,030	7,606,135	2,815,046	7,002,149	5,535,306	902,936	1,322,472	1,303,679	50,924,452
1996	11,749,703	16,180,080	9,901,958	6,139,334	7,742,998	6,577,532	870,885	1,972,863	2,150,222	63,285,575
1997	12,966,754	18,141,244	8,903,487	11,017,284	8,793,307	7,961,641	1,264,895	1,929,827	1,092,369	72,070,808
1998	14,808,039	19,629,361	9,811,982	11,226,489	10,126,718	8,616,379	839,129	2,154,498	3,070,736	80,283,331
1999	16,618,793	22,575,755	10,105,676	10,481,907	14,479,561	12,083,151	1,545,253	2,529,833	3,203,497	93,623,426
2000	18,744,031	23,216,450	7,429,515	7,636,295	25,241,878	14,124,656	1,901,675	3,406,942	9,849,328	111,550,770
2001	20,319,515	25,439,275	9,105,960	8,953,985	27,232,171	17,993,638	1,618,439	3,197,232	7,404,364	121,264,579
2002	25,230,301	27,729,817	9,141,666	8,465,016	32,960,088	20,485,835	1,280,456	2,207,098	8,971,983	136,472,260

(1) Includes all governmental fund types and expendable trust funds.

City of Pembroke Pines, Florida

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes Receivable (2)
1993	\$8,510,517	\$7,854,107	92.3%	\$ 348,803	\$8,202,910	96.4%	\$35,941
1994	9,086,334	8,643,149	95.1%	83,663	8,726,812	96.0%	44,851
1995	10,392,990	9,909,319	95.3%	65,380	9,974,699	96.0%	26,051
1996	12,312,139	11,627,581	94.4%	122,122	11,749,703	95.4%	15,694
1997	13,459,086	12,899,885	95.8%	66,869	12,966,754	96.3%	29,570
1998	15,429,999	14,824,322	96.1%	7,701	14,832,023	96.1%	19,791
1999	17,293,027	16,603,304	96.0%	15,489	16,618,793	96.1%	38,157
2000	19,352,972	18,590,738	96.1%	153,293	18,744,031	96.9%	28,642
2001	21,087,326	20,135,936	95.5%	183,579	20,319,515	96.4%	27,271
2002	26,241,228	25,167,556	95.9%	62,745	25,230,301	96.1%	21,012

(1) Represents gross taxes before cash discounts for early payment.

Source: (1) Certification of Taxable Values (Form DR-420 Line 17, "Total Prior Year Proceeds").

(2) Accountability Statement -Broward County Revenue Collection Division (Line 3 (c), "Warrant Register").

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

<u>Fiscal Year</u>	<u>City of Pembroke Pines</u>	<u>Broward County</u>	<u>Broward County Schools</u>	<u>South Florida Water Management District</u>	<u>South Broward Hospital District</u>	<u>Florida Inland Navigational District</u>	<u>Children's Council</u>	<u>Total</u>
Tax Millage Rates (1)								
1993	4.1588	7.9618	9.8310	0.5470	2.1823	0.0520		24.7329
1994	4.0882	8.1327	9.8197	0.5970	2.1823	0.0510		24.8709
1995	4.0882	8.1165	10.0366	0.6470	2.1132	0.0400		25.0415
1996	4.0882	7.7524	9.9400	0.6720	2.1132	0.0380		24.6038
1997	3.9034	7.8380	9.9745	0.6970	2.1132	0.0050		24.5311
1998	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470		24.0572
1999	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470		24.0572
2000	3.9034	7.5710	9.1283	0.6970	2.0831	0.0440		23.4268
2001	3.9034	7.5250	8.9553	0.6970	1.9939	0.0410		23.1156
2002	4.4597	7.4005	8.7541	0.6970	1.8694	0.0385	0.3055	23.5247

(1) Per \$1,000 of Taxable Assessed Value.

Source: Broward County Property Appraiser Millage Rate Sheet

City of Pembroke Pines, Florida

Special Assessment Collections Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessments Due</u>	<u>Assessments Collected</u>	Ratio of Collections to Amount Due	<u>Current</u>	<u>Delinquent</u>	<u>Deferred</u>	<u>Accrued Interest</u>	<u>Total</u>
1993	\$ 5,831,733	\$ 5,339,029	92%	\$ 144,165	\$ 435,614	\$ 8,521,161	\$ 141,912	\$ 9,242,852
1994	3,244,824	2,851,101	88%	388,827	408,598	8,583,482	317,989	9,698,896
1995	3,245,747	2,863,631	88%	318,958	630,124	7,904,716	548,448	9,402,246
1996	6,954,283	6,511,740	94%	180,053	720,467	21,324,383	1,039,553	23,264,456
1997	11,850,777	13,276,560	112%	284,218	75,973	15,625,642	154,099	16,139,932
1998	11,409,924	11,507,886	101%	231,753	85,140	10,906,851	99,435	11,323,179
1999	10,801,585	10,993,389	102%	41,005	88,682	6,434,679	94,838	6,659,204
2000	8,100,160	8,015,963	99%	99,506	96,178	3,609,471	113,038	3,918,193
2001	9,028,349	9,144,660	101%	2,436	103,357	2,143,515	86,618	2,335,926
2002	8,773,222	8,623,731	98%	68,880	175,631	951,458	97,391	1,293,360

City of Pembroke Pines, Florida

Computation of Legal Debt Margin

September 30, 2002

Effective taxable value (2002)	\$6,507,684,750
Plus exempt property	<u>1,071,997,027</u>
Total assessed value	<u>\$7,579,681,777</u>
Amount of debt outstanding:	
Public Improvement Refunding Revenue Bonds, Series 1992	\$ 490,000
Public Improvement Revenue Bonds, Series 1993	2,365,000
Capital Improvement Revenue Bonds, Series 1993	6,730,000
Public Improvement Revenue Bonds, Series 1998	24,055,000
Capital Improvement Revenue Bonds, Series 1999	44,215,000
Public Improvement Revenue Bonds, Series 2001	19,600,000
Charter School Revenue Bonds, Series 2001A	31,910,000
Charter School Revenue Bonds, Series 2001B	<u>20,060,000</u>
	149,425,000
Less reserve for debt service	<u>11,732,123</u>
Net amount of debt outstanding	<u>\$ 137,692,877</u>

Legal Debt Margin:

Currently, the City does not have any legal restrictions on the debt margin. However, the City is governed by the covenants of individual revenue bonds if the City plans to issue additional parity bonds.

Each outstanding Bond Series has specific requirements that must be met before the City can issue additional parity bonds. The current requirements are as follows:

Public Improvement Refunding Revenue Bonds, Series 1992

Additional bonds payable from pledged revenues may be issued only for acquisition or construction of additions, extensions or improvements to the Facility, or for refunding of bonds, if the electric franchise fee revenues for the preceding fiscal year equal at least 125% of the maximum bond debt service requirements on all existing and proposed bonds.

Public Improvement Revenue Bonds, Series 1993

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

Capital Improvement Revenue Bonds, Series 1993

Additional bonds payable from pledged revenues may be issued only for acquisition or construction of additions, extensions or improvements to the Facility, or for refunding of bonds, if the electric franchise fee revenues for the preceding fiscal year equal at least 125% of the maximum bond debt service requirements on all existing and proposed bonds.

City of Pembroke Pines, Florida

Computation of Legal Debt Margin

Public Improvement Revenue Bonds, Series 1998

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

Capital Improvement Revenue Bonds, Series 1999

Additional bonds payable from pledged revenues may be issued only for acquisitions or construction of additions, extensions or improvements to the Project, or for refunding of bonds, if the electric franchise fee revenues for the preceding fiscal year equal at least 125% of the maximum bond debt service requirements on all existing and proposed bonds.

Public Improvement Revenue Bonds, Series 2001

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

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

Additional bonds payable from the pledged revenues may be issued only for acquisition or construction of additional educational facilities and related facilities for Charter Schools, or for refunding of bonds, if the Charter Schools and related facilities revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirements on all outstanding Series 2001A Bonds, Series 2001B Bonds, and any additional Charter School Bonds.

City of Pembroke Pines, Florida
Computation of Direct and Overlapping Debt
September 30, 2002

	Gross Debt Outstanding <u>(1)</u>	Percent <u>(2)</u>	<u>Amount</u>
City of Pembroke Pines:			
Total Direct Debt	\$ -	- %	\$ -
 Broward County:			
Public Improvement Bonds	368,200,000	7.18%	26,425,021
 Broward County School Board:			
General Obligation Refunding Bonds, Series 1992	8,388,717	7.18%	602,042
General Obligation Refunding Bonds, Series 1993	90,080,000	7.18%	6,464,872
General Obligation Refunding Bonds, Series 2002	<u>51,480,000</u>	7.18%	<u>3,694,623</u>
 Total Overlapping Debt	<u>518,148,717</u>		<u>37,186,558</u>
 Total Direct and Overlapping Debt	<u>\$518,148,717</u>		<u>\$37,186,558</u>

(1) Gross general obligation debt outstanding.

(2) Determined by ratio of 2002 effective taxable value in overlapping unit and the City of Pembroke Pines as shown on the 2002 DR-420.

Note: The City of Pembroke Pines did not have any General Bonded Debt outstanding during the past ten years. Consequently, the following statistical tables have been omitted:
(a) Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita.
(b) Ratio of Annual Debt Service Expenditures for Bonded Debt to Total General Expenditures.

City of Pembroke Pines, Florida

Debt Service Coverage

Electric Public Service Tax Revenue Certificate of 1991,
 Public Improvement Revenue Bonds, Series 1993,
 Public Improvement Revenue Bonds, Series 1998, and
 Public Improvement Revenue Bonds, Series 2001

Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1991 Electric Public Service Tax Certificate	1993 Public Improvement Revenue Bonds (3) (4)	1998 Public Improvement Revenue Bonds (5)	2001 Public Improvement Revenue Bonds (6)	Total	Coverage
1993	\$ 4,277,063	19.2%	\$ 688,093	\$ 1,389,023	\$ -	\$ -	\$ 2,077,116	2.06
1994	4,516,839	5.6%	1,308,981	574,059	-	-	1,883,040	2.40
1995	5,049,051	11.8%	1,725,165	688,871	-	-	2,414,036	2.09
1996	5,547,070	9.9%	1,861,331	688,871	-	-	2,550,202	2.18
1997	5,984,413	7.9%	425,020	963,551	-	-	1,388,571	4.31
1998	6,541,977	9.3%	-	2,554,931	-	-	2,554,931	2.56
1999	6,760,447	3.3%	-	3,033,825	592,291	-	3,626,116	1.86
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	451,750	4,613,400	1.59

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$7,334,212
Combined Maximum Annual Debt Service Coverage	4,520,925
	1.62

- (1) Excludes bank 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) This bond issue was paid off on October 1, 2002 with available funds.
- (5) No statistics are available prior to fiscal year 1999 since the bonds were issued on September 23, 1998.
- (6) No statistics are available prior to fiscal year 2002 since the bonds were issued on October 12, 2001.

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 1995, and
 Capital Improvement Revenue Bonds, Series 1999

Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1992 Public Improvement Refunding Revenue Bonds (3)	1993 Capital Improvement Revenue Bonds (4)	1995 Capital Improvement Revenue Bonds (5)	1999 Capital Improvement Revenue Bonds (6)	Total	Coverage
1993	\$ 2,964,208	127.9%	\$ 197,765	\$ -	\$ -	\$ -	\$ 197,765	14.99
1994	3,242,647	9.4%	420,673	228,957	-	-	649,630	4.99
1995	3,394,805	4.7%	454,303	392,498	-	-	846,801	4.01
1996	3,885,515	14.5%	507,700	525,405	262,600	-	1,295,705	3.00
1997	4,560,358	17.4%	511,240	525,933	583,555	-	1,620,728	2.81
1998	4,531,246	-0.6%	513,100	525,906	583,555	-	1,622,561	2.79
1999	4,850,760	7.1%	508,133	525,335	583,555	-	1,617,023	3.00
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

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 5,902,581
Combined Maximum Annual Debt Service Coverage	3,619,935
	1.63

(1) Excludes bank paying agent fees.

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

(3) This bond issue was paid off on December 1, 2002 with available funds.

(4) No statistics are available prior to fiscal year 1994 since the bonds were issued on November 17, 1993.

(5) No statistics are available prior to fiscal year 1996 since the bonds were issued on October 19, 1995. The 1995 Capital Improvement Revenue Bonds were defeased by the 1999 Capital Improvement Revenue Bonds.

(6) No statistics are available prior to fiscal year 2000 since the bonds were issued on April 27, 1999.

City of Pembroke Pines, Florida

Debt Service Coverage

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

<u>Debt Service Requirements (1)</u>						
<u>Fiscal Year</u>	<u>Pledged Revenues (2)</u>	<u>% Change</u>	<u>2001A Charter School Revenue Bonds (3)</u>	<u>2001B Charter School Revenue Bonds (4)</u>	<u>Total</u>	<u>Coverage</u>
2002	\$6,294,213	-1.5%	\$963,374	\$281,038	\$1,244,412	5.06

Coverage of Estimated Combined Maximum Annual Debt Service:

Rentals from the Charter Schools, the Early Learning Centers, and the Academic Village Campus Shared-Use Facility - Most Recent Fiscal Year	\$6,294,213
Combined Maximum Annual Debt Service	3,605,591
Coverage	1.75

(1) Excludes bank paying agent fees.

(2) Pledged revenues consist of the rentals from the Charter Schools, the Early Learning Centers, and the Academic Village Campus Shared-Use Facility on an even parity for both issues.

(3) No statistics are available prior to fiscal year 2002 since the bonds were issued on December 11, 2001.

(4) No statistics are available prior to fiscal year 2002 since the bonds were issued on April 4, 2002.

City of Pembroke Pines, Florida

Schedule of Debt Service on Outstanding Bonds as of September 30, 2002

Fiscal Year Ending September 30th	Golf Course Public Improvement Refunding Rev. Bonds, Series 1992	(1) Public Improvement Revenue Bonds, Series 1993	Southwest Focal Point Senior Center Capital Improvement Revenue Bonds, Series 1993	Charter Middle School and Academic Village Public Improvement Revenue Bonds, Series 1998	Charter High School and Other Capital Projects Capital Improvement Revenue Bonds, Series 1999	Police Annex, Park and Other Improvements Public Improvement Revenue Bonds, Series 2001	Charter Schools Central Campus Charter School Revenue Bonds, Series 2001A	Charter School Facility and Buses Charter School Revenue Bonds, Series 2001B	Total Debt Service
2003	\$ 504,210	\$ 2,424,125	\$ 523,457	\$ 1,134,175	\$ 2,587,727	\$ 903,500	\$ 1,534,579	\$ 1,129,468	\$ 10,741,241
2004	-	-	520,357	\$ 1,889,160	3,095,926	1,547,038	2,134,579	1,464,217	10,651,277
2005	-	-	521,683	\$ 1,893,045	3,098,253	1,538,850	2,133,379	1,463,768	10,648,978
2006	-	-	522,295	\$ 1,890,245	3,093,400	1,539,962	2,134,314	1,471,277	10,651,493
2007	-	-	522,170	\$ 1,890,710	3,095,942	1,540,200	2,132,724	1,466,298	10,648,044
2008	-	-	521,420	\$ 1,883,750	3,095,605	1,544,475	2,134,144	1,469,067	10,648,461
2009	-	-	520,055	\$ 1,884,415	3,097,195	1,540,850	2,131,944	1,464,673	10,639,132
2010	-	-	518,070	\$ 1,888,027	3,100,410	1,534,350	2,133,743	1,468,535	10,643,135
2011	-	-	520,256	\$ 1,883,787	3,094,651	1,536,650	2,133,609	1,465,477	10,634,430
2012	-	-	516,606	\$ 1,881,383	3,099,391	1,537,115	2,131,478	1,465,663	10,631,636
2013	-	-	517,300	\$ 1,880,720	3,100,379	1,535,275	2,132,294	1,208,812	10,374,780
2014	-	-	517,206	\$ 1,881,200	3,102,376	1,531,060	2,132,681	1,211,725	10,376,248
2015	-	-	516,131	\$ 1,877,250	3,099,628	1,523,900	2,130,650	1,212,975	10,360,534
2016	-	-	518,931	\$ 1,874,250	3,097,065	1,528,350	2,131,200	1,212,513	10,362,309
2017	-	-	515,791	\$ 1,878,000	3,099,426	1,519,775	2,134,062	1,210,012	10,357,066
2018	-	-	516,709	\$ 1,873,375	3,101,665	1,521,050	2,130,250	1,211,263	10,354,312
2019	-	-	516,553	\$ 1,870,375	3,102,962	1,519,025	2,131,500	1,211,012	10,351,427
2020	-	-	515,322	\$ 1,868,750	3,103,463	1,523,750	2,135,000	1,209,263	10,355,548
2021	-	-	513,016	\$ 1,863,375	3,106,025	1,523,125	2,130,500	1,211,012	10,347,053
2022	-	-	514,500	\$ 1,864,000	3,105,131	1,519,250	2,133,250	1,211,013	10,347,144
2023	-	-	514,641	\$ 1,860,375	3,103,069	1,517,000	2,132,750	1,209,262	10,337,097
2024	-	-	513,438	-	3,104,444	-	2,134,000	1,210,763	6,962,645
2025	-	-	-	-	3,590,737	-	2,131,750	1,210,262	6,932,749
2026	-	-	-	-	3,590,900	-	2,131,000	1,207,763	6,929,663
2027	-	-	-	-	3,591,875	-	2,131,500	1,208,262	6,931,637
2028	-	-	-	-	-	-	2,133,000	1,209,175	3,342,175
2029	-	-	-	-	-	-	2,130,250	1,212,463	3,342,713
2030	-	-	-	-	-	-	2,133,250	1,212,862	3,346,112
2031	-	-	-	-	-	-	2,131,500	1,210,375	3,341,875
Total debt service	\$ 504,210	\$ 2,424,125	\$ 11,395,907	\$ 38,710,367	\$ 78,457,645	\$ 31,524,550	\$ 61,244,880	\$ 37,329,230	\$ 261,590,914
Principal outstanding;	\$ 490,000	\$ 2,365,000	\$ 6,730,000	\$ 24,055,000	\$ 44,215,000	\$ 19,600,000	\$ 31,910,000	\$ 20,060,000	\$ 149,425,000

(1) This bond issue funded (a) improvements to senior community center, (b) fire station, (c) Walter C. Young Resource Center and various other capital improvements.

City of Pembroke Pines, Florida

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Income Per Capita (2)	Grade School Enrollment (3)	Commercial Bank Deposits (4)	Unemployment Rate Expressed As a Percentage (5)			
					United States	Florida	Broward County	Pembroke Pines
1993	75,014	\$ 23,840	5,194	\$ 319,301,000	7.4*	8.2	8.1	5.4
1994	81,374	25,494	5,995	453,702,000	6.3*	6.7*	6.5*	4.3*
1995	87,948	26,192	6,804	681,363,000	5.6*	5.5*	5.6*	3.7*
1996	89,753	27,129	7,858	715,055,000	5.5*	5.4*	5.5*	3.6*
1997	104,143	27,530	8,058	1,863,205,000	5.0*	4.9*	4.9*	3.2*
1998	112,692	28,546	9,404	808,844,000	4.1	4.5	4.8	3.1
1999	120,091	29,442	10,924	1,382,264,000	4.1	4.1	4.1	2.7
2000	137,427	29,409	11,694	1,380,262,000	4.0	3.6	3.7	2.4
2001	141,659	(2a)	11,637	1,374,147,000	4.4	3.9	4.0	2.6
2002	144,792	(2a)	11,480	1,575,812,000	5.8	5.3	5.9	3.9

Source:

(1) Year 2000 is from the U.S. Census. All others are estimates from the University of Florida's Statistical Abstract.

(2) Represents income per capita for the County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis:

(a) The last three years are not available because the U.S. Department of Commerce, Bureau of Economic Analysis is still compiling the data.

(3) Broward County School Board, Office of Property Management.

(4) Florida Bankers Association commercial deposits as of September 30th.

(5) Florida Department of Labor, Bureau of Labor Market Information.

*The unemployment rates noted with an asterisk represent the average for the twelve months ended September 30th. All others represent the average for the calendar year.

City of Pembroke Pines, Florida

School Enrollment

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Community College: (1)										
Broward Community College	-	-	-	-	-	-	-	666	801	1,188
Pines Center -Academic Village								7,701	7,806	8,290
South Campus (1)	7,074	7,674	7,388	7,332	7,603	7,726	7,427	7,701	7,806	8,290
Total BCC Enrollment	<u>7,074</u>	<u>7,674</u>	<u>7,388</u>	<u>7,332</u>	<u>7,603</u>	<u>7,726</u>	<u>7,427</u>	<u>8,367</u>	<u>8,607</u>	<u>9,478</u>
High School: (2)										
Pembroke Pines Charter High School	-	-	-	-	-	-	-	570	1,032	1,214
Flanagan	-	-	-	2,248	3,311	4,158	4,857	4,925	5,480	5,401
Total High School Enrollment	-	-	-	<u>2,248</u>	<u>3,311</u>	<u>4,158</u>	<u>4,857</u>	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>
Middle Schools (2):										
Pines Middle School	1,466	1,554	1,571	1,598	1,646	1,665	1,606	1,658	1,837	1,423
Silver Trail Middle	-	-	-	-	1,881	2,085	1,873	1,926	2,354	2,329
Walter C. Young	1,731	2,149	2,150	2,006	1,772	1,897	2,554	2,044	2,072	1,487
Pembroke Pines Charter Middle School	-	-	-	-	-	-	-	672	672	1,189
Total Middle School Enrollment	<u>3,197</u>	<u>3,703</u>	<u>3,721</u>	<u>3,604</u>	<u>5,299</u>	<u>5,647</u>	<u>6,033</u>	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>
Elementary Schools (2):										
Pembroke Pines	885	878	914	949	918	893	843	896	873	844
Pembroke Lakes	1,125	1,093	1,056	1,043	1,009	935	899	942	896	858
Pines Lakes	1,605	2,272	998	810	969	814	843	1,011	1,111	965
Pasadena Lakes	833	905	842	899	876	907	924	899	948	914
Palm Cove	746	847	910	1,065	1,134	1,114	1,149	1,215	1,223	1,087
Chapel Trail	-	-	1,428	1,498	1,602	1,311	1,365	1,436	1,436	1,410
Silver Palms	-	-	656	1,594	1,550	1,010	1,379	1,422	1,506	1,434
Panther Run	-	-	-	-	-	986	1,335	1,360	1,432	986
Lakeside	-	-	-	-	-	730	1,187	1,513	1,112	1,196
Pembroke Pines Charter Elementary	-	-	-	-	-	704	1,000	1,000	1,100	1,786
Total Elementary School Enrollment	<u>5,194</u>	<u>5,995</u>	<u>6,804</u>	<u>7,858</u>	<u>8,058</u>	<u>9,404</u>	<u>10,924</u>	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>

(1) Source: Broward Community College - Registrar's Office

(2) Source: Broward County School Board, Department of Property Management.

City of Pembroke Pines, Florida

Level of Educational Attainment for Pembroke Pines Residents Aged 25 Years and Over

2000 Census

	<u>White Residents</u>		<u>Hispanic Residents</u>		<u>Black Residents</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
0 - 8 years	2,296	3.1%	1,370	5.5%	337	3.1%
1 - 3 years high school	6,239	8.5%	2,355	9.5%	836	7.7%
4 years high school	20,842	28.4%	5,266	21.3%	2,176	20.0%
1 - 3 years college	24,318	33.2%	8,642	35.0%	3,578	32.9%
4 or more years college	19,640	26.8%	7,101	28.7%	3,941	36.3%
Number of Residents 25 Years or Older	<u>73,335</u>	<u>100%</u>	<u>24,734</u>	<u>100%</u>	<u>10,868</u>	<u>100%</u>

Source: U.S. Census Bureau-Census 2000- Educational Attainment for the Population 25 years and over.

City of Pembroke Pines, Florida

Property Value and Construction (1) Last Ten Fiscal Years

<u>Year</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
	<u>Total Permits Issued</u>	<u>Permits Issued</u>	<u>Number Units</u>	<u>Valuation</u>	<u>Number Units (2)</u>	<u>Valuation</u>		
1993	8,822	5,738	3,489	\$ 335,827,290	114	\$ 18,592,987	\$ 371,928,790	\$ 2,923,526,065
1994	8,603	6,579	4,765	429,869,156	158	28,765,818	481,729,816	3,293,348,816
1995	10,205	6,395	2,333	218,452,602	138	17,541,902	255,486,727	3,893,606,915
1996	10,957	8,512	3,916	318,070,814	94	24,132,924	381,266,523	4,503,625,967
1997	11,004	7,361	3,546	275,652,523	97	30,100,323	336,922,802	5,093,162,673
1998	9,268	6,508	2,669	260,529,339	91	58,544,338	348,735,567	5,470,069,790
1999	10,171	8,764	1,828	177,081,893	51	25,844,899	243,266,228	5,726,468,609
2000	9,957	8,881	1,040	124,146,207	36	44,803,999	213,486,894	6,289,968,753
2001	10,368	8,899	1,446	186,519,453	23	12,987,592	265,146,376	6,855,447,486
2002	10,140	9,117	1,005	152,912,991	18	9,069,036	207,403,339	7,579,681,777

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

(2) Commercial permits include remodeling and partitioning.

(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

Principal Taxpayers

September 30, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Valuation</u>	<u>Percentage of Total Taxable Valuation</u>
Pembroke Lakes Mall LTD	Shopping Center	\$ 91,810,560	1.56%
Pasadena Place Associates	Apartments and condominiums	65,177,600	1.11%
Prudential Insurance Co. of America	Shopping Center	40,264,220	0.68%
Marquesa Apartment Corporation	Apartments and condominiums	38,776,730	0.66%
Taplin Falls Ltd.	Apartments and condominiums	32,337,020	0.55%
KLS Flamingo Land Trust	Shopping Center	31,655,350	0.54%
West Fork C Associates I LP	Shopping Center	30,743,500	0.52%
WRI / Pembroke Ltd.	Shopping Center	28,959,840	0.49%
Pembroke Cove Apartments LLC	Apartments and condominiums	25,638,910	0.44%
Merry Land & Invest Co. Inc	Apartments and condominiums	<u>25,028,270</u>	<u>0.43%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		410,392,000	6.97%
Total Taxable Assessed Value of Other Taxpayers		<u>5,473,687,183</u>	<u>93.03%</u>
Total Taxable Assessed Value of All Taxpayers		<u>\$ 5,884,079,183</u>	<u>100.00%</u>

Source: Broward County Property Appraiser's "Top Valued Properties" Report for 2001 tax year.

City of Pembroke Pines, Florida

Miscellaneous Stastical Data

September 30, 2002

Date of Incorporation	1960
Form of Government	Commission/Manager
Area	34.25 square miles
Miles of Streets	455.92
Number of fire stations	6
Firemen and support staff	247
Number of police stations	1
Full-time sworn officers and support staff	272
Number of elementary schools	11
Number of students	11,480
Number of middle schools	5
Number of students	6,521
Number of high schools	2
Number of students	6,615
Number of water accounts	43,977
Average daily consumption	11.92 million gallons per day
Miles of water mains	489
Sanitary sewers	399 miles
Number of lift stations	168
Storm sewers	226 miles
Fire hydrants	4,121
Building permits issued	10,140
Number of parks including 1 operated by the county	28 parks with 923.21 acres
Number of golf courses	4 private courses 1 owned by City
Number of libraries	3 operated by Broward County
Number of full-time civil service employees	1,199
Number of part-time and temporary employees	<u>390</u>
Total number of employees	<u>1,589</u>

City of Pembroke Pines, Florida

Schedule of Insurance in Force

Fiscal Year Ended September 30, 2002

<u>Company</u>	<u>Policy Number</u>	<u>Effective Date</u>	<u>Coverage</u>	<u>Limits</u>	<u>Premium</u>
Hartford Life Insurance Co.	ETB-12917	10/1/00-9/30/03	Police & Fire Accidental Death (Per State Statute)	\$25,000 in the line of duty/pursuit, \$75,000 unlawful & intentional death	\$7,549
Hartford Steam Boiler	FBP4910539	10/1/01-9/30/02	Equipment Breakdown	\$50,000,000 with \$1,000 deductible	13,699
Hartford Steam Boiler	FBP4910538	10/1/01-9/30/02	Equipment Breakdown W.C. Young Resource Center	\$50,000,000 with \$1,000 deductible	1,306
American Alternative Ins. Corp.	23-A2-GP-0000002-03	10/1/01-9/30/02	Comp. package program includes GL, AL, WCA, Floor, Public Employees Bonds, Crime/Fidelity	\$150,000 SIR per person, AL & GL, \$200,000 SIR W/C, \$25,000 crime. Loss fund of \$1,600,000	253,500
Florida Municipal Insurance Trust	FMIT # 0470	10/1/01-9/30/02	Property; Auto physical damage	\$25,000 deductible. Stoploss \$612,392	640,484
Arthur J. Gallagher & Co.		10/1/01-9/30/02	Service fees		102,500
National Union Fire Ins. Company	214-02-33	4/1/02-3/31/03	Public official and employment liab.	\$2,000,000 with \$50,000 deductible	163,000
Western World Insurance Co.	NPP737087	10/1/01-9/30/02	Ambulance / EMT liability	\$1,000,000 per occurrence/aggregate	26,662
National Union Fire Ins. Company	4161159	10/1/01-9/30/02	Excess workers' compensation	Statutory. \$1,000,000 limit/occurrence	78,135
Underwriters at Lloyd's, London	D2001XP00001113	10/30/01-9/30/02	Excess ambulance / EMT liability	\$2,000,000 excess general aggregate	10,686
Hartford Fire Insurance Company	21BPEAE5019 21BPEAF5397	10/1/01-9/30/02 10/1/01-9/30/02	Employee theft - four city officials Employee theft - all employees	\$75,000 Excess \$25,000 SIR \$75,000 Excess \$25,000 SIR	238 1,161
Hartford Ins. Co. of the Southeast	RN-58779	12/10/01-12/9/02	Public officials bond	\$100,000 - Covers Finance Director	750
American Bankers Insurance Co.	Various	Various	Flood - City and School locations	Limits/premiums vary per location	47,611
National Fire & Marine Ins. Co.	72LPE676116	10/1/01-9/30/02	Liability-8 City locations rented out	\$1,000,000 per occurrence/aggregate	16,525
Benesight	100001	10/1/01-9/30/02	Administrative fees		373,622
United Excess Health Premium		10/1/01-9/30/02	EPO/ PPO	Unlimited	488,432
Medical Life Insurance Company	M12351	10/1/01-9/30/02	Employees life insurance	1 x base annual salary-max.\$100,000	217,324
Commerce and Industry Ins. Co.	FPL8084644	11/26/01-11/26/02	Storage tank third-party liability	\$1MM/\$2MM aggreg.;\$10,000 deduc.	2,267

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 Consolidated Metropolitan Statistical Area, which is the 12th largest in the country. During the year the City has a mean average annual temperature of 75 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this residential city is similar to that of other western Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale, 30 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area.

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 25 miles northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45 minute drive. The North Perry Airport is also located in Pembroke Pines; it 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 beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of paved and signalized roadways, 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.

Park & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, institutional, and social programs for adults and youth are the six recreation centers. Programs include such diverse activities as art, baseball, football, swimming, tennis, soccer, roller hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing. Over 12,000 children participate in supervised sports programs in Pembroke Pines. Located throughout the City are 28 neighborhood and community parks totaling 923 acres. In addition, five golf courses are located within the City including a municipal course with club facilities. Walnut Creek Park, an eight-acre park located on the east side of the City, will open in March 2003. In August 2002, the City purchased over 60 acres in western Pembroke Pines to be developed as a soccer complex to include wetlands and passive areas. A number of the residential developments in the community are served by their own private recreational facilities.

City of Pembroke Pines, Florida

General Information

Medical Facilities

Health care 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) and the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road). These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics, with a combined staff of over 900 physicians.

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

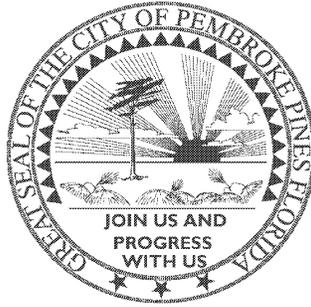
The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, two charter middle schools and one charter high school that serve over 4,000 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the charter schools, the City also has nine elementary schools, three middle schools and one other high school.

In addition to this, the City also offers post-graduate education. The Broward County Community College has two campuses throughout the City, the south campus located just east of University Drive and Pines Boulevard and the Pines Center located in Academic Village. This unique multi-building facility located west of Interstate 75, also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs.

Communications

All principal television networks are received within the City with broadcast stations in Miami, Fort Lauderdale, and West Palm Beach. Cable television is provided to the entire City by Comcast, formerly AT&T Cable Services, BellSouth Entertainment, Inc. and by Tele-Media, 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 financial statements are available.



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