Comprehensive Annual Financial Report and Compliance Reports

CITY OF PEMBROKE PINES, Florida

Fiscal Year Ended

September 30, 2014

Comprehensive Annual Financial Report

and Compliance Reports of the City of Pembroke Pines, Florida

For the Fiscal Year Ended September 30, 2014

Prepared by The Finance Department

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2014

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I. INTRODUCTORY SECTION

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- Organizational Chart

City of Pembroke Pines

Frank C. Ortis, Mayor
Jay Schwartz, Vice Mayor
Charles F. Dodge, City Manager

Angelo Castillo, Commissioner
Carl Shechter, Commissioner
Iris A. Siple, Commissioner

March 27, 2015

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

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2014.

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

The City's financial statements have been audited by GLSC & Company PLLC, 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, 2014 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 unmodified opinion that the City of Pembroke Pines' financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Pembroke Pines was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. There were no Single Audit findings during the fiscal year ended September 30, 2014.

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 a city in Broward County, Florida. The City had a population of 157,905 according to the April 2014 estimate by the Florida Legislative Office of Economic and Demographic Research, making it the 2nd most populous city in Broward County, and the 11th most populous in Florida. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who 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 conducted to inform the taxpayers of the proposed budget, to receive their comments, and to respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for that general classification of expenditures. The City's budget is approved at the department level. The City Manager and the Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented as part of the Required Supplementary Information.

The City owns and operates eight Charter Schools. These Schools are considered special revenue funds of the City and have a fiscal year ending June 30th. The governing body of the Schools is the City Commission comprising five voting members which consist of the City of Pembroke Pines Mayor, Vice Mayor, and three Commissioners. The Pembroke Pines City Manager also serves as the Superintendent of the Charter Schools.

The Schools operate under a charter of the sponsoring school district, the Broward County School Board (the District) and the Florida State University (FSU). Annual budgets are legally adopted for all Charter School funds which are governmental funds. The Charter Schools' budgets are approved via resolution at a public hearing conducted by the City Commission. The adopted budgets are integrated into the accounting software system effective July 1st. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budgets, which prior to July 1st, are legally enacted through passage of a resolution. Section 5.06 of the City Charter provides that no officer, department or agency may legally expend or contract to expend the amounts in excess of the amounts appropriated for that general classification of expenditures. The budget is adopted at the school level, which is the legal level of control.

Factors Affecting Financial Condition

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

National and Local Economy

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the fifty-five years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Pompano Beach, Metropolitan Statistical Area (MSA), known as the "Gateway to the Americas", is an ideal location for conducting international business, especially in Latin America. As such, the MSA accounts for the majority of Florida's total export of goods to overseas markets. The total population based on the 2013 US Census Bureau estimates, is approximately 5.8 million and has the largest and most diverse labor force in the State. It is the 11th most populous MSA in the United States. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the number one cruise ship port in Florida, and among the busiest container ports in the United States.

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

Several notable statistics showed signs of economic improvement. Nationally, Gross Domestic Product (GDP) grew at the end of 2014, and rose at an annual rate of 2.6% from October through December. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, grew at its fastest rate since 2006. The national and local economy struggled during the slow recovery period, but despite the struggle, there are indications that the worst is in the past. While the City of Pembroke Pines was not immune to these challenges, the City benefits from a diverse revenue stream and an efficiently managed service culture. As a result, City of Pembroke Pines has shown positive signs of stability with property values increasing by 7.8% over last year.

The level of unemployment remains an important issue in the recovery process, and has continued to steadily improve. The City's average unemployment rate continues to trend lower in contrast to the other levels of government as shown below:

	FY2013-14*	FY2012-13*
City of Pembroke Pines	4.9%	5.8%
Broward County	5.4%	6.2%
State of Florida	6.3%	7.7%
United States	6.5%	7.6%

*** Average unemployment data for 2013-14 & 2012-13 is on a fiscal year basis October 1st though September 30th. Information may contain preliminary data.**

The City continues to affirm its efforts to increase and encourage business investment. These efforts include, but are not limited to, continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce, and eliminating burdens on businesses by expediting the permitting process. There are also many large retailers, companies and restaurants that are in the process of calling the City of Pembroke Pines their home. These are strong indications that all efforts are being made to encourage business and economic development in order to further stimulate the local economy.

Long-Term Financial Planning

Financial planning continues to be of paramount importance to the City as we strive to meet the challenges of both the immediate and the foreseeable future. The major projects undertaken by the City have long-term financial implications on resources of the City. The planning and decisions undertaken by the City are always weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts.

The long-term financial focus has been a shift away from growth to one of economic development and redevelopment opportunities, in order to continue to meet the City's long-term goals and objectives. The City had to re-examine the way it does business, seeking to harness operational efficiencies while maintaining the level of services that residents have come to expect. This has been particularly challenging when faced with increasing costs and declining revenues.

Pembroke Pines has always strived to maintain low property tax rates. The City's current millage rate for the fiscal year ending September 30, 2015 is 6.2303, which is comprised of an operating millage of 5.6368 and a debt service millage of 0.5935. For the fiscal year ended September 30, 2014, the City's millage rate was 6.2776, which was comprised of an operating millage of 5.6368 and a debt service millage of 0.6408. The fiscal year 2014-15 operating millage rate, approved by the City Commission, represented a $3.5 million or 7.5% increase in the budgeted revenues as compared to fiscal year 2013-14 adopted budget, as a result of an increase in property values.

The development of the City's capital improvement plans, as well as the annual budget, has led the City to pursue a moderate and more conservative approach to revenue forecasts, as well as renewed focus on cost-reduction, especially for personnel-related costs which accounted for approximately $113.2 million or 68.8% of total General Fund expenditures of the 2013-14 adopted budget.

Over the past few years, cost reductions have been achieved through early retirements, eliminating vacancies, negotiated reductions to benefit packages for both new and existing employees, the outsourcing of various City positions to an external contractor, and the postponement of capital expenditures. Effective October 1, 2014, the General Employees' Pension Plan was closed to non- bargaining unit members, and a defined contribution plan will be established for all the general employees.

Long-term financial planning has also been taken into account for some major projects undertaken by the City, including the "Building Our Future Program" whereby the City issued $90.0 million in General Obligation bonds ("G.O. Bonds"), and an additional $10.0 million in G.O. Bonds will be issued in 2015 for the City Center Project. This continues to provide, and is expected to create new economic opportunities for the City. Some of these projects are discussed in more detail below under "Major Initiatives".

Relevant Financial Policies

The City adopts various financial policies in order to facilitate effective goal setting and decision making. These policies establish the framework for sound financial oversight of the City's operations. In light of the economic and credit crisis, it is important that debt issues be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission. Understanding and managing the risks associated with these transactions is critical to the City's financial health. The City is currently in compliance with its Debt Management and Derivative Policy. The Debt Management Policy stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal or exceed $100,000. On May 29, 2014, the City remarketed $62.5 million of the Charter School Revenue Bonds, Series 2008, which resulted in an annual average savings of $139,000 for the next four years. Also, on September 10, 2014, the City refunded $41.1 million of the Taxable Communications Services Tax Revenue Bonds, Series 2004, and $31.6 million of the Public Improvement Revenue Bonds, Series 2004A and 2004B, which resulted in a net present value savings of $3.6 million and $4.7 million, respectively. The City is in the process of reviewing additional refunding opportunities, given the low interest rate environment.

The importance of monitoring the City's fund balance levels has become an integral part of its overall financial planning. Over the last year, the City has developed the budget in such a way as to preserve unassigned fund balance in the General Fund at not less than 10% of the total annual General Fund expenditures. This also provides a contingency for unexpected future events. The City's adopted Fund Balance Policy covers the General Fund and specifies the course of action in the event that the unassigned fund balance falls below the minimum level of 10%. The City's General Fund unassigned fund balance for fiscal year 2013-14 is $20.5 million which is 13.2% of budgeted expenditures and falls within the established policy guidelines. This reflects a decrease of $21.6 million over last year. This temporary decline is due to the purchase of the former Florida Department of Correction property from the State of Florida which is approximately 66 acres, and 43.4 acres from Weekley Brothers Leasing Ltd. Both properties are expected to be sold in fiscal year 2014-15 and will reestablish the City's unassigned fund balance to its former levels.

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

Major Initiatives

There are many projects and initiatives that have been undertaken by the City over the last year, some of which have spanned numerous years. Some of the City's major initiatives and projects are discussed below.

On January 13, 2005, the City Commission decided to undertake a bold initiative in the City, which has been dubbed the "Building Our Future Program". On March 8, 2005, the registered voters of the City passed a bond referendum authorizing the City to issue up to $100.0 million in G.O. Bonds with maturity not exceeding 30 years, to be repaid from the proceeds of ad valorem taxes. The first series of these bonds was issued on September 30, 2005, for $47.0 million. On July 25th, 2007, the City issued an additional $43.0 million and reduced the number of projects to be funded by the G.O. Bonds. On January 21, 2015, the City Commission approved the issuance of an additional $10 million G.O. Bonds. This will bring the total bonds issued for the "Building Our Future Program" to $100.0 million.

G.O Bond Projects

The projects funded from the proceeds of the bonds range from various roadwork projects and recreational and cultural amenities to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City's Mayor and Commissioners. Many of the projects have focused on additions and improvements to the City's parks and recreational facilities, and major improvements to several strategic roadways throughout the City.

A total of 155 projects were approved by the City Commission relating to the "Building Our Future Program". As of December 2014, 110 projects were fully completed, 4 projects were in the construction phase, 5 projects were in the design/planning phase, 13 projects were re-allocated, 22 projects were eliminated, and 1 projects had not yet begun. The current budget is $96.6 million (the difference between the current budget and the $90.0 million borrowed is due mainly to interest earned). Of the $96.6 million, $83.5 million or 86.5% has been spent or allocated to projects as of December 31, 2014.

Streetscape improvements enhance and update the City's infrastructure in a cost-effective manner as well as provide the City with much needed identity at its borders. The streetscape plan is an ongoing project with full cost to implement estimated at over $7.5 million dollars. Phase 1 which includes 20 solar-powered signs and landscaping is funded by the 2005 GO bonds for $250,000. Construction begun in 2013 and is approximately 50% completed. Currently, the City is waiting for Florida Department of Transportation (FDOT) to issue permits for the remaining signs.

City Center

The plans for "City Center" remain to be a project of significant importance in terms of both financial implications and resource allocation needed for its development. This project initially started in fiscal year 2003 with the purchase of approximately 115 acres of undeveloped land adjacent to City Hall for $22.0 million. This site is the last major piece of undeveloped property along the Pines Boulevard corridor, and will provide a unique opportunity for the City to ensure that the needs and well-being of our residents are properly evaluated and provided for in a controlled environment. The City is overseeing the development of this property as a "City Center" for the benefit of our residents. In addition to the initial investment, the City has spent an additional $39.2 million for spine roads, infrastructure and hardscape development.

The City Commission and the administration have worked arduously to develop strategies to promote the sale and development of City Center. On January 25, 2011, the City Commission approved the sale of 27.2 acres at City Center to Mill Creek Residential Trust LLC, which will develop a total 700 multifamily units and related amenities such as a clubhouse, outdoor playground, and parking for a total purchase price of $18.7 million. The developer completed construction of Phase 1, consisting of 422 units in 2014, and has begun construction of phase 2 of the project. Phase 2 will add 278 units and should be completed in late 2015.

On October 3, 2012, the City Commission approved the sale of approximately 11 acres at City Center to RD Pembroke Apartments, LLC for $9.5 million. The sale closed on August 25, 2014. RD Pembroke Apartments, LLC, has begun to build 365 market rate multi-family units on the property. This project is expected to be completed by early 2016.

On June 18, 2014, the City Commission approved the contract between the City and Stiles Construction for design-build services for the construction of the Civic Center and City Hall in the amount of $58.6 million. The proceeds for this project will come from the sale of various properties, including the existing City Hall site, the additional $10.0 million in G.O. Bonds, and other available bond proceeds. This project is expected to break ground in April 2015 and will be completed by the fall of 2016. The overall design and concept as presented will make this facility the "Crown Jewel" of the City Center project, and perhaps the entire City as a whole.

Furthermore, on February 4, 2015, the City Commission approved the sale of approximately 47.5 acres of property, including the northern portion of the City Hall parcel and the remaining acreage of the City Center property to Terra World Investment, LLC. Terra World Investments has surveyed the property and conducted their due diligence, and is in the process of submitting preliminary site plans amendments for the project which will be developed in three phases to include, commercial, residential, hotel and office.

Real Estate

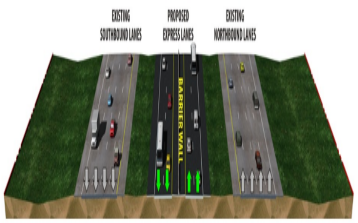
The City has also been involved in other real estate transactions in order to encourage economic development as well as provide additional services to the residents of the City. On November 19, 2013, the City approved the sale of 79.88 acres of the remaining Raintree Property to Hoyer Homes LLC in the amount of $7.1 million. Hoyer Homes LLC previously purchased 32.9 acres of this property in February 2013 for $3.1 million. They are scheduled to build 300 multi-family and single family units. This project is expected to be completed by the end of 2016. The City originally acquired the Raintree Golf and Country Club back in February 2009 for $9.1 million, using G.O. Bond proceeds.

On September 11, 2014, City purchased the Broward Correctional Institution Property from the State of Florida for $13.5 million. On October 28, 2014, Commission approved the sale to Industrial Developments International (IDI), LLC of the property for $14.25 million. IDI proposes to develop a business/industrial park with a minimum of 750,000 square feet along with the associated amenities, easements, access, parking and signage.

Road Projects

Another significant project that the City is involved with is the construction of the Pembroke Road/I-75 Overpass. This project requires the collaboration of multiple agencies including the Florida Department of Transportation (FDOT), Broward County, the City of Miramar, and the City of Pembroke Pines.

The I-75 improvements and the Pembroke Road overpass bridge construction project has begun, and will be completed under two contracts. This first contract includes the approaches to the overpass bridge, and the second contract is the overpass bridge itself along with the I-75 improvements. The first contract is being managed by Broward County and includes the western approach to the bridge from Silver Shores Blvd east to I-75, the eastern approach from SW 145th Avenue west to I-75, and construction of a sound barrier wall. Construction under this contract is expected to be completed in January 2016.



The second contract is being managed by FDOT and includes the I-75 Express Lanes and the Pembroke Road overpass bridge. The express lanes improvements generally consist of a sound barrier wall, divided 4-lane tolled roadway (two 12-foot travel lanes in each direction), and reconstruction of the Miramar Parkway Interchange. Bids were received for the first contract on November 13th, 2013 for the approaches to the overpass bridge. FDOT received price proposals for the I-75 overpass bridge in January 2014. The completion date for the I-75 Express Lanes and associated interchange improvements will be early 2018. The City has committed $2.1 million from the Road & Bridge Fund for this project.

Awards and Acknow1edgements

The City of Pembroke Pines continues to receive many awards and accolades, some of these are listed below, and some are listed in the Statistical Section of this report.

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, 2013.

This was the twenty-ninth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

The City also received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2013. The City of Pembroke Pines has received this award consecutively for seventeen years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operational guide, and as a communications device.

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

The City's Charter Schools' budget also received the GFOA Distinguished Budget Presentation Award for their fiscal year beginning July 1, 2014. This is the eleventh consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004.

The City of Pembroke Pines is a vibrant, and diverse community. As we continue to provide excellent services to our residents and business community, we are committed to doing so in the most cost-effective and efficient way possible in order to minimize negative impacts on our residents. We understand the importance of achieving the balance of fiscal responsibility and superb service delivery; and remain fully and completely dedicated to materialize our vision and live out our motto "Join us – progress with us".

Sincerely,

Charles F. Dodge
City Manager

Lisa Chong
Finance Director

Government Finance Officers Association

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, 2013

Executive Director/CEO

LISTING OF CITY OFFICIALS

At March 26, 2015

Frank C. Ortis
Mayor
Term: 2012 - 2016

Jay Schwartz
Vice Mayor - District 2
Term: 2012 - 2016

Angelo Castillo
Commissioner - District 4
Term: 2014 - 2018

Carl Shechter
Commissioner - District 1
Term: 2014 - 2018

Iris A. Siple
Commissioner - District 3
Term: 2012 - 2016

City Manager:

Charles F. Dodge

City Attorney:

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

City Clerk:

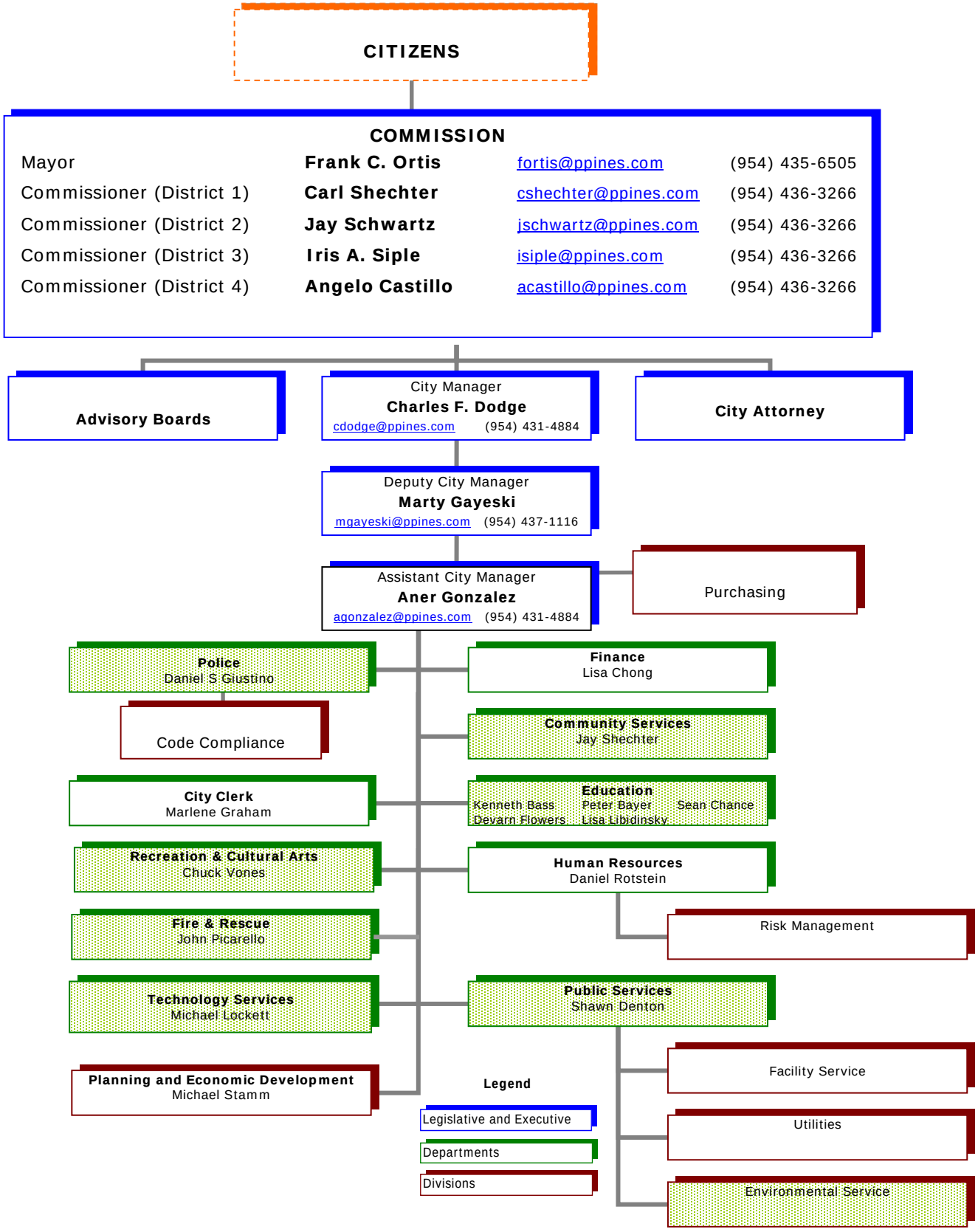
Marlene Graham

Finance Director:

Lisa Chong

CITY OF PEMBROKE PINES

Organizational Chart



II. FINANCIAL SECTION

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- **Basic Financial Statements:**
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Independent Auditors' Report

GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glsccpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pembroke Pines, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for Firefighters and Police Officers, which represent 69% of the net position, 63% of additions, and 62% of deductions of the fiduciary fund totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds for Firefighters and Police Officers, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in note to the financial statements, in 2014, the City adopted new accounting guidance, GASB Statement No. 65, items previously reported as assets and liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of contributions, funding progress, changes in net pension liability and related ratios, employer contributions and annual weighted rate of return, and budgetary comparison information on pages 4 - 21 and 138 – 148, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pembroke Pine's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget to actual and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, state financial assistance projects and local awards is presented for purposes of additional analysis as required by U.S. office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget to actual on pages 149 through 164 and the schedule of expenditures of federal awards, state financial assistance projects and local awards on pages 205 through 207 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of revenues, expenditures, and changes in fund balances – budget to actual, and the schedule of federal awards, state financial assistance projects and local awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2015, on our consideration of the City of Pembroke Pines, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pembroke Pines, Florida's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
March 26, 2015

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, 2014. 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 viii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Pembroke Pines exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by $385.1 million *(net position),* as compared with $360.5 million for the previous fiscal year, as restated. Of this amount, $120.8 million *(unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $24.6 million (6.8%) during the current fiscal year. Included in the total net position is the governmental net position which increased by $16.7 million (12.1%), and the business-type net position, which increased by $7.9 million (3.5%).

- At the end of the current fiscal year, unrestricted net position of the City's governmental activities had a surplus of $35.1 million, or 15.5% of total governmental activities expenses. The unrestricted net position of the business-type activities was $85.7 million, or 206.5% of total business-type expenses for the year.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $100.6 million, a decrease of $3.7 million (-3.5%) in comparison with the prior year. Approximately $20.5 million (20.4%) of this total amount is available for spending at the City's discretion *(unassigned fund balance).*

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 also 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 position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between these components is the *net position.* Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

The statement of activities distinguishes functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include general government services, public safety, physical environment, transportation, economic

environment, human services, culture and recreation, and interest on long-term debt. The business-type activities of the City include water, and sewer/wastewater operations.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements on pages 149-152 of this report.

The City adopts an annual budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with the budget, on pages 138-141. The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. An *internal service fund* is used to account for the City's insurance coverage 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 28-32 of this report.

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 33-34 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 35-137 of this report.

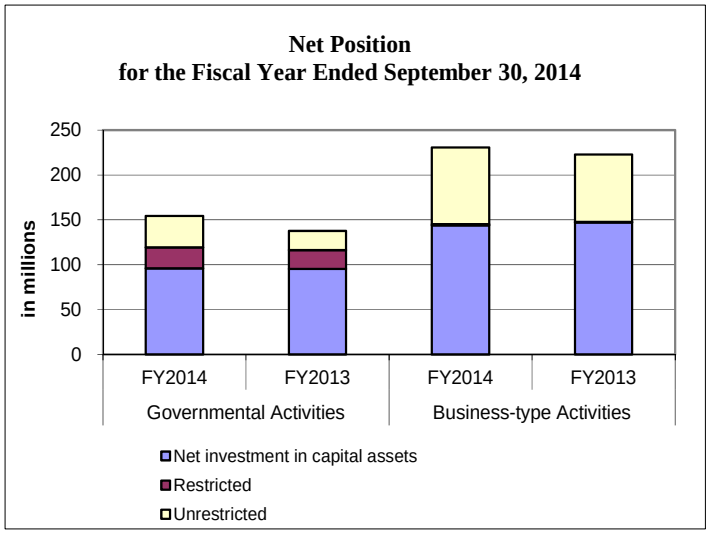
Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes information concerning the City's progress in funding its obligation to provide pension benefits to its employees and the budgetary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

Required supplementary information can be found on pages 138-148 of this report.

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

Combining and individual fund statements and schedules can be found on pages 149-152 of this report.

Government-wide Financial Analysis



As noted earlier, net position over time, may serve as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $385.1 million at the close of the most recent fiscal year, which represents a 6.8% increase compared to last year's net position, as restated of $360.5 million. By far the largest portion of the City's net position, $239.8 million (62.3%), represents net investment in capital assets, which is net of related debt. This includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangibles, net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, $24.5 million (6.4%), represents resources that are subject to external restrictions on how they may be used. This balance increased by approximately $2.9 million (13.4%), which was mainly attributable to a $1.2 million increase in the governmental activities restricted net position related to the debt service and a $1.6 million increase related to the restricted net position for the road and bridge fund. The restricted net position for the business-type activities increased slightly by $0.6 million (85.7%).

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

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

Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2014	**2013 (a)**	**2014**	**2013**	**2014**	**2013**
Current and other assets	$ 109.6	$ 105.0	$ 83.7	$ 73.1	$ 193.3	$ 178.1
Restricted assets	36.6	42.8	11.2	10.5	47.8	53.3
Negative net pension obligation	68.1	58.2	3.7	2.3	71.8	60.5
Negative net OPEB obligation	1.4	-	-	-	1.4	-
Unamortized bond issue costs	1.3	1.9	-	-	1.3	1.9
Capital assets, not being depreciated	71.6	70.2	12.8	11.3	84.4	81.5
Capital assets, being depreciated, net	267.7	272.4	135.0	140.4	402.7	412.8
Total assets	556.3	550.5	246.4	237.6	802.7	788.1
Total Deferred outflows of resources	15.5	6.6	-	-	15.5	6.6
Long-term liabilities	377.5	381.0	10.5	11.4	388.0	392.4
Other liabilities	32.0	31.9	5.1	3.3	37.1	35.2
Total liabilities	409.5	412.9	15.6	14.7	425.1	427.6
Total Deferred inflows of resources	8.1	6.6	-	-	8.1	6.6
Net investment in capital assets	96.0	95.2	143.8	147.1	239.8	242.3
Restricted	23.2	20.9	1.3	0.7	24.5	21.6
Unrestricted	35.1	21.5	85.7	75.1	120.8	96.6
Total net position	**$ 154.3**	**$ 137.6**	**$ 230.8**	**$ 222.9**	**$ 385.1**	**$ 360.5**

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

(a) - FY2013 unamortized bond issue costs and restricted net position of the governmental activities restated for comparative purposes.

In both fiscal year 2014 and 2013, the City continued to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate business-type activities.

Governmental activities. Net position of the City's governmental activities increased by $16.7 million (12.1%) from $137.6 million in the last fiscal year, as restated to $154.3 million in the current fiscal year.

Changes in Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Revenues						
Program Revenues:						
Charges for services	$121.2	$118.2	$43.9	$43.2	$165.1	$161.4
Operating grants & contributions	7.2	5.3	-	-	7.2	5.3
Capital grants & contributions	0.8	0.6	2.0	2.1	2.8	2.7
General Revenues:						
Property taxes	53.4	51.8	-	-	53.4	51.8
Utility taxes	12.7	11.7	-	-	12.7	11.7
Communications services tax	6.4	7.6	-	-	6.4	7.6
Insurance premium taxes	2.6	2.5	-	-	2.6	2.5
Local option gas tax	2.7	2.7	-	-	2.7	2.7
Franchise fees	17.1	14.9	-	-	17.1	14.9
Local business tax	3.3	3.2	-	-	3.3	3.2
Intergovernmental - unrestricted	14.3	13.4	-	-	14.3	13.4
Investment earnings (losses) - not restricted	0.9	(0.3)	3.4	1.1	4.3	0.8
Other miscellaneous	0.7	1.1	-	-	0.7	1.1
Total revenues	243.3	232.7	49.3	46.4	292.6	279.1
Expenses:						
General government services	21.4	20.5	-	-	21.4	20.5
Public safety	93.4	99.2	-	-	93.4	99.2
Physical environment	8.4	8.5	-	-	8.4	8.5
Transportation	7.6	7.6	-	-	7.6	7.6
Economic environment	11.7	10.2	-	-	11.7	10.2
Human services	57.2	55.6	-	-	57.2	55.6
Culture/recreation	10.4	12.1	-	-	10.4	12.1
Interest on long-term debt	16.5	17.7	-	-	16.5	17.7
Water utility services	-	-	5.2	5.1	5.2	5.1
Sewer/wastewater services	-	-	11.5	12.7	11.5	12.7
Water-sewer combined service	-	-	24.7	24.2	24.7	24.2
Total expenses	226.6	231.4	41.4	42.0	268.0	273.4
Increase in net position	16.7	1.3	7.9	4.4	24.6	5.7
Net position, beginning, as restated **(1)**	137.6	138.9	222.9	218.5	360.5	357.4
Prior period adjustment	-	(2.6)	-	-	-	(2.6)
Net position, ending	**$154.3**	**$137.6**	**$230.8**	**$222.9**	**$385.1**	**$360.5**

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

(1) For fiscal year 2014, the City made a prior period adjustment due to the adoption of GASB Statement No. 65, which require the restatement of the September 30, 2013, net position in of Governmental Activities. Please see Note 1 and 15.

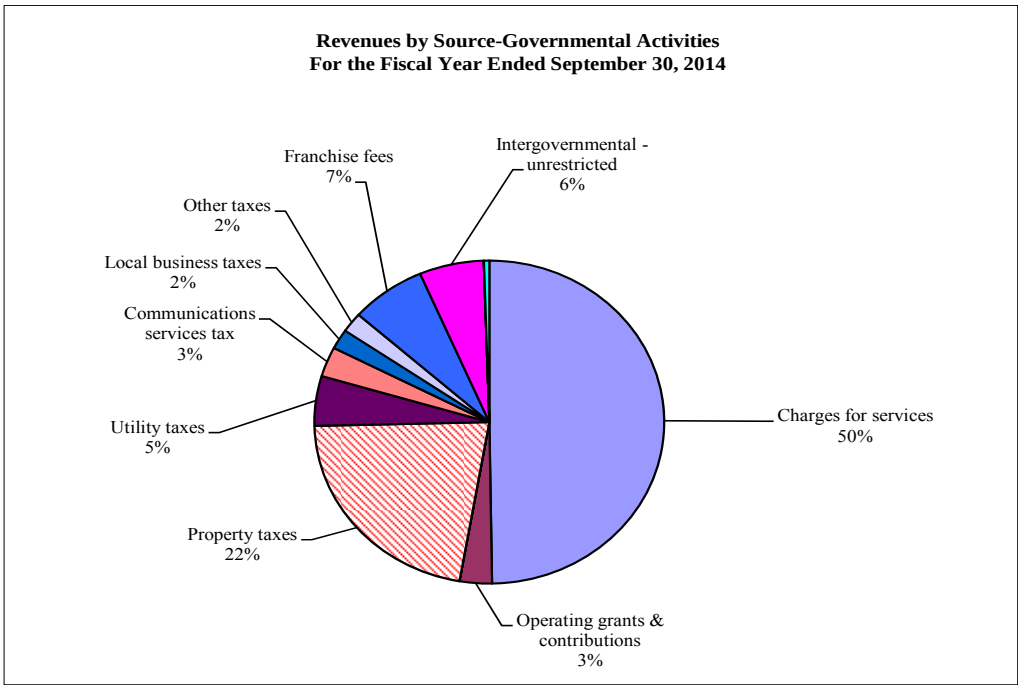
Revenues:

Revenues from Governmental activities increased by approximately $10.6 million (4.5%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, increased overall by $5.1 million (4.1%), and general revenues increased by $5.5 million (5.1%).

Program revenues showed a $3.0 million increase in charges for services, a $1.9 million increase in operating grants and contributions, and a $0.2 million decrease in capital grants and contributions.

Charges for services increased by $3.0 million. This was mainly as a result of a $1.5 million increase in general government services and a $1.2 million increase in human services. General government services increase is attributable to an increase in administrative fees for general, technical services, and sanitation. The $1.2 million increase in human services is due to an increase by the State for Teacher Salary Allocation revenues of $0.9 million that was not received in prior years.

General revenues, increased by $5.5 million (5.1%). Overall, all revenue categories, with the exception of communications services tax, experienced an increase over last year as the economy experienced positive growth. Franchise fees increased by $2.2 million of which $1.5 million was an increase in franchise fees on sanitation. Property taxes increased by $1.6 million as a result an increase in property tax values and intergovernmental revenues-unrestricted also increased by $0.9 million due to increased state-shared sales tax proceeds. However, increases in general revenues were offset by a $1.2 million decrease communication services tax (CST) due to a technology shift to internet usage which is not taxed by CST.

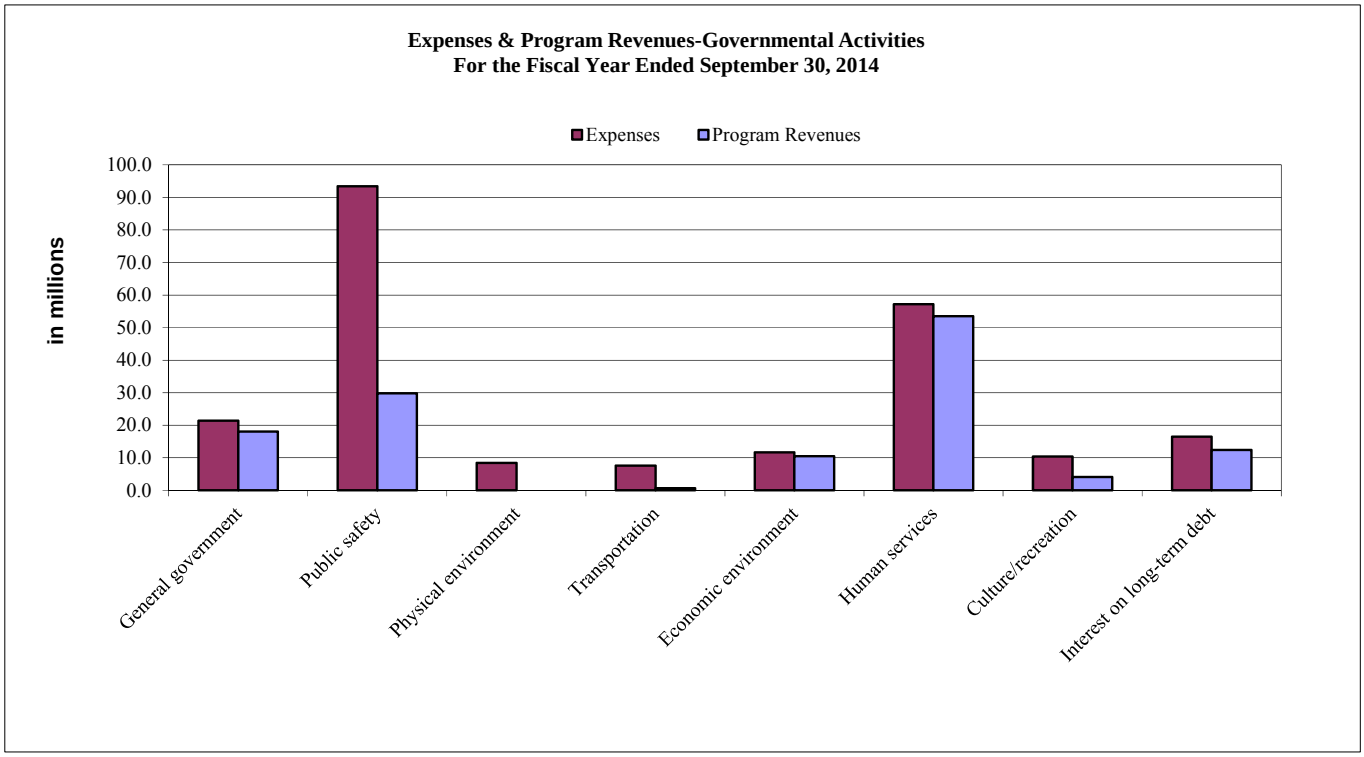


Expenses:
Governmental activity expenses decreased by $4.8 million (-2.1%) over last year. This decrease took place in all governmental functions/programs except general government services, economic environment, and human services.

General government services, economic environment, and human services increased $0.9 million (4.4%), $1.5 million (14.1%), and $1.6 million (2.9%), respectively. These were mainly attributable to the function sourcing, increase in building maintenance, and the implementation of the technology modernization throughout the entire City.

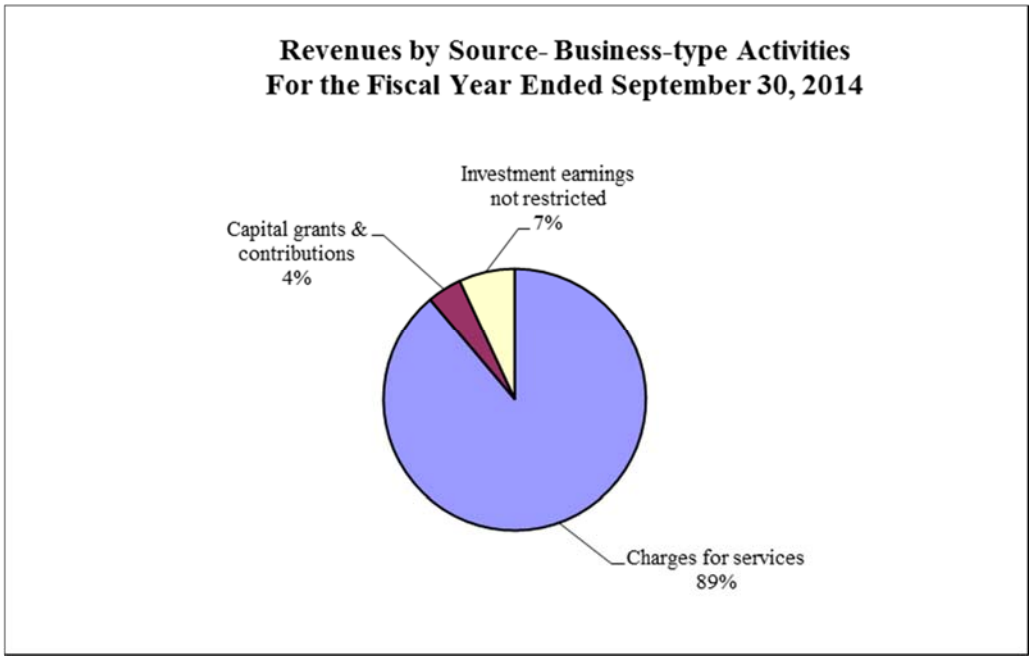
Public safety decreased $5.8 million (-5.6%) as a result of Police and Fire restructuring in personnel. $2.9 million of this decrease was attributable to the consolidation of the E-911 services to Broward County. All other salaries and benefits for public safety decreased by $1.6 million and operating expenditures declined by $1.4 million, of which $1.2 million was as a result of the repayment to Federal Emergency Management Agency (FEMA). The City signed a two-year repayment agreement with FEMA but the full amount of the repayment was accrued in fiscal year 2013.

Culture/recreation decreased $1.7 million (-14.1%) mainly due to the $1.1 million reduction in capital asset depreciation and disposal. Interest on long term debt decreased $1.2 million (-6.7%) as a result of the savings from bond refundings and remarketing.



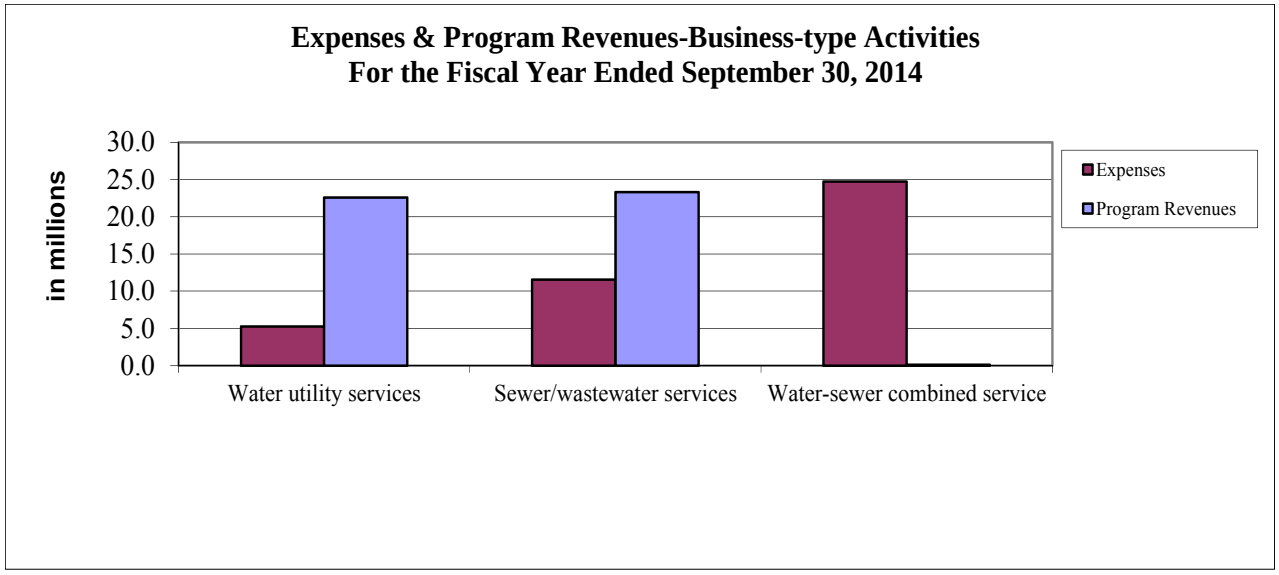
Business-type activities. The net position of the City's business-type activities increased by $7.9 million (3.5%) from $222.9 million in the last fiscal year to $230.8 million in the current fiscal year.

Revenues:
Revenues from business-type activities increased over last year by $2.9 million (6.3%). The main factor contributing to this was an increase of $2.3 million in investment earnings-not restricted as a result of sale of approximately 11 acres to RD Pembroke Apartments, LLC.



Expenses:
Expenses of the business-type activities decreased by $0.6 million (-1.4%) to $41.4 million. This was attributable to a $1.2 million decrease in sewer/wastewater services and offset by increases in water utility services and water-sewer combined service of $0.1 million and $0.5 million, respectively.

Overall, for the business-type activities, personnel costs including benefits decreased by $2.2 million mainly as a result of function sourcing. Operating costs increased by $1.7 million which was mainly due to the transition to function sourcing, a $0.7 million increase in the administrative fees and $0.4 million increase in depreciation expenses. The water and sewer treatment charges related to the City of Hollywood contract decreased by $1.9 million over last year.



Financial Analysis of the City's Governmental Funds

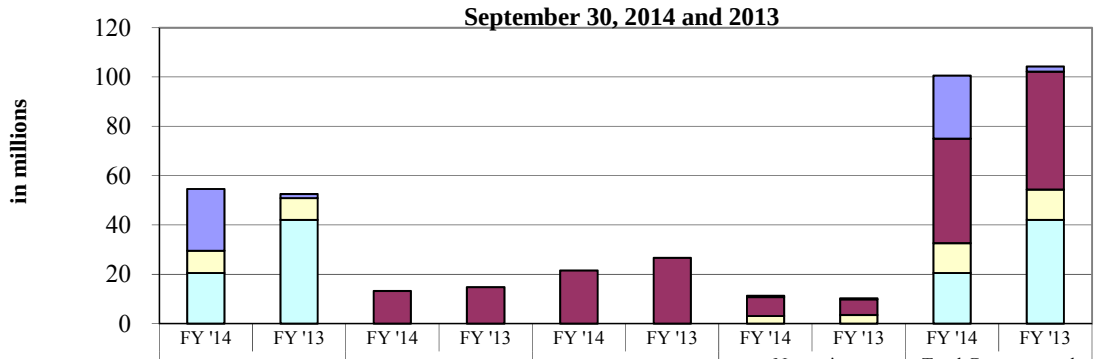
As noted earlier, the City of Pembroke Pines uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, *unassigned fund balance* may serve as a useful measure of the City's net resources available for discretionary use as they represent the portion of fund balance which has not earmarked for a particular purpose by either an external party, the City of Pembroke Pines itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Commission.

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $100.6 million, a decrease of $3.7 million in comparison with the $104.3 million prior year balance. Overall, governmental funds' assets and liabilities increased by $9.9 million and $13.6 million, respectively compared to last year.

Approximately $20.5 million (20.4%) of total governmental fund balance of $100.6 million, represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted or assigned to indicate it is not available for new spending because it has already been set aside for a variety of purposes, such as construction projects, debt service, and grant expenditures, or has been assigned by the City administration for disaster assistance, rent payments and subsequent year's budget.

Governmental Funds
Components of Fund Balance **
for the Fiscal Years Ended
September 30, 2014 and 2013



	General Fund		Debt Service		Capital Projects		Nonmajor Governmental Funds		Total Governmental Funds	
	FY '14	FY '13	FY '14	FY '13	FY '14	FY '13	FY '14	FY '13	FY '14	FY '13
Nonspendable Fund Balance	$25.1	$1.6	$-	$-	$-	$-	$0.5	$0.5	$25.6	$2.1
Restricted	-	-	13.2	14.8	21.5	26.7	7.7	6.3	42.4	47.8
Assigned Fund Balance	9.0	8.8	-	-	-	-	3.1	3.5	12.1	12.3
Unassigned Fund Balance	20.5	42.1	-	-	-	-	-	-	20.5	42.1

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

General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was $20.5 million, as compared with $42.1 million in the prior year. For fiscal year 2014, unassigned fund balance represents 13.2% of total general fund expenditures, excluding transfers. Assigned fund balance increased to $9.0 million from $8.8 million, the majority of which is assigned for the subsequent year's budget for technology upgrades.

General Fund Revenues:

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:

General Fund Revenues (in millions) **

Revenue Sources:	2014 Amount	Percent of Total	2013 Amount	Percent of Total	Increase (Decrease) From 2013	% Increase (Decrease) From 2013
Property taxes	$48.1	30%	$46.3	30%	$1.8	4%
Utility taxes	11.0	7%	9.9	7%	1.1	11%
Communications services tax	0.1	1%	1.1	1%	(1.1)	(95)%
Other taxes	5.9	4%	5.7	4%	0.2	4%
Special assessments	22.2	14%	20.8	14%	1.4	7%
Permits, fees and licenses	15.5	10%	13.5	9%	2.0	15%
Intergovernmental	13.4	8%	12.6	8%	0.8	6%
Charges for services	29.4	18%	28.6	19%	0.8	3%
Fines and forfeitures	1.3	1%	2.1	1%	(0.8)	(38)%
Investment income(loss)	0.4	0%	(0.3)	0%	0.7	233%
Rental revenues	11.4	7%	11.3	7%	0.1	1%
Other revenues	0.6	0%	0.3	0%	0.3	100%
Total revenues	$159.3	100%	$151.9	100%	$7.4	5%

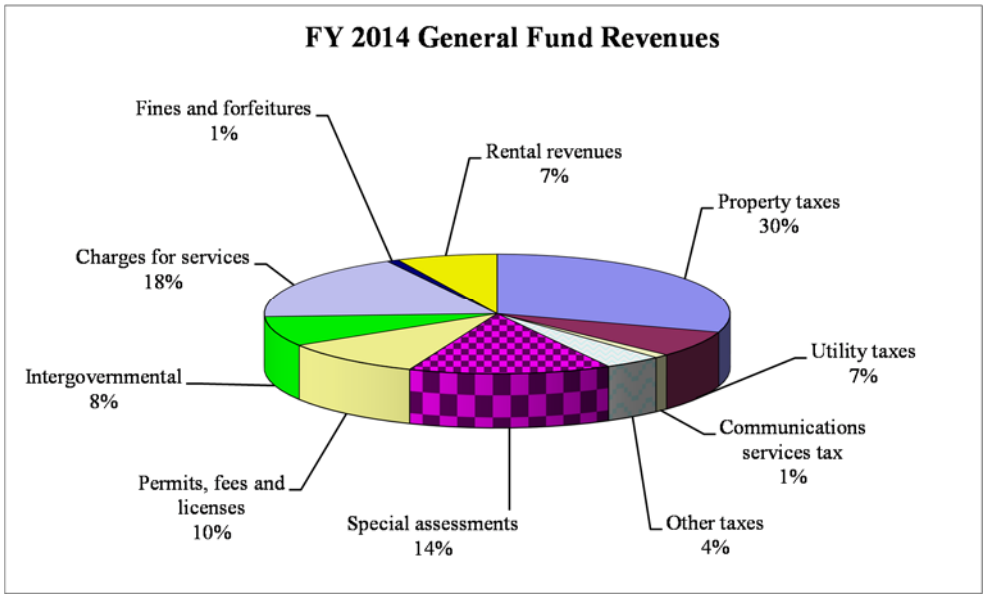
** Amounts may differ from the Fund Financial Statements due to rounding.

Compared to the prior fiscal year, total General Fund revenues increased by $7.4 million or 5% in fiscal year 2014. This was mainly attributable to a $2.0 million increase in permits, fees and licenses, a $1.8 million increase in property taxes, $1.4 million increase in special assessments, and a $1.1 million increase in utility taxes.

Fire protection special assessment increased by $1.4 million increase, which is directly driven by an increase in fire protection costs.

The $1.1 million decrease in communication services tax (CST) was due to a technology shift to internet usage which is not taxed by CST.

Property tax revenues increased by $1.8 million as the City maintained the same operating millage rate of 5.6368 mills. However, the City benefited from an increase in taxable values of approximately 4.3% as compared with a 1.2% increase in the previous year.



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

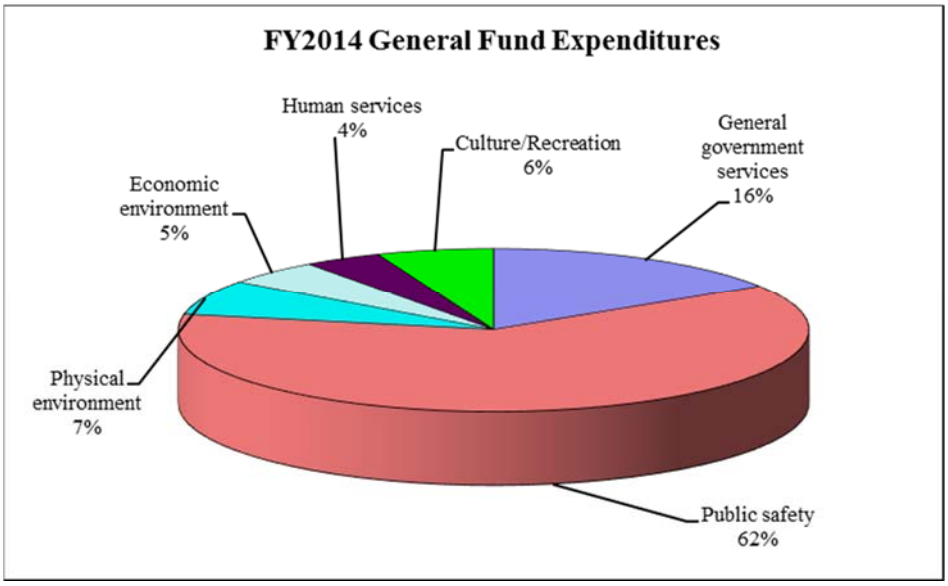
General Fund Expenditures (in millions) **

Expenditures:	2014 Amount	Percent of Total	2013 Amount	Percent of Total	Increase (Decrease) From 2013	% Increase (Decrease) From 2013
General government services	$ 25.6	16%	$ 19.8	13%	$ 5.8	29%
Public safety	97.3	62%	100.0	67%	(2.7)	(3)%
Physical environment	10.3	7%	8.1	5%	2.2	27%
Economic environment	7.6	5%	7.3	5%	0.3	4%
Human services	5.7	4%	5.5	4%	0.2	4%
Culture/Recreation	9.1	6%	9.2	6%	(0.1)	(1)%
Total expenditures	$ 155.6	100%	$ 149.9	100%	$ 5.7	4%

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

In fiscal year 2014, total General Fund expenditures increased $5.7 million compare to $11.1 million in prior fiscal year.

Overall, the main contributing factor to the $5.7 million increase in General Fund expenditures is due to a $2.3 million decrease in salaries and a $7.4 million increase in benefits. Retirement contributions to the General Employees' pension increased by $7.6 million to reduce the unfunded liability of the plan. The City's contribution to the Police Officers and Firefighters pension also increased by $0.8 million all relating to an increase in the ARC. There was also a $0.9 million increase in health benefits. These increases are offset by a $1.9 million decrease in life and workers' compensation benefits. Operating expenditures increased by $0.7 million mainly due to the increase in software and computer equipment. These increase were offset by a $1.2 million decrease in the payment to FEMA that was accrued in fiscal year 2013.



Other Major Governmental Funds:

Debt Service Fund
The fund balance in the Debt Service Fund decreased by $1.6 million (10.5%) as compared with fiscal year 2013 mainly as a result of bonds refundings. Additional information can be found in the Capital Assets and Debt Administration section on pages 18-19.

Capital Projects Fund
Total fund balance of $21.5 million in the Capital Projects Fund is restricted. The $5.1 million decrease from last year is mainly attributable to an increase in spending related to the General Obligation Bonds and various other construction projects being undertaken by the City.

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

Unrestricted net position at the end of the year for the Utility Fund amounted to $85.2 million compared to $75.1 million in the prior year. Other factors concerning the finances of this major fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenues
Actual revenues were $1.8 million or 1.1% above the final budget due mostly to variances in the following categories:

- **Taxes -** $0.8 million favorable budget variance consisted primarily of the following:
  - $0.4 million favorable in property tax resulting from only some property owners taking advantage of the early payment discount.
  - $0.8 million favorable in Public Service Tax Electricity due to base rate increases and an increase in consumption.
  - $0.8 million unfavorable in Communication Service Tax (CST) due to a technology shift to internet usage which is not taxed by CST.
  - $0.3 million favorable in premium taxes stemming mainly from increases in insurance rates in combination with the number of policies issued.

- **Permits, fees, and licenses -** $1.6 million favorable was largely attributable to $0.7 million in Franchise Fees – Electricity due to base rate increases along with an increase in consumption and $0.3 million in Fire Protection Special Assessment resulting from only some property owners taking advantage of the early payment discount.

- **Miscellaneous -** $1.1 million unfavorable due principally to a $0.6 million underperformance in return on investments as a result of the low interest rate environment and a $0.4 million shortfall in rental income from the State Hospital Site as a consequence of occupancy levels being below expectation.

Expenditures
Actual expenditures excluding transfers to other funds were $2.3 million or 1.5% below the final budget due largely to the $1.9 million budget savings in Police, which consisted primarily of the following:

- $1.9 million budget savings in capital of which $1.8 million was carried forward to fiscal year 2015.
- $0.7 million budget savings in numerous operating accounts.
- $0.8 million negative budget variance in personnel due to an additional contribution to the General Employees' Pension Plan.

Fund balance was originally projected to remain the same; subsequent budget amendments created an unfavorable change to $2.0 million. However, the actual change in fund balance was a favorable $2.1 million, which resulted in a $4.1 million favorable variance from the final budget. This variance consisted of favorable revenue budget variances of $1.8 million and expenditure budget savings of $2.3 million. Details of these variances are provided above.

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2014, amounted to $487.1 million (net of accumulated depreciation), compared with $494.3 million last fiscal year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was $7.1 million (-1.5%).

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital assets, not being depreciated:						
Land	$63.0	$63.0	$3.0	$3.0	$66.0	$66.0
Construction in progress	8.6	7.2	9.8	8.3	18.4	15.5
Total capital assets, not being depreciated	71.6	70.2	12.8	11.3	84.4	81.5
Capital assets, being depreciated, net						
Buildings	183.5	187.8	28.6	29.4	212.1	217.2
Improvements other than buildings	71.4	72.1	104.7	108.7	176.1	180.8
Machinery and equipment	9.9	9.6	1.7	2.3	11.6	11.9
Infrastructure	2.9	2.9	-	-	2.9	2.9
Intangibles	-	-	-	-	-	0.0
Total capital assets, being depreciated, net	267.7	272.4	135.0	140.4	402.7	412.8
Total capital assets	$339.3	$342.6	$147.8	$151.7	$487.1	$494.3

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

Additions to capital assets for governmental activities included, but are not limited to the following:

- $4.1 million was spent various capital projects funded by the 2005 and 2007 General Obligation (G.O.) Bonds such as:
  - $0.5 million to build the Charter High School football stadium;
  - $0.5 million to complete the construction of additional soccer fields at the West Pines Soccer Park, the total project cost was $1.5 million.
  - $1.7 million to complete roadway improvements for SW196th Avenue from Pembroke Road to Pines Boulevard, and
  - $1.3 million to construct a noise wall on Taft Street and Douglas Road.

- $0.7 million to build the Civic Center and $0.6 million to build the gallery at the new City Hall.

- $1.9 million was spent to replace vehicles. Of this amount, $0.9 million replaced fire engines and ambulances.

- $0.9 million was spent on computer equipment as part of the technology modernization project.

Additions to capital assets for business-type activities included but are not limited to the following:

- $1.6 million for Sewer plant rehabilitation.
- $0.2 million for generator.
- $0.2 million for water main improvements.

Additional information on the City's capital assets can be found in Note 6. starting on page 64 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of $356.0 million. The majority of the City's outstanding debt is secured by specified revenue sources.

Outstanding Debt (in millions)
Revenue and General Obligation Bonds

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	$ 270.4	$ 280.1	$ 10.3	$ 11.0	$ 280.7	$ 291.1
General Obligation Bonds	75.3	77.3	-	-	75.3	77.3
Total	$ 345.7	$ 357.4	$ 10.3	$ 11.0	$ 356.0	$ 368.4

On October 15, 2013, the City refunded $34.7 million of the Taxable Communications Services Tax Revenue Bonds, Series 2003A. On May 29, 2014, the City remarketed $62.5 million of the Charter School Revenue Bonds, Series 2008. On September 10, 2014, the City refunded $41.1 million of the Taxable Communications Services Tax Revenue Bonds, Series 2004, and $31.6 million of the Public Improvement Revenue Bonds, Series 2004A and 2004B. The reduction in total debt outstanding was a result of normal debt service expenditures for principal and interest and the savings from the October refunding and the May remarketing. Additional information on the refunding can be found in Note 9. starting on page 71 of this report.

All of the outstanding bonds, except the Reissued Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2010, and the Consolidated Utility System Revenue Bonds, Series 2010 (which are Bank Direct Purchase Revenue Bonds), are insured and had, in the past, the highest bond ratings until the downgrade of the bond insurers by the Rating Agencies. Consequently the insured ratings on these bonds were downgraded. Such ratings reflect only the respective views of the Rating Agencies. Generally, Rating Agencies base their ratings on information, materials, investigations, studies and assumptions made by them. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, if in their judgment, circumstances warrant the change.

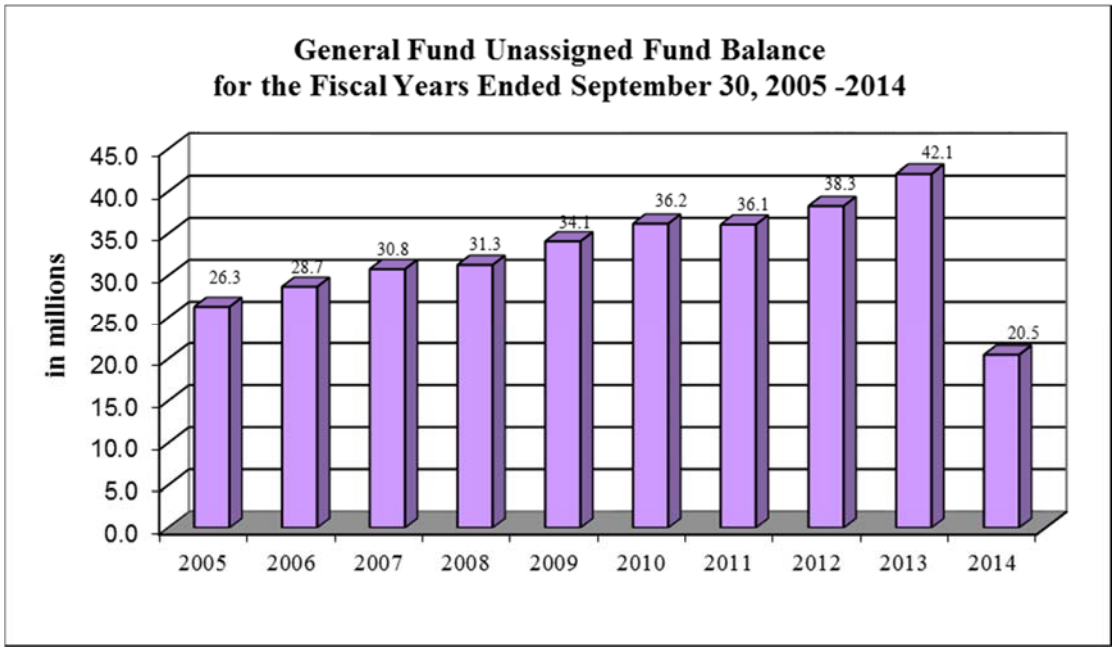
Both General Obligation Bonds received an underlying rating from Moody’s Investors Service of Aa2 and AA from Fitch Ratings. On January 26, 2015, Fitch Ratings affirmed its AA rating. Additional information on the City's long-term debt can be found in Note 9. starting on page 71 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's local economy is primarily based upon retail and service activities. The occupancy rate of the City's retail establishments and office structures remains at approximately 95%. Only 5% of the City remains undeveloped. As the City nears build-out, its focus will be on redevelopment.

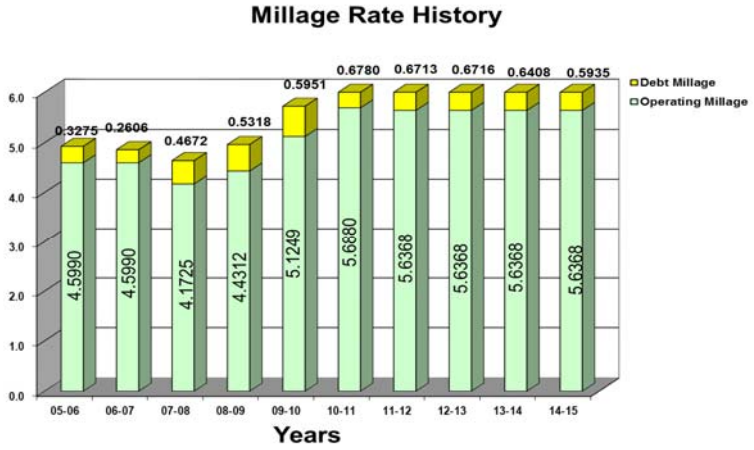
The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2014 was 4.9%, as compared to 5.8% a year ago. This compares favorably to unemployment rates for Broward County, which was 5.4%, and 6.3% for the State of Florida for the same period.

During fiscal year 2014, unassigned fund balance in the General Fund decreased to $20.5 million, compared to $42.1 million from last year. This reduction is due to the purchase of the former Broward County Correctional Institute property from the State of Florida and 43.4 acres from Weekly Bros Leasing LTD. These properties are expected to be sold in fiscal year 2015, which will restore the fund unassigned fund balance. Over the last several years, with the exception fiscal year 2011 and fiscal year 2014, the City has been able to increase its unassigned fund balance as shown in the following graph. The City has assigned $9.1 million for next year's budget which includes proposed technology upgrades.



General Fund

For fiscal year 2015, the largest revenue source, Ad Valorem (property) Tax, which is 31.2% of the total general fund revenue budget, is budgeted at the same operating millage rate as fiscal year 2014 of 5.6368, generating $51.3 million, which is $3.5 million higher than fiscal year 2014 adopted budget. This increase is attributable to a 7.9% increase in taxable values. The debt service millage reflects a decrease of 0.0473 mills, moving from 0.6408 to 0.5935 mills. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.



The 2015 expenditure budget of $164.5 million is $8.3 million greater than the fiscal year 2014 adopted budget of $156.2 million. The largest component of this increase is capital expenditures ensuing from the postponement of capital purchases during the recession. Compared to the 2014 adopted budget, the operating budget for 2015 reflects a $7.4 million or 88.3% increase, which is the result of increase in personal and benefit costs.

The General Fund 2015 budget for capital items reflects a $1.1 million or 17.7% increase over the 2014 adopted budget, of which $3.4 million represents purchases of additional police vehicles, and $0.7 million represents the purchase of breathing apparatus and stretchers for the fire department.

Utility Fund

Effective October 1, 2014, water and sewer rates increased by 1.95% over last year's rates for all residential and commercial properties. This increase reflects the annual increase in the Consumer Price Index as authorized by City Ordinance. The new rates translate to a $1.8 million increase over the prior year budgeted water and sewer revenues.

The $49.0 million 2015 adopted budget for expenses is $0.3 million or 0.7% below the 2014 adopted budget. This decrease is due primarily to net reductions of $1.4 million and $1.8 million in the operating and capital budget, respectively. The reduction in the operating expenses is mainly due to the $4.9 million reduction associated with function sourcing the utilities operation. The Utility Fund 2015 capital budget of $5.8 million is $1.8 million below the 2014 adopted budget. All these and other factors were considered in preparing the City's budget for fiscal year 2015.

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 Lisa Chong, Finance Director, Finance Department, City of Pembroke Pines, 10100 Pines Boulevard, Pembroke Pines, Florida 33026-6041.

Basic Financial Statements

Government-wide Financial Statements

City of Pembroke Pines, Florida

Statement of Net Position

September 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	$38,522,794	$46,554,858	$85,077,652
Investments:			
Marketable securities	32,050,620	-	32,050,620
Real estate	24,766,622	32,821,997	57,588,619
Receivables, net	13,897,661	4,232,808	18,130,469
Inventories	315,498	8,551	324,049
Restricted assets:			
Pooled cash and cash equivalents	36,574,458	11,238,486	47,812,944
Prepaid costs	41,824	-	41,824
Negative net pension obligation	68,149,243	3,721,569	71,870,812
Negative net OPEB obligation	1,408,000	-	1,408,000
Unamortized bond issue costs	1,318,254	-	1,318,254
Capital assets, not being depreciated	71,552,363	12,810,947	84,363,310
Capital assets, being depreciated, net	267,747,699	135,022,354	402,770,053
Total assets	556,345,036	246,411,570	802,756,606
Deferred outflows of resources			
Interest rate swaps	8,103,207	-	8,103,207
Deferred charge on refundings	7,441,835	-	7,441,835
Total deferred outflows of resources	15,545,042	-	15,545,042
Liabilities			
Accounts payable and accrued liabilities	24,888,999	1,962,162	26,851,161
Deposits	1,427,940	-	1,427,940
Internal balances	488,740	(488,740)	-
Unearned/deferred revenue	4,523,719	-	4,523,719
Payable from restricted assets:			
Deposits	699,618	3,642,887	4,342,505
Noncurrent liabilities:			
Due within one year	23,367,798	801,793	24,169,591
Due in more than one year	354,094,805	9,687,787	363,782,592
Total liabilities	409,491,619	15,605,889	425,097,508
Deferred inflows of resources			
Interest rate swaps	8,103,207	-	8,103,207
Total deferred inflows of resources	8,103,207	-	8,103,207
Net position			
Net investment in capital assets	96,036,092	143,816,502	239,852,594
Restricted for:			
$2 Police Education	318,736	-	318,736
Charter schools	2,140,018	-	2,140,018
Debt Service	12,532,547	732,650	13,265,197
FDLE - Confiscated	466,743	-	466,743
Justice - Confiscated	632,068	-	632,068
Older Americans Act	23,243	-	23,243
Road & Bridge Fund	6,242,120	-	6,242,120
Treasury - Confiscated	317,806	-	317,806
Capital replacement	-	530,963	530,963
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	80,158	-	80,158
Unrestricted	35,059,606	85,725,566	120,785,172
Total net position	$154,295,252	$230,805,681	$385,100,933

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Activities
Fiscal Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government services	$ 21,442,092	$ 18,125,053	$ -	$ -	$ (3,317,039)	$ -	$ (3,317,039)
Public safety	93,399,960	29,418,815	52,617	367,842	(63,560,686)	-	(63,560,686)
Physical environment	8,398,804	-	-	-	(8,398,804)	-	(8,398,804)
Transportation	7,592,371	16,667	511,133	158,070	(6,906,501)	-	(6,906,501)
Economic environment	11,647,174	7,146,956	3,400,206	-	(1,100,012)	-	(1,100,012)
Human services	57,230,972	50,101,744	3,187,574	192,554	(3,749,100)	-	(3,749,100)
Culture/recreation	10,357,409	4,044,472	94,325	-	(6,218,612)	-	(6,218,612)
Interest on long-term debt	16,518,111	12,359,687	-	-	(4,158,424)	-	(4,158,424)
Total governmental activities	226,586,893	121,213,394	7,245,855	718,466	(97,409,178)	-	(97,409,178)
Business-type activities:							
Water utility services	5,235,305	21,619,222	-	962,604	-	17,346,521	17,346,521
Sewer/wastewater services	11,541,769	22,211,823	-	1,101,832	-	11,771,886	11,771,886
Water-sewer combined service	24,700,745	113,001	-	-	-	(24,587,744)	(24,587,744)
Total business-type activities	41,477,819	43,944,046	-	2,064,436	-	4,530,663	4,530,663
Total	$ 268,064,712	$ 165,157,440	$ 7,245,855	$ 2,782,902	(97,409,178)	4,530,663	(92,878,515)
General revenues:							
Property taxes, levied for debt service					5,470,524	-	5,470,524
Property taxes, levied for general purposes					48,136,008	-	48,136,008
Utility taxes					12,655,027	-	12,655,027
Communications services tax					6,350,145	-	6,350,145
Insurance premium taxes					2,629,081	-	2,629,081
Local option gas taxes					2,682,012	-	2,682,012
Franchise fees					17,121,734	-	17,121,734
Local business tax					3,272,689	-	3,272,689
Intergovernmental revenue - unrestricted					14,273,538	-	14,273,538
Miscellaneous revenues					697,727	2,038	699,765
Investment earnings (loss) not restricted					844,119	3,098,559	3,942,678
Gain on sale of capital assets					-	276,690	276,690
Total general revenues					114,132,604	3,377,287	117,509,891
Change in net position					16,723,426	7,907,950	24,631,376
Net position, beginning, as restated (NOTE 15.)					137,571,826	222,897,731	360,469,557
Net position, ending					$ 154,295,252	$ 230,805,681	$ 385,100,933

See notes to basic financial statements.

Fund
Financial Statements

City of Pembroke Pines, Florida

Balance Sheet
Governmental Funds
September 30, 2014

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and cash equivalents	$ 30,960,878	$ -	$ -	$ 7,247,277	$ 38,208,155
Investments:					
Marketable securities	13,057,053	-	-	3,199,621	16,256,674
Real estate	24,766,622	-	-	-	24,766,622
Receivables:					
Franchise fees and taxes	5,468,659	-	-	444,333	5,912,992
Other	2,036,077	-	-	423,509	2,459,586
Inventories	292,264	-	-	23,234	315,498
Prepaid costs	5,524	-	-	36,300	41,824
Due from other funds	1,285,397	-	-	-	1,285,397
Due from other governments	2,637,485	-	-	2,259,737	4,897,222
Restricted assets:					
Pooled cash and cash equivalents	699,618	13,280,356	22,064,914	529,570	36,574,458
Total assets	$ 81,209,577	$ 13,280,356	$ 22,064,914	$ 14,163,581	$ 130,718,428
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 21,442,045	$ 46,383	$ -	$ 181,820	$ 21,670,248
Accrued liabilities	794	-	-	-	794
Retainage payable	15,245	-	525,374	14,733	555,352
Due to other funds	-	-	-	1,285,397	1,285,397
Due to other governments	552,466	-	-	-	552,466
Deposits	721,535	-	-	706,405	1,427,940
Unearned revenue	3,147,275	-	-	748,584	3,895,859
Deposits payable from restricted assets	699,618	-	-	-	699,618
Total liabilities	26,578,978	46,383	525,374	2,936,939	30,087,674
Fund balances:					
Nonspendable					
Investment in real estate	24,766,622	-	-	-	24,766,622
Inventory and prepaid costs	297,788	-	-	59,534	357,322
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	13,233,973	-	-	13,233,973
Capital projects	-	-	21,539,540	-	21,539,540
Road and sidewalks	-	-	-	5,846,647	5,846,647
Law enforcement	-	-	-	1,735,353	1,735,353
Wetland Mitigation	-	-	-	80,158	80,158
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	3,095,135	3,095,135
Subsequent year's budget	6,938,100	-	-	-	6,938,100
Unassigned	20,503,089	-	-	(36,300)	20,466,789
Total fund balances	54,630,599	13,233,973	21,539,540	11,226,642	100,630,754
Total liabilities and fund balances	$ 81,209,577	$ 13,280,356	$ 22,064,914	$ 14,163,581	$ 130,718,428

See notes to basic financial statements.

City of Pembroke Pines, Florida

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2014

Fund Balances - Total governmental funds (page 24)	$ 100,630,754
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	339,300,062
Deferred charge on refundings, included in deferred outflows of resources, relates to future periods and, therefore, are not reported in the funds.	7,441,835
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,318,254
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(2,019,675)
Bonds payable and installment purchase, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(346,158,845)
Deferred amounts for issuance discounts/premiums, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,157,778)
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(17,642,585)
Negative net pension obligation created through treatment of Taxable Communications Services Tax Revenue Bonds as employer contribution to defined benefit pension plans is not recognized in the funds.	68,121,740
Negative net OPEB obligation asset, the difference between the annual OPEB cost and the employer's contributions, is not recognized in the funds.	1,408,000
Assets and liabilities of the internal service fund are included in the statement of net position adjusted by the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.	6,053,490
Net position of governmental activities (page 22)	$ 154,295,252

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, 2014

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property taxes	$ 48,136,008	$ 5,470,524	$ -	$ -	$ 53,606,532
Utility taxes	11,013,538	1,641,489	-	-	12,655,027
Communications services tax	50,846	6,299,299	-	-	6,350,145
Insurance premium taxes	2,629,081	-	-	-	2,629,081
Local option, use and fuel taxes	-	-	-	2,682,012	2,682,012
Local business tax	3,272,689	-	-	-	3,272,689
Special assessments	22,212,257	-	-	-	22,212,257
Permits, fees and licenses	15,533,965	818,587	-	1,254,233	17,606,785
Intergovernmental	13,428,053	-	97,224	46,077,066	59,602,343
Charges for services	29,366,919	-	-	1,533,642	30,900,561
Fines and forfeitures	1,321,408	-	-	201,449	1,522,857
Investment income	397,104	78,214	161,849	80,397	717,564
Contributions	414,986	-	631,941	1,230,790	2,277,717
Rental revenue	11,330,116	12,359,687	-	1,847,247	25,537,050
Other	199,976	-	-	1,593,184	1,793,160
Total revenues	159,306,946	26,667,800	891,014	56,500,020	243,365,780
Expenditures					
Current:					
General government	25,581,810	-	87,739	16,410	25,685,959
Public safety	97,346,863	-	-	723,185	98,070,048
Physical environment	10,284,640	-	-	-	10,284,640
Transportation	-	-	3,575,264	4,552,200	8,127,464
Economic environment	7,571,878	-	-	3,023,206	10,595,084
Human services	5,712,068	-	-	48,519,033	54,231,101
Culture and recreation	9,137,706	-	2,359,798	-	11,497,504
Debt service:					
Principal	-	10,305,165	-	-	10,305,165
Interest	-	16,231,252	-	-	16,231,252
Other debt service costs	-	1,622,757	-	-	1,622,757
Total expenditures	155,634,965	28,159,174	6,022,801	56,834,034	246,650,974
Excess (deficiency) of revenues over expenditures	3,671,981	(1,491,374)	(5,131,787)	(334,014)	(3,285,194)
Other financing sources (uses):					
Transfers in	-	317,564	-	2,275,725	2,593,289
Transfers out	(1,596,004)	-	(1,590)	(995,695)	(2,593,289)
Refunding bonds issued	-	108,896,529	-	-	108,896,529
Payment to refunded bond escrow agent	-	(109,277,444)	-	-	(109,277,444)
Total other financing sources (uses)	(1,596,004)	(63,351)	(1,590)	1,280,030	(380,915)
Net change in fund balances	2,075,977	(1,554,725)	(5,133,377)	946,016	(3,666,109)
Fund balances, beginning	52,554,622	14,788,698	26,672,917	10,280,626	104,296,863
Fund balances, ending	$ 54,630,599	$ 13,233,973	$ 21,539,540	$ 11,226,642	$ 100,630,754

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, 2014

Amounts reported for governmental activities in the statement of activities (page 23) are different because:

Net change in fund balances - total governmental funds (page 26)		$ (3,666,109)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
The details of the difference are as follows:		
Capital outlay	$ 10,495,383	
Depreciation expense	(13,505,875)	
Net adjustment		(3,010,492)
The net effect of various miscellaneous transactions involving capital assets		(249,090)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets.		
The details of the difference are as follows:		
Debt issued or incurred:		
Refunded Taxable Revenue Bonds	(76,840,000)	
Refunded Public Improvement Revenue Bonds	(29,040,000)	
Debt refunded:		
Payment to refunded escrow agent	107,375,000	
Principal payments:		
Taxable Revenue Bonds	2,120,000	
General Obligation Bonds	2,055,000	
Capital Improvement Revenue Bonds	605,000	
Public Improvement Revenue Bonds	1,865,000	
Refunded Capital Improvement Revenue Bonds	2,367,100	
Refunded Public Improvement Revenue Bonds	1,175,000	
Capital lease financing	118,065	
Total principal payments	10,305,165	
Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	(3,074,796)	
Net adjustment		8,725,369
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
The details of the difference are as follows:		
Compensated absences		255,539
Accrued interest		3,296,610
Net amortization of negative pension obligation		9,963,599
Negative OPEB obligation		1,408,000
Change in net position of governmental activities (page 23)		$ 16,723,426

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Assets		
Current assets:		
Pooled cash and cash equivalents	$ 46,554,858	$ 314,639
Investments:		
Marketable securities	-	15,793,946
Real estate	32,821,997	-
Accounts receivable:		
Customer accounts, net	4,232,808	-
Inventory	8,551	-
Total current assets	83,618,214	16,108,585
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	11,238,486	-
Total restricted assets	11,238,486	-
Negative net pension obligation	3,721,569	27,503
Capital Assets:		
Land	3,056,488	-
Buildings and utility plant	223,590,056	-
Construction-in-progress	9,754,459	-
Machinery and equipment	7,407,651	-
Less accumulated depreciation	(95,975,353)	-
Total capital assets (net of accumulated depreciation)	147,833,301	-
Total noncurrent assets	162,793,356	27,503
Total assets	$ 246,411,570	$ 16,136,088

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014
(continued)

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Liabilities and Net Position		
Current liabilities:		
Accounts payable	$ 1,727,588	$ 90,464
Retainage payable	113,839	-
Compensated absences	93,067	13,496
Claims payable	-	9,480,931
Accrued interest payable	120,735	-
Current portion of bonds payable	708,726	-
Total current liabilities	2,763,955	9,584,891
Noncurrent liabilities payable from restricted assets:		
Customer deposits	3,642,887	-
Noncurrent liabilities:		
Compensated absences	47,728	8,968
Long-term portion of bonds payable	9,640,059	-
Total noncurrent liabilities	13,330,674	8,968
Total liabilities	16,094,629	9,593,859
Net Position:		
Net investment in capital assets	143,816,502	-
Restricted for:		
Capital replacement	530,963	-
Debt service	732,650	-
Unrestricted	85,236,826	6,542,229
Total net position	230,316,941	$ 6,542,229
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time	488,740	
Net position of business-type activities (page 22)	$ 230,805,681	

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2014

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Operating revenues:		
Charges for services	$ 43,924,266	$ 13,709,516
Other	21,818	2,781,515
Total operating revenues	43,946,084	16,491,031
Operating expenses:		
Operating, administrative and maintenance	35,354,028	16,617,585
Depreciation	5,717,709	-
Total operating expenses	41,071,737	16,617,585
Operating income (loss)	2,874,347	(126,554)
Nonoperating revenues & (expenses):		
Investment income	3,098,559	126,554
Interest expense	(366,201)	-
Other debt service cost	(39,881)	-
Gain on disposal of capital assets	276,690	-
Total nonoperating revenues	2,969,167	126,554
Income before contributions	5,843,514	-
Capital contributions	2,064,436	-
Change in net position	7,907,950	-
Net position, beginning	222,408,991	6,542,229
Net position, ending	$ 230,316,941	$ 6,542,229

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2014

	Business-type Activities Enterprise Fund	Non major Governmental Activities Internal Service Fund
	Utility Fund	Public Insurance
Cash flows from operating activities		
Cash received from customers:		
For services	$ 44,324,712	$ -
For deposits	254,114	-
Cash received from interfund services	-	13,709,516
Cash payments to suppliers for goods and services	(16,338,443)	(17,969,972)
Cash payments to employees for services	(3,758,567)	(110,736)
Interfund services used	(15,398,538)	-
Other operating revenues	21,818	2,781,515
Net cash provided by (used for) operating activities	9,105,096	(1,589,677)
Cash flows from capital and related financing activities		
Principal paid on revenue bonds	(684,759)	-
Acquisition and construction of capital assets	(2,027,525)	-
Interest paid on revenue bonds	(374,191)	-
Proceeds from sale of equipment	481,840	-
Capital contributions	2,064,436	-
Net cash (used for) capital and related financing activities	(540,199)	-

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2014
(continued)

	Business-type Activities Enterprise Fund Utility Fund	Non major Governmental Activities Internal Service Fund Public Insurance
Cash flows from investing activities		
Proceeds from sale of real estate investments	$ 9,499,725	$ -
Income on cash and cash equivalents	244,097	15,767
Net cash provided by investing activities	9,743,822	15,767
Net increase (decrease) in equity in pooled cash and cash equivalents	18,308,719	(1,573,910)
Pooled cash and cash equivalents at beginning of year	39,484,625	1,888,549
Pooled cash and cash equivalents at end of year	$ 57,793,344	$ 314,639
Displayed as:		
Unrestricted	$ 46,554,858	$ 314,639
Restricted	11,238,486	-
Total Pooled cash and cash equivalents	$ 57,793,344	$ 314,639
Reconciliation of operating income to net cash provided by (used for) operating activities:		
Operating income (loss)	$ 2,874,347	$ (126,554)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	5,717,709	-
Change in assets and liabilities:		
Decrease in customer accounts, net	400,446	-
Decrease in inventory	3,520	-
Decrease in negative net pension obligation	(1,439,308)	3,043
Increase (decrease) in accounts payable	1,557,707	(215,124)
Increase (decrease) in compensating absences	(263,439)	1,637
Decrease in insurance claims payable	-	(1,252,679)
Increase in customer deposits	254,114	-
Net cash provided by (used for) operating activities	$ 9,105,096	$ (1,589,677)
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	$ -	$ 110,787
Decrease in bond issue costs	39,881	-

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Net Position
Fiduciary Funds
September 30, 2014

	Pension and OPEB Trust Funds	Agency Funds
Assets		
Cash and short-term investments	$ 15,647,892	$ 3,674,998
Receivables		
Accrued interest and dividends	950,273	-
Other	14,284,158	1,962,494
Total receivables	15,234,431	1,962,494
Prepaid expenses	1,955,917	-
Investments, at fair value		
U.S. Government securities	14,732,361	-
Corporate bonds	85,262,938	-
Common stocks	238,899,663	-
Foreign bonds	7,143,091	-
Domestic equity fund	34,582,356	-
International equity fund	35,496,611	-
Real estate fund	46,069,479	-
Mutual funds	202,651,005	-
Total investments	664,837,504	-
Capital Assets:		
Property and equipment, net	381,244	-
Total capital assets	381,244	-
Total assets	698,056,988	5,637,492
Liabilities		
Reserve for health insurance claims	526,656	-
Accounts payable	594,861	1,970,086
Accrued liabilities	-	3,667,406
Total liabilities	1,121,517	5,637,492
Net Position		
Net position restricted for pension benefits	644,676,057	-
Net position restricted for OPEB benefits	52,259,414	-
Total net position restricted for benefits	$ 696,935,471	$ -

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2014

	Pension and OPEB Trust Funds
Additions	
Contributions:	
Plan members	$ 3,895,521
Employee buybacks	11,528
Employer	49,412,228
State	2,629,081
Total	55,948,358
Investment income	63,807,706
Less investment expense	2,695,508
Net investment income	61,112,198
Other addtions:	
Specific stop loss and medical claims recovery	203,412
Other income	44,649
Total other additions	248,061
Total additions	117,308,617
Deductions	
Benefit payments and insurance premiums	40,785,342
Refunds of contributions	34,255
Administrative expenses	845,216
Total deductions	41,664,813
Change in net position	75,643,804
Net position, beginning as previously reported	528,527,391
Prior period adjustment	92,764,276
Net position, beginning as restated	621,291,667
Net position, ending	$ 696,935,471

See notes to basic financial statements.

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pembroke Pines (the City) was incorporated in 1960. The City operates under a Commission-Manager form of government. In addition to police and fire services, general government, recreation, and public works services provided to its residents, the City operates water and sewer utilities and maintains various trust and agency funds in a fiduciary capacity. The City also provides to its residents educational facilities with the eight (8) Charter Schools that it owns and operates in addition to those facilities provided by the School Board of Broward County.

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

a. Financial Reporting Entity

The City's financial reporting entity comprises the City of Pembroke Pines as the primary government with no component units. In determining the financial reporting entity, the City complies with the provisions of GASB Statements No.14 (amended by GASB No. 61) and No.39 relating to "The Financial Reporting Entity." The criterion used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

In previous years, the Charter Schools were aggregated and shown as two separate columns for financial statement purposes; however, each class of school (Elementary, Middle, High, and Florida State University Elementary) is a separate fund for general purpose external financial reporting purposes. Therefore, since fiscal year 2009, each class of school has been disaggregated, and shown as separate columns in the nonmajor governmental funds combining financial statements.

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

d. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

The City's "Pooled cash and cash equivalents" are considered to be cash on hand, demand deposits, money market deposits and deposits held with the State Board of Administration (SBA) Investment Pool and the Florida Municipal Investment Trust (FMIvT) 1-3 Year Bond Fund. For the purpose of the proprietary fund's Statement of Cash Flows, "Pooled cash and cash equivalents" include all demand and savings accounts, money market accounts, short-term investments with original maturities of three months or less from the date of acquisition and the FMIvT 1-3 Year Bond Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deposits and Investments (continued)

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

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 assigned fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Receivables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance** (continued)

4. Capital Assets

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

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

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

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

In June 2007, the GASB issued Statement No. 51 ("GASB 51"), "Accounting and Financial Reporting for Intangible Assets." This Statement requires intangible assets such as software development to be recorded as capital assets. The City implemented GASB 51 effective October 1, 2009. As a result, the financial impact to the City was a net increase of $0.6 million in capital assets for software developed in-house (See Note 6 – Capital Assets). The City's capitalization threshold for infrastructure and intangible assets is $1,000. Intangible assets that are considered to have an indefinite useful life because there is no legal, contractual, regulatory, technological, or other factor that limits the useful life are not amortized. As used in these statements, accumulated depreciation includes amortization of intangibles assets.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

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. The cost of prepaid items is recorded as an expenditure/expenses when consumed rather than when purchased (consumption method).

6. Restricted Assets

Restricted assets include cash and investments of the governmental and enterprise funds that are legally restricted as to their use. The primary restricted assets of the governmental funds are related to amounts that the City is required to segregate in connection with the issuance of bonds, including sinking fund and reserve requirements, as well as amounts segregated for construction projects. The primary restricted assets of the enterprise fund are related to the Consolidated Utility System Revenue Bonds, Series 2010, and the customer utility deposits. See Note 5. for more details on the restricted assets.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. There are two items that qualify for reporting in this category; interest rate swaps and deferred charge on refundings, both of which are reported in the government-wide statement of net position. The interest rate swaps represents the termination value balance of the outstanding derivative instruments and the deferred charge on refundings represents the difference in the carrying value of refunded debt and the reacquisition price, which is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenues) until that time. There is only one item that qualifies for reporting in this category; interest rate swaps. The interest rate swaps represents the fair value balance of the outstanding derivative instruments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance** (continued)

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 position. 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 unamortized bond issue costs and amortized over the term of the related debt. Effective October 1, 2013, only bond premiums, discounts and prepaid insurance costs are deferred and amortized over the life of the bonds, all other bond issue costs are expensed in the reporting period in which they are incurred. A prior adjustment entry has been made to reflect this change. See Note 15. for details on this prior period adjustment.

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. Net position/Fund Balance

Net Position. Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted, and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

Fund Balance. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance** (continued)

Assignments are made by the City Manager based on Commission direction. Commitments and assignments of fund balance have been established by the City Commission pursuant to a fund balance reserve policy adopted per Ordinance 1699 on September 7, 2011. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

10. Fund Balance Reserve Policy

On September 7, 2011, the City of Pembroke Pines adopted a fund balance reserve policy per Ordinance 1699. This fund balance reserve policy excludes the special revenue funds of the City, including, but not limited to, the Charter Schools, and states that the unassigned fund balance of the City's General Fund shall not be less than 10% of the following year's projected budgeted expenditures.

In any fiscal year where the City is unable to maintain the 10% minimum reservation of fund balance, the unassigned fund balance is to be rebuilt through an appropriation during the next annual budget process of at least 20% of the shortfall in the unassigned fund balance until the minimum level of 10% has been reached.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent, first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

e. Revenues, Expenditures/Expenses

1. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues, Expenditures/Expenses (continued)

2. Compensated Absences

Compensated absences are salary related payments to employees for accumulated vacation and sick leave. They are recorded as expenditures when used or are accrued as a payable to employees who are entitled to cash payment in lieu of taking leave. Employees may accumulate unused sick and vacation leave with limitations as described in the various collective bargaining agreements for police officers, firefighters, general, charter school and Early Development Center employees. The City's policy regarding vacation time is to encourage employees to use it within one year of having earned the 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 due and payable at September 30th and paid from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

f. Use of Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
Gas Tax	Roads, bridges, sidewalks, and streetlights
School Board of Broward County	Charter School Expenditures
Florida State University	Charter School Expenditures
Older Americans Act Grant	Grant Program Expenditures
Community Development Block Grant (CDBG)	Grant Program Expenditures
State Housing Initiative Program Grant (SHIP)	Grant Program Expenditures
Confiscated Law Enforcement Trust Funds – (Treasury Confiscated, Justice Confiscated, $2 Police Education, and FDLE Confiscated)	Law Enforcement Expenditures

For the year ended September 30, 2014, the City complied, in all material respects, with these revenue restrictions.

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

c. New Pronouncements

Pronouncements implemented in the current year:

GASB Statement 65, Items Previously Reported as Assets and Liabilities (GASB 65) establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirement of GASB 65 is effective for fiscal year 2014. The implementation of GASB 65 has a material impact on the City's financial statements requiring a prior period adjustment. See Note 15. for details.

GASB Statement 66, Technical Corrections—2012 is an amendment of GASB Statements No. 10 and No. 62 (GASB 66). The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The requirement of GASB 66 is effective for fiscal year 2014. The implementation of GASB 66 does not have a material impact on the City's financial statements.

GASB Statement 67, Financial Reporting for Pension Plans is an amendment of GASB Statement No. 25 (GASB 67). The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 67 are effective for fiscal year 2014. The implementation of GASB 67 does not have a material impact on the City's financial statements, however certain changes in note disclosures and Required Supplementary Information (RSI) were incorporated to comply with GASB Statement 67.

GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees (GASB 70) establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirement of GASB 70 is effective for fiscal year 2014. The implementation of GASB 70 does not have a material impact on the City's financial statements.

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented:

GASB Statement 68, Accounting and Financial Reporting for Pensions is an amendment of GASB Statement No. 27 (GASB 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of GASB 68 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 68 may have on its financial statements.

GASB Statement 69, Government Combinations and Disposals of Government Operations (GASB 69) provides specific accounting and financial reporting guidance for combinations in the governmental environment. It also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The requirements of GASB 69 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 69 may have on its financial statements.

GASB Statement 71, Pension Transition for Contribution Made Subsequent to the Measurement Date is an amendment of GASB Statement No. 68 (GASB 68). The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of GASB 71 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 71 may have on its financial statements.

NOTE 3. DEPOSITS AND INVESTMENTS

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

Deposits and investments as of September 30, 2014 are classified in the accompanying financial statements as follows:

	Balance as of 9/30/2014	
Statement of net position:		
Cash and cash equivalents	$ 85,077,652	
Investments:		
Marketable securities	32,050,620	
Real estate	57,588,619	
Restricted assets:		
Pooled cash and cash equivalents	47,812,944	$ 222,529,835
Statement of net position - Fiduciary Funds:		
Cash and short-term investments	15,647,892	
Investments	664,837,504	680,485,396
Total cash and investments	$ 903,015,231	$ 903,015,231

Cash on hand, deposits and investments as of September 30, 2014 consist of the following:

	Balance as of 9/30/2014	
Governmental and Business-type investments:		
Cash on hand	$ 19,255	
Deposits with financial institutions	16,121,591	
Money market funds held with financial institutions	36,961	
Florida PRIME	529,647	
Florida Municipal Investment Trust (FMIvT)	116,349,142	
Investments held with external Investment manager	31,884,620	
Investment in real estate	57,588,619	$ 222,529,835
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	14,388,631	
Investments	462,186,499	
General Employees Pension Fund:		
Investments in mutual funds	150,980,771	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	1,259,261	
Investments	51,670,234	680,485,396
Total cash and investments	$ 903,015,231	$ 903,015,231

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

General Investment Policy Guidelines

The City's investment objective order of priority is safety of capital, liquidity of funds, and investment income, in that order. Authorized investments of the City are subject to limitations prescribed in the City of Pembroke Pines' Investment Policy as adopted per Ordinance 1493, dated September 1, 2004. The average duration of the entire portfolio as a whole may not exceed five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement. This calculation also applies to the expected average life of asset-backed securities and mortgage-backed securities (rather than the stated final maturity). No more than 30% of the total investment portfolio shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement. Authorized Investments per the Investment Policy are as follows:

LIST OF AUTHORIZED INVESTMENTS:

(a) The Local Government Surplus Funds Trust Fund and any other investment plan or investment trust developed by the Florida League of Cities, the Florida Association of Counties, the Florida Association of Court Clerks, or similar state or national associations, approved by the City.

(b) Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government or its agencies, including but not limited to, U.S. Government Treasury Securities, and Government National Mortgage Associations (GNMAs).

(c) Non-negotiable interest-bearing time certificates of deposits or savings accounts in state or federal banks, state or federal savings and loan associations as permitted and/or prescribed by Chapter 280 of the Florida Statutes.

(d) Government Sponsored Enterprises including but not limited to Federal Farm Credit Banks, Federal Home Loan Bank or its district banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.

(e) Prime commercial paper. Commercial Paper having a maturity of 90 days or less shall require one of the following three minimum ratings: A-1, P-1 or F-1, or better as rated by Standard & Poors, Moody's, and/or Fitch Investors Service rating services. Prime commercial paper of U.S. Corporations having a maturity in excess of 90 days shall require two of the three above-mentioned ratings.

(f) Repurchase agreements comprised of only those investment instruments as otherwise authorized herein.

(g) State or local government taxable and tax exempt debt, general obligation and/or revenue bonds rated at least "A3" by Moody's or "A-" by Standard & Poor's for long-term debt or rated at least MIG-2 by Moody's or SP-2 Standard & Poor's for short-term debt.

NOTE 3. DEPOSITS & INVESTMENTS (continued)

List of Authorized Investments (continued)

(h) Securities or, other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio meets the City's investment policy.

(i) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. The funds must be in compliance with Title 17, Part 270, Section 2a-7 of the Federal Code of Regulations (Appendix B).

(j) U.S dollar denominated debt obligations of domestic or foreign corporations, or foreign sovereignties issued in the U.S. or in foreign markets having two of the following three minimum ratings: A-, A3, or A-, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investors Service rating services. However, if such obligations are rated by only one rating service, then such rating shall be at least AA-, Aa3, or AA- by Standard & Poor's, or Moody's or Fitch.

(k) Real estate, so long as the acquisition and sale complies with applicable federal and state laws and regulations in addition to applicable City Charter provisions, if any, and the City Code of Ordinances.

(l) Real Estate Investment Trusts ("REIT") which are properly registered pursuant to applicable Federal and State laws, provided the ("REIT") portfolio meets the City's Investment Policy.

(m) Land Trusts or Title Trusts as described in Sections 689.07 or 689.071, Florida Statutes, so long as the Land Trust complies with any applicable Federal and State laws and regulations, applicable City Charter provisions, if any, and the City's Code of Ordinances.

(n) Mortgage-Backed Securities. Securities collateralized by mortgages on residential property or commercial (industrial, office, retail etc.) property ("commercial Mortgage-Backed Securities"). The securities may be issued by a Federal Instrumentality or by a private corporation and may be structured as collateralized mortgage obligations or unstructured pass-through securities.

(o) Asset-Backed Securities. Securities collateralized by pools of assets (credit cards, autos, home equity loans). The securities may be structured or unstructured pass-through securities.

NOTE 3. DEPOSITS & INVESTMENTS (continued)

Public Deposits

At September 30, 2014, the book balance of the City's public deposits was $16,121,591 and the bank balance was $16,933,928. The institutions in which the City's monies are deposited are certified as Qualified Public Depositories pursuant to Florida Statutes, Chapter 280 - *Florida Security for Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository. The Investment Policy allows for a maximum of 50% of the portfolio may be deposited with any one financial institution.

Investments in External Investments Pools

State Board of Administration (SBA)

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

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, currently referred to as the Florida PRIME, consisted of all money market appropriate assets, which was approximately $12.0 billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately $2.0 billion or 14% of Pool assets.

On August 3, 2009 the SBA announced the rebranding of the Local Government Surplus Funds Trust Fund (formerly Pool A) as the "Florida PRIME," reflecting the improvements and added benefits for participants that had been developed. The Florida PRIME is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. On November 3, 2014, Fund B balances have been distributed in full to each Fund B participant, and the weighted average life of the fund's assets is effectively zero.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

State Board of Administration (SBA) (continued)

As at September 30, 2014, the City had $529,647 invested in the Florida PRIME. The investments of the Florida PRIME are not restricted as to deposits or withdrawals.

Florida Municipal Investment Trust (FMIvT)

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

The Florida League of Cities (FLOC) serves as the administrator, investment manager and secretary-treasurer of the Trust. The State Board of Administration's Local Government Surplus Funds Trust Fund and the Florida Municipal Investment Trust (FMIvT) are not registrants with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. The City invests operating funds in the following funds:

FMIvT Bond Funds:	**Balance as of 9/30/14**
0-2 Year High Quality Bond Fund	$ 124,947
1-3 Year High Quality Bond Fund	116,193,065
Intermediate High Quality Bond Fund	31,130
Total FMIvT Bond Funds	**$ 116,349,142**

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

General Employees Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

The Other Post Employment Benefit (OPEB) Trust Fund is invested with various investment managers through Fiduciary Trust International of the South and State Street Global Advisors in both the fixed income and equity funds as shown in the table below:

	Balance as of 9/30/14
Mercantile Bank Money Market	$ 1,259,261
Investment Accounts:	
Lee Munder Capital Group - Mid Cap Core	3,577,777
Atlanta Capital Management - Small Cap Core	3,934,507
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income	20,738,838
Herndon Capital Management - Large Cap Value	7,279,716
State Street Global Advsors - Commingled Funds	8,792,047
Wells Capital Management - Large Cap Growth Mutual Fund	7,347,349
Total cash and investments	**$ 52,929,495**

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate

City Center Property

In fiscal year 2003, the City purchased approximately 115 acres of undeveloped land adjacent to City Hall for approximately $22 million using funds from the Utility Fund. The City's investment in real estate, also referred to as the "City Center" project, had an additional $46.3 million spending for spine roads, infrastructure and hardscape development. In 2003, the City transferred the investment in real estate from Utility Fund to the General fund creating an interfund loan between the two funds. As part of this transaction, the Utility Fund charged borrowing interest to the General Fund.

In fiscal year 2011, the City transferred the investment in real estate back to the Utility Fund and since the Utility Fund cannot charge interest to itself, the interest portion of the cost was written off and was charged against interest income during the year. To compensate this write down, the General Fund transferred approximately $7.8 million to the Utility Fund in fiscal year 2011.

In fiscal 2012, the City sold a parcel to Mill Creek Development for $11,218,336 and recognized a gain on sale of $1,213,349. Also, during the fiscal year 2012, the Utility Fund transferred $3,460,118 of storm-water infrastructure to the Road and Bridge Fund.

In fiscal year 2013, the City sold a second parcel of City Center to Mill Creek Development for $7,474,106 and recognized a gain on sale of $1,179,450.

In fiscal year 2014, the City sold 11 acres of City Center to RD Pembroke Apartments, LLC for $9,499,725 and recognized a gain on sale of $2,854,464.

At the fiscal year ended September 30, 2014, the investment in real estate for City Center is valued at $32,821,997.

Weekley Property

In fiscal year 2013, the City bought 43.4 acres of land from Weekley Bros for $10,050,042. Out of this amount, $9,050,042 is in the form of a promissory note that is due upon the earlier of (a) the resale of the property or (b) one year from the date of the promissory note contigent upon that the road construction on the property is completed within the year. On August 12, 2014, the City paid the note plus $630,404 of interest in full. At the fiscal year ended September 30, 2014, the investment in real estate is valued at $10,770,750.

Broward County Correctional Institute

In fiscal year 2014, the City bought approximately 66 acres located at 20421 SW 72nd Street, formerly known as the Broward County Correctional Institute, for $13,519,470. At the fiscal year ended September 30, 2014, the investment in real estate is valued at $13,995,871.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair market value of an investment. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table below as of September 30, 2014.

Investment Type	Fair Value	Effective Duration (Years)	% of the Total Fixed Income Investment Portfolio
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
Managed by External Investment Manager:			
Temporary investments	$ 10,007	-	0.0%
Treasuries	11,587,487	2.04	7.8%
Federal agencies	3,468,701	1.97	2.3%
Mortgage pass-through	640,031	0.86	0.4%
Collateralized mortgage obligations (Agency & Private)	493,226	1.26	0.2%
Asset-backed securities	3,195,765	1.26	2.1%
Corporate bonds	9,548,703	1.43	6.4%
Corporate - Non US	2,940,700	1.58	2.0%
Investment in External Investment Pools:			
FMIvT -0-2 Year high quality bond fund	124,947	0.70	0.1%
FMIvT -1-3 Year high quality bond fund	116,193,065	1.47	78.3%
FMIvT -Intermediate high quality bond fund	31,130	3.58	0.0%
Florida PRIME	529,647	-	0.4%
Total Governmental & Business-type Fixed Income	**$ 148,763,409**		100.0%
Weighted average effective duration of the Governmental & Business-type activities		1.51	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
U.S. treasuries	$ 8,238,879	0.30	7.7%
U.S. agencies	6,493,482	0.31	6.0%
Corporate bonds	85,262,938	3.35	79.6%
Foreign bonds	7,143,091	0.27	6.7%
Total Fixed Income Firefighters and Police Officers Pension Fund	**$ 107,138,390**		100.0%
Weighted average effective duration of Police & Fire Pension Fund		2.73	
General Employees Pension Fund:			
Investment in separate fixed income investments accounts:			
PIMCO core plus bond 1 separate account	$ 27,943,056	4.82	43.8%
Principal bond and mortgage separate account	21,387,070	5.25	33.5%
JP Morgan high yield 1 separate account	6,274,122	4.13	9.8%
Principal US property separate account	8,218,609	-	12.9%
Total Fixed Income General Employees Pension Fund	**$ 63,822,857**		100.0%
Weighted average effective duration of the General Employees Pension Fund		4.27	
Other Post-Employment Benefit (OPEB) Trust Fund:			
Investment in Funds of Garcia Hamilton & Associates			
Corporate bonds	$ 4,168,755	6.48	20.1%
Government bonds	10,906,969	7.89	52.6%
Mortage-backed securities	5,594,844	1.42	27.0%
US Treasury	68,270	5.82	0.3%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	**$ 20,738,838**		100.0%
Weighted average effective duration of the Other Post-Employment Benefits Trust Fund		5.85	

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

The City limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio. The Operating Investment Policy of the City states that the average effective duration of the portfolio as a whole may not exceed five (5) years, and that no more than 30% of the total investment in debt securities shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes the maturities of the underlying securities of a repurchase agreement. The Operating Investment Policy of the City limits the investment in collateralized mortgage obligations to a maximum of 30% of the portfolio. The maximum effective duration for an investment in any mortgage-backed security issued by a Federal Instrumentality is ten (10) years, and for a private corporation is five (5) years. A maximum of 50% of the City's operating investments may be directly invested in the combined categories of commercial paper and corporate obligations. The maximum duration for corporate obligations is five (5) years for both fixed and variable rate securities. The weighted average days to maturity and the weighted average life of the Florida PRIME as of September 30, 2014 are 39.3 days and 86.9 days, respectively.

Firefighters and Police Officers Pension Investments

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

General Employees Pension Investments

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

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy allows for various authorized investments including all the investment accounts offered by the Fiduciary Trust International of the South and State Street Global Advisors. Currently, the investments of the OPEB Trust Fund are invested in fixed income, equities, and mutual funds. The OPEB Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

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

Investment Type	Credit Quality Rating			Fair Value
	Fitch	S&P	Moodys	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
Managed by External Investment Manager:				
Temporary investments		AAA	Aaa	$ 10,007
Treasuries		AA+	Aaa	11,587,487
Federal agencies		AA+	Aaa	3,468,701
Mortgage pass-through		AA+	Aaa	640,031
Collateralized mortgage obligations (Agency & Private)		AA+	Aaa	493,226
Asset-backed securities		AAA	Aaa	3,195,765
Corporate		A	A2	9,548,703
Corporate - Non US		AA-	Aa3	2,940,700
Investment in External Investment Pools:				
FMIvT -0-2 Year high quality bond fund	AAA/V1			124,947
FMIvT -1-3 Year high quality bond fund	AAA/V2			116,193,065
FMIvT -Intermediate high quality bond fund	AAA/V3			31,130
Florida PRIME		AAAm		529,647
Total Governmental & Business-type Fixed Income				**$148,763,409**
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed		N/A		$ 14,732,361
Corporate/foreign bonds		AAA		1,100,110
Corporate/foreign bonds		AA+		4,745,771
Corporate/foreign bonds		AA		4,662,537
Corporate/foreign bonds		AA-		11,489,883
Corporate/foreign bonds		A+		16,700,379
Corporate/foreign bonds		A		29,103,644
Corporate/foreign bonds		A-		17,267,885
Corporate/foreign bonds		BBB+		6,223,649
Corporate/foreign bonds		BBB		1,112,171
Total Fixed Income Firefighters and Police Officers Pension Fund				**$107,138,390**
General Employees Pension Fund:				
Investment in separate fixed income investments accounts:				
PIMCO core plus bond 1 separate account		Not rated		$ 27,943,056
Principal bond and mortgage separate account		Not rated		21,387,070
JP Morgan high yield 1 separate account		Not rated		6,274,122
Principal US property separate account		Not rated		8,218,609
Total Fixed Income General Employees Pension Fund				**$ 63,822,857**
Other Post-Employment Trust Fund:				
Investment in Funds of Garcia Hamilton & Associates				
Corporate bonds	A-	A	A3	$ 4,168,755
Government bonds	AAA	AA+	Aaa	10,906,969
Mortage-backed securities	AAA	AA+	Aaa	5,594,844
US Treasury	Not rated	Not rated	Not rated	68,270
Total Fixed Income -Other Post-Employment Benefits Trust Fund				**$ 20,738,838**

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

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

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

The Operating Investment Policy stipulates that corporate bonds must have two (2) of the following three minimum ratings: BBB, Baa2, or BBB, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investor Service rating services, respectively. However, if such obligations are rated by one rating service, then such rating shall be at least A-, A3, or A- by Standard and Poor's, Moody's or Fitch, respectively. The City's operating investments in corporate bonds were rated A by Standard and Poor's and A2 by Moody's, respectively, and investments in corporate bonds – Non US were rated AA- by Standard and Poor's and Aa3 by Moody's, respectively.

The Florida PRIME is currently rated AAAm by Standard and Poor's.

Firefighters and Police Officers Pension Investments

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

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

General Employees Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy sets no minimum credit quality rating for the investment accounts of the Fiduciary Trust International of the South and State Street Global Advisors. The investment accounts comprise of fixed income, equity, commingled pools, and mutual funds. The fixed income portfolio's ratings from Fitch, Standard and Poor's, and Moody's range from A- to AAA, A to AA+, and Aaa to A3, respectively.

Concentration of Credit Risk

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

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

Custodial Credit Risk - Deposits

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and they are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

All deposits of the City are either covered by depository insurance or are collateralized by the pledging financial institution's trust department or agent in the City's name.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty's trust department or agent but not in the government's name. It is the City's policy that all investments purchased by the City be designated as an asset of the City in the City's name, despite being held in safekeeping by the City's custodial bank or a third party custodial institution, chartered by the United States Government or the State of Florida. Therefore, consistent with policy, all identifiable investment securities of the City are either insured or are registered in the Custodian's Street name for the benefit of the City, and are held by the counterparty's trust department or agent. Investments in mutual funds and external investment pools are not subject to custodial credit risk.

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2014 are as follows:

Receivables	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Total
Customer accounts	$ -	$ -	$4,872,636	$ 4,872,636
Franchise fees and taxes	5,468,659	444,333	-	5,912,992
Due from other governments	2,637,485	2,259,737	-	4,897,222
Other receivables	2,036,077	423,509	-	2,459,586
Gross receivables	10,142,221	3,127,579	4,872,636	18,142,436
Less: allowance for uncollectible accounts	-	-	(639,828)	(639,828)
Net total receivables (fund statements)	$10,142,221	$ 3,127,579	$4,232,808	$17,502,608
Municipal dedication fees	-	627,861	-	627,861
Net total receivables (gov't-wide)	$10,142,221	$ 3,755,440	$4,232,808	$18,130,469

NOTE 5. RESTRICTED ASSETS

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2014 are as follows:

Restricted assets	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Enterprise Fund	Total
Revenue Bonds sinking fund	$ -	$ 10,815,432	$ -	$ -	$ 732,650	$ 11,548,082
General Obligation Bonds sinking fund	-	2,351,922	-	-	-	2,351,922
Revenue Bonds reserve fund	-	113,002	-	-	530,963	643,965
Restricted for construction projects	-	-	22,064,914	-	-	22,064,914
Restricted for Utility System Bonds	-	-	-	-	6,331,986	6,331,986
Restricted for wetland mitigation	-	-	-	529,570	-	529,570
Customer deposits	699,618	-	-	-	3,642,887	4,342,505
Total restricted assets	**$699,618**	**$13,280,356**	**$22,064,914**	**$ 529,570**	**$11,238,486**	**$47,812,944**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 62,965,963	$ -	$ -	$ 62,965,963
Construction-in-progress	7,231,947	7,386,912	(6,032,459)	8,586,400
Total capital assets, not being depreciated	70,197,910	7,386,912	(6,032,459)	71,552,363
Capital assets, being depreciated:				
Buildings	245,155,881	812,967	-	245,968,848
Improvements other than buildings	136,527,048	4,726,546	-	141,253,594
Machinery and equipment	52,384,406	3,352,854	(3,474,557)	52,262,703
Infrastructure	33,720,788	296,779	-	34,017,567
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	467,849,430	9,189,146	(3,474,557)	473,564,019
Less accumulated depreciation for:				
Buildings	(57,393,129)	(5,047,365)	-	(62,440,494)
Improvements other than buildings	(64,443,754)	(5,365,580)	-	(69,809,334)
Machinery and equipment	(42,807,879)	(2,762,015)	3,177,251	(42,392,643)
Infrastructure	(30,824,031)	(324,784)	-	(31,148,815)
Intangibles	(18,903)	(6,131)	-	(25,034)
Total accumulated depreciation	(195,487,696)	(13,505,875)	3,177,251	(205,816,320)
Total capital assets, being depreciated, net	272,361,734	(4,316,729)	(297,306)	267,747,699
Governmental activities capital assets, net	$ 342,559,644	$ 3,070,183	$ (6,329,765)	$ 339,300,062

NOTE 6. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,056,488	$ -	$ -	$ 3,056,488
Construction-in-progress	8,286,536	1,971,463	(503,540)	9,754,459
Total capital assets, not being depreciated	11,343,024	1,971,463	(503,540)	12,810,947
Capital assets, being depreciated:				
Buildings	37,326,635	-	-	37,326,635
Improvements other than buildings	185,735,506	527,915	-	186,263,421
Machinery and equipment	8,168,585	31,688	(792,622)	7,407,651
Total capital assets, being depreciated	231,230,726	559,603	(792,622)	230,997,707
Less accumulated depreciation for:				
Buildings	(7,961,757)	(767,188)	-	(8,728,945)
Improvements other than buildings	(76,980,033)	(4,623,215)	-	(81,603,248)
Machinery and equipment	(5,903,324)	(327,306)	587,470	(5,643,160)
Total accumulated depreciation	(90,845,114)	(5,717,709)	587,470	(95,975,353)
Total capital assets, being depreciated, net	140,385,612	(5,158,106)	(205,152)	135,022,354
Business-type activities capital assets, net	$ 151,728,636	$ (3,186,643)	$ (708,692)	$ 147,833,301

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	$ 727,880
Public safety	2,313,842
Physical environment	67,193
Transportation	3,197,891
Economic environment	1,183,990
Human services	3,341,265
Culture/recreation	2,673,814
Total depreciation expense - governmental activities	$ 13,505,875
Business-type activities:	
Water-sewer combined service	$ 5,717,709
Total depreciation expense - business-type activities	$ 5,717,709

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2014 is follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental Funds	$ 1,285,397	Provide temporary resources
Total		$ 1,285,397	

Interfund Transfers:

	Transfer in:			
	Debt Service Fund	Nonmajor Governmental Funds	Total	Purpose
Transfer out:				
General Fund	$ 315,974	$ 1,280,030	$ 1,596,004	To record capital lease and supplement other funds
Capital Projects Fund	1,590	-	1,590	Supplement other funds
Nonmajor Governmental Funds	-	995,695	995,695	Supplement other funds
Total	$ 317,564	$ 2,275,725	$ 2,593,289	

NOTE 8. LEASES

Operating Leases

The City is the lessor in operating leases on various buildings as described below. Depreciation expense on these leased assets for the year ended September 30, 2014 amounted to $1,912,900. Cost and carrying amounts of these leased assets as of September 30, 2014 were as follows:

Land	$ 1,068,835
Buildings	95,772,696
Total Cost	96,841,531
Less: Accumulated Depreciation	(19,911,489)
Book Value as of 9/30/14	$ 76,930,042

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce. The City also leases 5,163 square feet to Calvin, Giordano & Associates, Inc. for their Building Department operations. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 5,000 square feet to the Pines Care Medical Center. The City also leases an office to a podiatrist and the dining/gift shop area to a restaurant at the Multipurpose Center. These leases vary from 1 to 5 years and are included in the table below. The 11,950 square foot restaurant "Club 19" at the City's Golf & Racquet Club is also leased out to an operator. As of September 30, 2014, Club 19 leased facilities consisted of $72,700 in land and $212,077 in buildings for a total cost of $284,777. The accumulated depreciation and the net book value of the property as of September 30, 2014 are $124,675 and $160,102, respectively. Depreciation expense for the year was $4,242. Additional office space at City Hall is provided at no cost to several Federal and local elected officials who represent portions of the City.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between $4,032 and $61,408 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of $1,418,374 from the tower rentals in the year ended September 30, 2014.

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

NOTE 8. LEASES (continued)

Operating Leases (continued)

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

On April 20, 1998, the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at $1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at $500,000, and buildings costing $1,780,834 with a total cost of $2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2014 amounted to $844,234 and $1,436,600, respectively. Depreciation expense for the year was $28,382.

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

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 12. Commitments). As of September 30, 2014, the City had sub-subleased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Youth Services International, Citrus Health Network, Dept. of Children & Families, Safeguard Services, Elan Lawn Services, Image Lawn Maintenance and several other lessees at various rentals and terms. The City also provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City-operated Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of $727,447 from the rental of buildings on the Campus for the year ended September 30, 2014.

On March 13, 2002, the City signed an agreement with Florida International University (FIU), for use of educational facilities located at the Academic Village. The Academic Village is a shared-use facility located on the northeast corner of Sheridan Street and Northwest 172nd Avenue, and includes the City's Charter High School, the Broward County Southwest Regional Library, the Southwest Broward County Campus for Broward College, and the *Susan B. Katz Memorial Auditorium*, a 450-seat shared auditorium.

NOTE 8. LEASES (continued)

Operating Leases (continued)

In order to provide for the operation of an integrated educational program, and to offset the costs incurred by the City, the agreement requires FIU to pay to the City an annual rent starting at $400,000, which increases by an additional $200,000 for the next two years and an additional $50,000 in the fourth year. Thereafter, the annual rent will be adjusted by a minimum of 50% of the increase or decrease in the Consumer Price Index (CPI) for Miami, Florida. The lease was amended on December 13, 2011 to renew the contract for a term of 18 months starting on January 1, 2013 and ending on June 30, 2014, at which time the lease will not be renewed. On May 7, 2014, the City Commission approved a second amendment to extend the lease period to August 9, 2014 for a payment of $95,293.

The rental income of $1,043,184 received in the Charter Schools' fiscal year ended June 30, 2014 was recorded in the City's Charter High School financial statements, and future rentals are included in the table below. The cost of the shared-use facility is $13,599,845, and accumulated depreciation and net book value as of September 30, 2014 amounted to $2,833,301 and $10,766,544, respectively. Depreciation expense for the year was $283,330. In the Charter Schools' fiscal year 2014-15, the High School Charter was expanded to include a new middle school at the Academic Village which replaced the previous lease with FIU.

On November 23, 2004, the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. (SBA), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of $7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 9. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The City received $311,435 for the year ended September 30, 2014. The cost of the Center is $7,035,387, and accumulated depreciation and net book value as of September 30, 2014 amounted to $1,219,467 and $5,815,920, respectively. Depreciation expense for the year was $140,708.

The City receives various short-term rentals from religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2014, the City received rental income of $1,789,198 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and $5,225,744 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". Pines Point land cost is $496,135 and its building costs are $17,366,392.

NOTE 8. LEASES (continued)

Operating Leases (continued)

The accumulated depreciation and net book value of Pines Point as of September 30, 2014 amounted to $5,882,562 and $11,979,965, respectively, and depreciation expense for the year was $340,369. Pines Place cost is $55,778,161 and its accumulated depreciation and net book value as of September 30, 2014 amounted to $9,007,250 and $46,770,911, respectively, and depreciation expense for the year was $1,115,869. The City also maintains a storage lot for recreational vehicles and boats and trailers, and received storage rentals amounting to $324,854 for the year ended September 30, 2014. None of these short-term rentals are included in the table below.

The approximate minimum future rentals to be received, excluding expected lease renewals on non-cancelable operating leases as of September 30, 2014 are:

Fiscal year ending September 30:	
2015	$ 2,081,730
2016	2,098,835
2017	2,123,890
2018	1,271,619
2019	716,974
2020-2024	2,494,312
2025-2029	2,419,140
2030-2034	2,736,361
2035-2039	3,147,259
Total minimum future rentals	$ 19,090,120

NOTE 9. LONG-TERM DEBT

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2014 include the following (All capitalized terms are as defined in each bond issue's official documents):

Taxable Communications Services Tax Revenue Bonds, Series 2004 – On April 1, 2004, the City issued $49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. As of September 30, 2014, these bonds have an outstanding balance of $1,290,000. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2013 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released.

The outstanding bonds, maturing after October 1, 2015, were refunded on September 10, 2014 (see Taxable Communications Services Tax Revenue Bonds, Series 2014).

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 1,290,000	$ 29,025	$ 1,319,025
Total	$ 1,290,000	$ 29,025	$ 1,319,025

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004A – On May 6, 2004, the City issued $20,140,000 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. As of September 30, 2014, these bonds have an outstanding amount of $540,000. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues.

The outstanding bonds, maturing after October 1, 2015, were refunded on September 10, 2014 (see Public Improvement Revenue Bonds, Series 2014).

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 540,000	$ 10,463	$ 550,463
Total	$ 540,000	$ 10,463	$ 550,463

Public Improvement Revenue Bonds, Series 2004B – On July 14, 2004, the City issued $15,975,000 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. As of September 30, 2014, these bonds have an outstanding amount of $420,000. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, 2004A, and any Additional Parity Bonds.

The outstanding bonds, maturing after October 1, 2015, were refunded on September 10, 2014 (see Public Improvement Revenue Bonds, Series 2014).

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 420,000	$ 8,610	$ 428,610
Total	$ 420,000	$ 8,610	$ 428,610

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued $29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling $18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling $10,985,000. These refunding bonds have an outstanding balance of $24,255,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2004A, 2004B, and any Additional Parity Bonds. The bonds maturing on or after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 2,200,000	$ 1,094,550	$ 3,294,550
2016	2,315,000	981,675	3,296,675
2017	2,430,000	863,050	3,293,050
2018	2,550,000	738,550	3,288,550
2019	2,675,000	607,925	3,282,925
2020-2023	12,085,000	1,052,425	13,137,425
Total	$ 24,255,000	$ 5,338,175	$ 29,593,175

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 On December 1, 2006, the City issued $45,050,000 bonds for the purpose of (1) advance refunding $28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. These refunding bonds have an outstanding balance of $36,145,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with any Additional Parity Bonds and Additional Parity Franchise Revenue Bonds. The bonds maturing on or after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 1,795,000	$ 1,575,675	$ 3,370,675
2016	1,870,000	1,491,088	3,361,088
2017	1,975,000	1,394,963	3,369,963
2018	2,070,000	1,296,713	3,366,713
2019	2,175,000	1,196,350	3,371,350
2020-2024	12,560,000	4,269,963	16,829,963
2025-2029	10,485,000	1,551,400	12,036,400
2030-2032	3,215,000	208,569	3,423,569
Total	$ 36,145,000	$ 12,984,721	$ 49,129,721

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 - On January 24, 2007, the City issued $26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of $24,015,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, and any Additional Parity Franchise Revenue Bonds. The bonds maturing on or after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 630,000	$ 1,087,263	$ 1,717,263
2016	655,000	1,061,563	1,716,563
2017	680,000	1,034,013	1,714,013
2018	710,000	1,006,250	1,716,250
2019	735,000	977,319	1,712,319
2020-2024	4,165,000	4,405,000	8,570,000
2025-2029	5,125,000	3,451,750	8,576,750
2030-2034	6,535,000	2,044,375	8,579,375
2035-2037	4,780,000	366,500	5,146,500
Total	$ 24,015,000	$ 15,434,033	$ 39,449,033

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014) - On March 25, 2008, the City issued $64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of $29,405,000 and $17,715,000, respectively. The 2008 Bonds have an outstanding balance of $62,695,000 due in varying installments through July 1, 2038. They initially bear interest at the Weekly Rate, but may be converted at the option of the City, to a Fixed Rate. The interest rate during each Weekly Rate Period will be determined by the Remarketing Agent. The 2008 Bonds shall not bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on parity with any Additional Parity Bonds. They are subject to optional and mandatory tender for purchase and to optional and mandatory redemption prior to maturity. Holders of the 2008 Bonds may elect to have their 2008 Bonds purchased on any Business Day, upon delivery of a Tender Notice to the Tender Agent seven days prior to the applicable Purchase Date. They are subject to redemption on any Business Day at the option of the City at a redemption price equal to 100% of the principal amount of such 2008 Bonds plus accrued interest to the date of redemption.

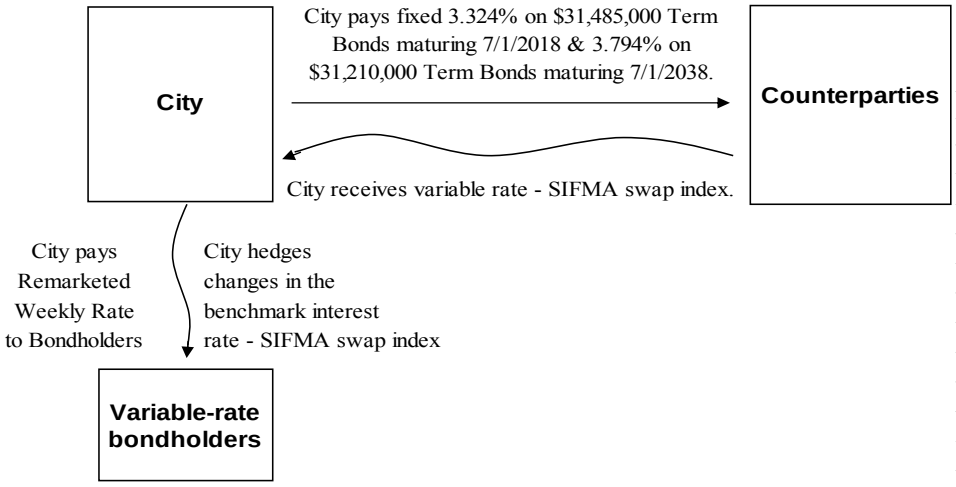
In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014) *(continued)*

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



The Series 2008 Swap Transaction has an initial notional amount equal to the initial aggregate principal amount of the 2008 Bonds and will terminate at various times with the final termination date on the final maturity date of the 2008 Bonds, unless earlier terminated pursuant to the terms of the applicable the 2008 Swap Transaction. The notional amount of the Series 2008 Swap Transaction will amortize at the same times and in the same amounts as the amortization of the 2008 Bonds. The City will pay a fixed rate of interest to each of the Swap Counterparties on their respective notional amounts equal to 3.324% and 3.794% and will receive in return from each of the Swap Counterparties a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Series 2008 Swap Transaction. It is anticipated by the City that the floating rate payable by each of the Swap Counterparties will approximate the interest rate on the 2008 Bonds while the 2008 Bonds bear interest in the Weekly Rate Mode. There is no guarantee, however, that such rates will match at all times or at any time. The City is exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds. The City's payment obligations under the Series 2008 Swap Transaction (except for Swap Termination Payments) will be payable from Pledged Revenues, on a parity with the payment of interest on the 2008 Bonds and are paid on a priority to principal payments on the 2008 Bonds.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014) (continued)

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

On May 17, 2011, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of $63,495,000. This transaction was necessitated by the expiration of the Stand-by Bond Purchase Agreement on March 25, 2011 which was extended to May 24, 2011. The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to Wells Fargo Bank, National Association ("Wells Fargo") and obtain a variable rate of SIFMA rate plus 0.89% for a three year term. The Series 2008 Bonds have four interest rate SWAPs for which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA rate. During the three year period with Wells Fargo, the effective interest cost to the City will be the fixed rates that the City pays to the Counterparties plus the 0.89% interest spread to Wells Fargo.

On May 29, 2014, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of $62,795,000. The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to PNC Bank, National Association (Bank) and obtain a variable rate of SIFMA rate plus 0.59% for a four year term with an expiration date of July 1, 2018. The Series 2008 Bonds have four interest rate SWAPs for which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA rate. During the four year period with the Bank, the effective interest cost to the City will be the fixed rates that the City pays to the Counterparties plus the 0.59% interest spread to the Bank.

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2014" is based on the 0.64% interest rate which was the SIFMA Rate (0.05%) in effect at the financial statement date of September 30, 2014 (per GASB Statement No. 38, paragraph 10) plus 0.59% interest spread to the Bank.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014) (continued)

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 100,000	$ 393,776	$ 493,776
2016	100,000	394,244	494,244
2017	100,000	393,617	493,617
2018	100,000	396,256	496,256
2019	100,000	391,260	491,260
2020-2024	3,055,000	1,942,421	4,997,421
2025-2029	14,310,000	1,721,507	16,031,507
2030-2034	23,170,000	1,098,952	24,268,952
2035-2038	21,660,000	325,516	21,985,516
Total	$ 62,695,000	$ 7,057,549	$ 69,752,549

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (Reissued in September 2011) - On July 25, 2008, the City issued $8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The Series 2008 Bonds initially will bear interest at the Weekly Rate, determined by the Remarketing Agent each Wednesday and payable on the first Wednesday of each month. Interest on the Series 2008 Bonds will be paid at the lesser of 12% per annum. The Issuer may change the interest rate determination method from time to time. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in the Series 2008 Bonds becoming subject to mandatory tender for purchase on the effective date of such change.

These 2008 Bonds have an outstanding balance of $7,890,000. They will mature on October 1, 2038, subject to optional redemption, purchase and tender. During any Daily Period or Weekly Period, the Series 2008 Bonds are subject to redemption by the Issuer, at the option of the Issuer, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2008 Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest. The Series 2008 Bonds shall be subject to mandatory tender by the Registered Owners for purchase. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, and any Additional Parity Franchise Revenue Bonds.

On September 7, 2011, The City reissued the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 in the principal amount of $8,040,000 as the Letter of Credit for these bonds expired on July 15, 2011 and was extended to September 15, 2011.

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2014" is based on the 2.0079% five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date of September 30, 2014 (per GASB Statement No. 38, paragraph 10).

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 155,000	$ 158,423	$ 313,423
2016	170,000	155,311	325,311
2017	180,000	151,898	331,898
2018	190,000	148,283	338,283
2019	200,000	144,468	344,468
2020-2024	1,185,000	657,587	1,842,587
2025-2029	1,570,000	523,962	2,093,962
2030-2034	2,090,000	346,262	2,436,262
2035-2039	2,150,000	110,736	2,260,736
Total	$ 7,890,000	$ 2,396,930	$ 10,286,930

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds *(*continued)

Capital Improvement Revenue Refunding Bonds, Series 2010 - On June 22, 2010, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2010 in the amount of $8,545,700 for the purpose of refunding the outstanding $8,690,000 Capital Improvement Revenue Bonds, Series 1999 in order to realize a net interest cost savings. These Series 2010 Bonds have an outstanding balance of $7,316,100 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 406,300	$ 295,721	$ 702,021
2016	425,100	278,438	703,538
2017	443,400	260,384	703,784
2018	466,200	241,476	707,676
2019	483,500	221,734	705,234
2020-2024	2,755,900	781,753	3,537,653
2025-2027	2,335,700	148,400	2,484,100
Total	$ 7,316,100	$ 2,227,906	$ 9,544,006

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 - On December 21, 2010, the City issued the Consolidated Utility System Revenue Bonds, Series 2010 in the amount of $12,300,000 for the purpose of financing certain improvements and expansions to the City's consolidated utility system. These Bonds have an outstanding balance of $10,348,785 due in varying installments through December 1, 2025. The outstanding bonds bear interest at the rate of 3.50%, with interest payable semi-annually on June 1st and December 1st. The Bonds are not subject to optional redemption prior to December 1, 2015. After December 1, 2015, they may be subject to optional redemption, at the direction of the Issuer, in whole or in part, on any day for which proper notice of redemption may be given in accordance with the Resolution at a redemption price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, plus a premium as set forth below:

Redemption Date	Premium
December 2, 2015 through December 1, 2020	1%
December 2, 2020 and thereafter	0%

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 708,726	$ 349,805	$ 1,058,531
2016	733,531	324,565	1,058,096
2017	759,205	298,442	1,057,647
2018	785,777	271,405	1,057,182
2019	813,279	243,422	1,056,701
2020-2024	4,513,822	761,852	5,275,674
2025-2026	2,034,445	71,818	2,106,263
Total	$ 10,348,785	$ 2,321,309	$ 12,670,094

The principal and interest on these bonds are payable solely from and secured by a pledge of the Net Revenues of the System levied and collected by the Issuer, and the moneys in certain funds and accounts created pursuant to the Resolution.

Per Section 20.(E) of Resolution 3287 (Master Resolution), Net Revenues in each Fiscal Year are to be sufficient to pay 120% of the Bond Service Requirement on all Outstanding Bonds. In addition to this requirement, Net Revenues should be sufficient to provide any amounts required to be deposited into the Reserve Fund or with any Credit Facility Issuer as a result of a withdrawal from the Reserve Fund, the Renewal, Replacement and Improvement Fund, debt service on other obligations payable from the Revenues of the System, and other payments, and all allocations and applications of revenues.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 (continued)

The Master Resolution defines the following terms as follows:

- **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance.

- **Gross Revenues** are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.

- **Cost of Operations and Maintenance** means current expenses for the operation, maintenance and repair of the System, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.

- **Renewal, Replacement and Improvement Fund** is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

The Utility Fund Net Revenue rate covenant for the fiscal year ended September 30, 2014 of 403% was computed as follows:

Operating revenues	$43,946,084
Plus: Investment income	3,098,559
Capital contributions	2,064,436
Gross Revenues	49,109,079
Less Operating, administrative and maintenance expenses	(35,354,028)
Net Revenues of the System	$13,755,051
Interest expense	$ 366,201
Principal payment	684,759
Other debt service cost	39,881
Bond service requirement on all outstanding bonds	1,090,841
Reserve for renewals and replacements	2,318,491
Total bond service requirement and reserve for renewals and replacement	$ 3,409,332
Bond service requirement and reserve for renewals and replacement coverage	403%

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013 – On October 15, 2013, the City issued $35,300,000 bonds for the purpose of refunding $34,660,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2003A. This refunding was undertaken to reduce total debt service payments over the next 19 years by $268,481 and resulted in an economic gain of $1,867,401. The Series 2013 Bonds have an outstanding balance of $35,300,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.762%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2014 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds may be subject to redemption prior to maturity, at the option of the City, on any business day, in whole or in part at a redemption price equal to the Make-Whole Redemption Price.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 1,240,000	$ 1,618,155	$ 2,858,155
2016	1,255,000	1,602,591	2,857,591
2017	1,270,000	1,581,210	2,851,210
2018	1,295,000	1,550,404	2,845,404
2019	1,330,000	1,511,173	2,841,173
2020-2024	7,435,000	6,729,196	14,164,196
2025-2029	9,330,000	4,758,398	14,088,398
2030-2034	12,145,000	1,827,850	13,972,850
Total	$ 35,300,000	$ 21,178,977	$ 56,478,977

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014 - on September 10, 2014, the City issued $41,540,000 bonds for the purpose of refunding $41,075,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2004. This refunding was undertaken to reduce total debt service payments over the next 20 years by $741,366 and resulted in an economic gain of $3,585,134. The Series 2014 Bonds have an outstanding balance of $41,540,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate from 0.55% to 4.706%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2013 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ -	$ 821,676	$ 821,676
2016	1,620,000	1,467,204	3,087,204
2017	1,720,000	1,454,313	3,174,313
2018	1,735,000	1,432,482	3,167,482
2019	1,760,000	1,400,801	3,160,801
2020-2024	9,520,000	6,244,996	15,764,996
2025-2029	11,285,000	4,386,195	15,671,195
2030-2034	13,900,000	1,688,394	15,588,394
Total	$ 41,540,000	$ 18,896,061	$ 60,436,061

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2014 – On September 10, 2014, the City issued $29,040,000 bonds for the purpose of refunding (1) $17,620,000 outstanding Public Improvement Revenue Bonds, Series 2004A, and (2) $14,020,000 outstanding Public Improvement Revenue Bonds, Series 2004B. This refunding was undertaken to reduce total debt service payments over the next 21 years by $402,963 and resulted in an economic gain of $4,719,785. The Series 2014 Bonds have an outstanding balance of $29,040,000 due in varying installments through October 1, 2034. The outstanding bonds bear an interest rate from 2.0% to 5.0%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2006. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ -	$ 692,867	$ 692,867
2016	890,000	1,232,056	2,122,056
2017	985,000	1,208,381	2,193,381
2018	1,010,000	1,168,356	2,178,356
2019	1,060,000	1,116,606	2,176,606
2020-2024	6,100,000	4,792,481	10,892,481
2025-2029	7,620,000	3,256,103	10,876,103
2030-2034	9,270,000	1,552,725	10,822,725
2035	2,105,000	49,850	2,154,850
Total	$ 29,040,000	$ 15,069,425	$ 44,109,425

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds - The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue. The outstanding General Obligation Bonds as of September 30, 2014 are as follows:

General Obligation Bonds, Series 2005 – On September 30, 2005, the City issued its first General Obligation Bonds in the amount of $47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, $5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of $5,985,000. These Series 2005 bonds have an outstanding balance of $37,860,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.30% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2005 Bonds. The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 1,170,000	$ 1,627,828	$ 2,797,828
2016	1,210,000	1,585,708	2,795,708
2017	1,260,000	1,538,583	2,798,583
2018	1,310,000	1,488,558	2,798,558
2019	1,360,000	1,436,158	2,796,158
2020-2024	7,675,000	6,302,635	13,977,635
2025-2029	9,450,000	4,530,350	13,980,350
2030-2034	11,750,000	2,234,685	13,984,685
2035	2,675,000	120,375	2,795,375
Total	$37,860,000	$20,864,880	$ 58,724,880

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds (continued)

General Obligation Bonds, Series 2007 – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of $43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of $37,410,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2007 Bonds. The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2015	$ 960,000	$ 1,718,075	$ 2,678,075
2016	1,000,000	1,679,675	2,679,675
2017	1,040,000	1,638,425	2,678,425
2018	1,085,000	1,594,225	2,679,225
2019	1,135,000	1,548,113	2,683,113
2020-2024	6,460,000	6,949,300	13,409,300
2025-2029	8,050,000	5,357,175	13,407,175
2030-2034	10,125,000	3,282,013	13,407,013
2035-2036	7,555,000	607,287	8,162,287
Total	$ 37,410,000	$ 24,374,288	$ 61,784,288

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments

On March 25, 2008, the City issued $64,095,000 Charter School Revenue Bonds, Series 2008. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. Based on the consistency of the terms of the swaps and the variable-rate bonds, the city determines that the swaps are hedging derivative instruments using the consistent critical terms method. The fair value and notional amount of the derivative instruments outstanding at September 30, 2014 and the changes in fair value of such derivatives instruments for the year then ended as reported in the Fiscal Year 2014 financial statements are as follows:

	Changes in Fair Values		Fair Value at September 30, 2014*		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities					
Cash flow hedges					
Pay-fixed interest rate swap	Deferred outflow	($1,454,920)	Debt	($8,103,207)	$62,695,000

* The fair value is expressed from the point of view of the City.

The fair value balance and notional amount of the derivative instrument outstanding at September 30, 2014 are ($8,103,207) in favor of the Counterparties and $62,695,000 respectively.

The fair values of the interest rate swaps were provided by the Counterparties at mid-market. They were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at September 30, 2014, along with the credit rating of the associated counterparty:

Type	Objective	Counterparty	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating S&P/Moody's/Fitch
Pay-fixed interest rate swap	Hedge of changes in cash flows on the City of Pembroke Pines' $64,095,000 Charter School Revenue Bonds, Series 2008	Royal Bank of Canada	$ 22,039,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA[1] swap index	AA-/Aa3/AA
		Royal Bank of Canada	$ 21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA[1] swap index	AA-/Aa3/AA
		The Bank of New York Mellon	$ 9,445,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA[1] swap index	AA-/Aa1/AA-
		The Bank of New York Mellon	$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA[1] swap index	AA-/Aa1/AA-

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

Risks

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

Basis risk. The City is not exposed to basis risk on its pay-fixed interest rate swaps during the three year term beginning May 17, 2011 and four year term beginning May 29, 2014 because the variable-rate payments received by the City on these hedging derivative instruments and the interest rates that the City pays on its hedged variable-rate debt are based on the same SIFMA Municipal Index. The difference between these two rates are the **CONSTANT** 0.59% interest spread to the Bank. This interest spread eliminates all the costs and expenses associated with the Liquidity Facility and the Remarketing Agent.

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

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

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

Hedging derivative instrument payments and hedged debt - As of September 30, 2014, the aggregate debt service requirements of the City's Charter School Revenue Bonds, Series 2008 and the net receipts/payments on the associated hedging derivative instruments are as follows. These amounts assume that current interest rate of 0.64% (SIFMA + 0.59% Direct Purchase fixed spread for 4 years when there is no cost of Liquidity Facility Fees and Remarketing Fees) on the variable- rate bonds and the current SIFMA Municipal Swap Index rate of 0.05% of the hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts payments on the hedging derivative instruments will change.

Fiscal Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2015	$ 100,000	$ 393,776	$ 2,198,503	$ 2,692,279
2016	100,000	394,244	2,195,229	2,689,473
2017	100,000	393,617	2,191,955	2,685,572
2018	100,000	396,256	1,934,250	2,430,506
2019	100,000	391,260	1,168,502	1,659,762
2020-2024	3,055,000	1,942,421	5,842,512	10,839,933
2025-2029	14,310,000	1,721,507	5,842,512	21,874,019
2030-2034	23,170,000	1,098,952	5,577,905	29,846,857
2035-2038	21,660,000	325,516	1,866,384	23,851,900
Total	$ 62,695,000	$ 7,057,549	$ 28,817,752	$ 98,570,301

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Contingencies

In the event the insurer's and the City's ratings are both downgraded below a rating of "A-" by Standard & Poor's Ratings Services (S&P) or "A3" by Moody's Investors Service (Moody's), the City will have the option, but not the obligation, of posting collateral in order to prevent swap termination. This option will not be available if the City's ratings are below "BBB" by S&P and "Baa2" by Moody's. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparties. At September 30, 2014, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative ($8,103,207). If the collateral posting requirements were necessary at September 30, 2014, the City would be required to post $8,103,207 in collateral to its counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. As of September 30, 2014, the City's underlying General Obligation Bond rating is "Aa2" by Moody's, "AA" by Fitch Ratings (Fitch), and not rated by S&P, and the insurer's ratings are "A3" by Moody's and "not rated" by Fitch and S&P. Therefore, no collateral was posted.

Outstanding Advanced Refunded Bonds

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2014, the $6.2 million of bonds outstanding are considered defeased. They are listed as follows:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is $6,215,000. 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.

NOTE 9. LONG-TERM DEBT (continued)

Bonds Authorized, but Un-issued

On March 8, 2005, the voters of the City of Pembroke Pines approved the issuance of $100,000,000 General Obligation Bonds, of which $47,000,000 General Obligation Bonds, Series 2005 were issued on September 30, 2005, and $43,000,000 General Obligation Bonds, Series 2007 were issued on July 25, 2007. The City Commission had approved the issuance of the remaining $10,000,000 of the General Obligation Bonds on January 21, 2015. The closing date is expected to be in June 2015.

Installment Purchase Contract

The City entered into a 5-year installment purchase contract with CTS America for a Police Records Management Software at a cost of $590,327. Monthly payments are $9,839.

The payments due in the fiscal year ended September 30, 2014 are as follows:

Total purchase price	$590,327
Total payments made in fiscal year:	
2013	(29,517)
2014	(118,065)
Remaining payments due in subsequent years	$ 442,745

Changes in Long-Term Liabilities

Compensated absences of the governmental activities are generally liquidated by the General Fund, except for the compensated absences of the Charter Schools which are liquidated by the respective Special Revenue Funds.

NOTE 9. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2014 was as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Public Improvement Revenue Bonds, Series 2001	$ 940,000	$ -	$ (940,000)	$ -	$ -
Taxable Communications Services Tax Revenue Bonds, Series 2003A	35,550,000	-	(35,550,000)	-	-
Taxable Communications Services Tax Revenue Bonds, Series 2004	43,595,000	-	(42,305,000)	1,290,000	1,290,000
Public Improvement Revenue Bonds, Series 2004A	18,680,000	-	(18,140,000)	540,000	540,000
Public Improvement Revenue Bonds, Series 2004B	14,845,000	-	(14,425,000)	420,000	420,000
Public Improvement Refunding Revenue Bonds, Series 2006	25,430,000	-	(1,175,000)	24,255,000	2,200,000
Capital Improvement Refunding Revenue Bonds, Series 2006	37,870,000	-	(1,725,000)	36,145,000	1,795,000
Capital Improvement Revenue Bonds, Series 2007	24,620,000	-	(605,000)	24,015,000	630,000
Charter School Revenue Bonds, Series 2008	62,795,000	-	(100,000)	62,695,000	100,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	8,040,000	-	(150,000)	7,890,000	150,000
Capital Improvement Refunding Revenue Bonds, Series 2010	7,708,200	-	(392,100)	7,316,100	406,300
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013	-	35,300,000	-	35,300,000	1,240,000
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014	-	41,540,000	-	41,540,000	-
Public Improvement Refunding Revenue Bonds, Series 2014	-	29,040,000	-	29,040,000	-
Total revenue bonds	280,073,200	105,880,000	(115,507,100)	270,446,100	8,771,300
General obligation bonds:					
General Obligation Bonds, Series 2005	38,990,000	-	(1,130,000)	37,860,000	1,170,000
General Obligation Bonds, Series 2007	38,335,000	-	(925,000)	37,410,000	960,000
Total general obligation bonds	77,325,000	-	(2,055,000)	75,270,000	2,130,000
Total revenue and general obligation bonds	357,398,200	105,880,000	(117,562,100)	345,716,100	10,901,300
Less deferred amounts:					
For issuance discounts/premiums	675,506	3,016,529	465,743	4,157,778	-
Total bonds payable	358,073,706	108,896,529	(117,096,357)	349,873,878	10,901,300
Installment purchase	560,810	-	(118,065)	442,745	118,065
Estimated self-insurance claims	10,733,610	13,439,094	(14,691,773)	9,480,931	1,325,664
Compensated absences	18,097,030	9,577,976	(10,009,957)	17,665,049	11,022,769
Governmental activity long-term liabilities	$ 387,465,156	$ 131,913,599	$ (141,916,152)	$ 377,462,603	$ 23,367,798

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	$ 404,234	$ (5,889)	$ (257,550)	$ 140,795	$ 93,067
Consolidated Utility System Revenue Bonds, Series 2010	11,033,544	-	(684,759)	10,348,785	708,726
Business-type activity long-term liabilities	$ 11,437,778	$ (5,889)	$ (942,309)	$ 10,489,580	$ 801,793

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues

The City has pledged the following revenues, net of specified operating expenses, if applicable, to repay the following revenue bonds:

Electric Franchise Fees (Franchise Revenue) are pledged to repay the outstanding $75.37 million (including the $7,890,000 for the Susan B. Anthony Center (SBA) Bonds) in revenue bonds issued in 2006, 2007, 2008, and 2010. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Tower 3) and the Susan B. Anthony Center. While the Franchise Revenue is pledged for the SBA Bonds, the debt service is being repaid by the rent received from the SBA. Except for the SBA Bonds, the bonds are payable solely from the Franchise Revenue and are payable through 2037. Based on the FY 2014 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 70% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is $98,122,758. For FY 2014, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were $5,794,393 and $8,529,691, respectively.

Electric Public Service Taxes (Public Service Revenue) are pledged to repay the outstanding $54.26 million in revenue bonds issued in 2004, 2006, and 2014. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Towers 1 and 2). The bonds are payable solely from the Public Service Revenue and are payable through 2035. Based on the FY 2014 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 52% of the pledged revenue. Series 2001 Bonds were fully paid as of October 1, 2014. Series 2004 were refunded with Series 2014 Bonds on September 10, 2014. The new total principal and interest remaining to be paid on the bonds is $74,681,674. For FY 2014, the principal and interest paid and the total Public Service Revenue were $5,813,749 and $10,461,326, respectively.

Charter School total revenues and Early Development Center lease payments (School Revenue) are pledged to repay the outstanding $62.7 million in revenue bonds issued in 2008. Proceeds from the bonds provided financing for refunding debt and construction of additional classrooms. The bonds are payable solely from the School Revenue and are payable through 2038. Based on the FY 2014 School Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 12% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is $69,752,549. For FY 2014, the principal and interest paid and the total School Revenue were $2,883,712 and $47,785,475, respectively.

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues (continued)

Communications Services Taxes and Water Public Service Taxes (Communications and Water Tax Revenue) are pledged to repay the outstanding $78.13 million in revenue bonds issued in 2004, 2013, and 2014. Proceeds from the bonds provided financing for the Firefighters Pension and the Police Officers and General Employees' Pension. The bonds are payable solely from the Communications and Water Tax Revenue and are payable through 2034. Based on the FY 2014 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 72% of the pledged revenue. Series 2003 Bonds were refunded with Series 2013 Bonds on October 15, 2014, and Series 2004 Bonds were refunded with Series 2014 Bonds on September 10, 2014. The new total principal and interest remaining to be paid on the bonds is $118,234,063.

For FY 2014, the principal and interest paid and the total Communications and Water Tax Revenue were $6,187,232 and $8,311,246, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding $10.35 million in revenue bonds issued in 2010. Proceeds from the bonds provided financing for the Consolidated Utility System Project. The bonds are payable solely from the Utility Revenue and are payable through 2026. Based on the FY 2014 Utility Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 11% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is $12,670,093. For FY 2014, the principal and interest paid and the total net revenues of the Utility system were $1,090,841 and $13,755,051, respectively.

NOTE 10. 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 $350,000 (Self Insured Retention –"SIR") for each City employee workers' compensation claim, $500,000 (SIR) for each Police or Firefighter's workers' compensation claim, $150,000 (SIR) per occurrence for each general liability claim, $150,000 (SIR each accident for Automobile Liability, $100,000 (SIR) each claim for Public Officials & Employment Practices Liability and $25,000 (deductible) per loss for each employee theft claim.

The City's exposure on health insurance is limited to $1,981 per month per covered employee and their covered dependents. This is for claims only and does not include administrative expenses or stop loss. Total maximum loss exposure to the City for health insurance on covered employees and dependents was $22,537,206 for the fiscal year ended September 30, 2014. 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 $9,480,931 reported in the fund at September 30, 2014 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Payments	End of Year Liability
2013-2014	$ 10,733,610	$ 13,439,094	$ (14,691,773)	$ 9,480,931
2012-2013	9,016,380	14,288,073	(12,570,843)	10,733,610

NOTE 11. CONTINGENT LIABILITIES

Litigation

During the ordinary course of its operations, the City is a party to various claims, legal actions, and complaints. Most of these matters are covered by the City's Risk Management Program (See Note 10). Those which are not covered are handled by the City's legal counsel. In the opinion of the City's management and legal counsel, these matters are not anticipated to have a material financial impact on the City.

Federal and State Assisted Programs

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

NOTE 12. COMMITMENTS

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charge to operations of the water and sewer fund under this Agreement is $6,113,594 for the year ended September 30, 2014.

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

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank$_{TM}$ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site that then comprised approximately 450 acres located in the Chapel Trail Preserve. This agreement which lasted until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the Wetlands for a five-year period once construction was completed; and the sales and marketing of the mitigation credits.

On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns 15 sites totaling approximately 620 acres of Wetlands. The City became the Grantor of the Mitigation Bank Irrevocable Trust Fund on April 5, 1995 in order to hold the funds to maintain the Wetlands in perpetuity. The current Trustee is the Bank of New York Mellon, Inc., and the beneficiaries of the Trust Fund are the City, the South Florida Water Management District, the U. S. Army Corps of Engineers, and Broward County. Payments are made quarterly from the investment earnings of the Trust Fund to cover the expenses in maintaining the Wetlands. In the event that investment earnings are insufficient to cover expenses, payments from the principal of the Trust can be utilized with the written consent of the Trust's beneficiaries.

At September 30, 2014 the balance in the Trust Fund account was $526,273. For the fiscal year ended September 30, 2014, the Trust earned $855 in investment income, and incurred expenses of $16,410.

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.

NOTE 12. COMMITMENTS (continued)

The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a $300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 8. Operating Leases). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 9. Long-Term Debt). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. In fiscal year 2010, the City completed the renovation of an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines."

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

The City has the following construction commitments as of September 30, 2014:

Project Name	Vendor	Original Amount	Balance as of 9/30/14
Civic Center/City Hall	Stiles Construction	$ 58,148,264	$ 56,926,016
Alternative Water Supply Phase 2	Calvin, Giordano & Associates, Inc.	9,018,000	5,738,384
Design Build Services for SW 196th Avenue / Pembroke Road Roadway Improvement Project	Weekley Asphalt Paving, Inc.	5,254,586	920,709
Design Build Services for Odor Control at the Wastewater Treatment Plant	Cardinal Contractors, Inc.	3,358,000	3,189,160
Rehabilitation of Treatment Unit 2 & 3 for the Wastewater Treatment Plant	Cardinal Contractors, Inc.	3,280,600	284,266
Biosolids processing for Wastewater Treatment Plant	BCR Environmental Corp	2,070,156	1,993,624
Purchase of 10 replacement sewer pumping stations	Smith & Loveless, Inc.	588,960	588,960
Charter School Network Infrastructure Refresh	Adcap Network Systems, Inc.	454,156	147,284
Ficus Hedge Replacement on Sheridan Street (from Douglas Road to Flamingo Road) and Taft Street (University Drive to Palm Avenue)	G.I.G. Landscape Inc. dba Green Is Good	424,450	10,000
Design Criteria Professional - To Prepare the Design Criteria Package for a Civic/Commerce Center and City Hall	Synalovski Romanik Saye, LLC	408,000	6,799
Replacement 1250 KW generator at the Wastewater Treatment Plant	CJ's Power Systems	364,291	182,146
Design/Build Services for Citywide Gateway Signage	Acolite & Claude United Sign Co., Inc.	250,343	250,343
		$ 83,619,806	**$ 70,237,691**

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB)

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments **-** Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Securities that have no quoted market price will be presented at estimated fair value as provided by the custodial bank and investment counsel. The Plan considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents. As of September 30, 2014, the Plan held $51,670,234 in investments and $1,259,261 in cash and short-term investments.

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements, therefore included below is the Statement of Net Position – Fiduciary Fund and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year ended September 30, 2014.

Other Post-Employment Benefits (OPEB)
Statement of Net Position
Fiduciary Fund
September 30, 2014

	2014
Assets	
Cash and short-term investments	$ 1,259,261
Investments	
Lee Munder Capital Group - Mid Cap Core	3,577,777
Atlanta Capital Management - Small Cap Core	3,934,507
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income	20,738,838
Herndon Capital Management - Large Cap Value	7,279,716
State Street Global Advsors - International Allocation SL Funds	3,952,164
State Street Global Advsors - S&P 500 Flagship NL Fund	4,839,883
Wells Capital Management - Large Cap Growth Mutual Fund	7,347,349
Total assets	52,929,495
Liabilities	
Reserve for health insurance claims	526,656
Accounts payable	143,425
Total liabilities	670,081
Net Position	
Net position restricted for OPEB	$ 52,259,414

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Other Post-Employment Benefits (OPEB)
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2014

Additions:	**2014**
Contributions	
Plan members	$ 675,017
Employer	9,352,000
Total contributions	10,027,017
Investment income:	
Investment income	4,292,026
Less investment expenses	(180,373)
Net investment income	4,111,653
Other additions:	
Specific stop loss and medical claims recovery	50,766
Medical claims - refund/adj.	6,141
Part D subsidy	146,505
Total other additions	203,412
Total additions	14,342,082
Deductions:	
Benefit payments and insurance	5,406,325
Administrative expenses	236,632
Total deductions	5,642,957
Change in net position	8,699,125
Net position, beginning	43,560,289
Net position, ending	$52,259,414

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Plan Description

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

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

Ordinance Number	Dated	Ordinance Number	Dated
990	April 15, 1992	1480	March 17, 2004
1015	November 4, 1992	1554	August 16, 2006
1024	February 17, 1993	1598	December 3, 2007
1144	December 6, 1995	1670	August 4, 2010
1371	April 4, 2001	1702	September 20, 2011
1443	June 18, 2003	1779	November 5, 2014

Medical/Prescription Drug Plan Benefits

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

Coverage for employees hired after October 1, 1991 is limited to employee (single) coverage only. Effective July 1, 2010, general employees, who are members of the collective bargaining unit, that retire after July 1, 2010 may continue to participate in the City's health insurance plan but will be required to pay the active/blended rate. Additionally, effective July 1, 2010, members hired prior to May 1, 2005 will receive a health insurance subsidy of five dollars per month for each year of service, as long as they have completed at least 10 years of eligible service and retire from the City at age 55 or above.

Firefighter members hired on or after October 1, 1991 but prior to April 1, 2006 may elect to participate in the City's retiree health insurance plan, and the City will pay for the coverage of the employee only. Firefighters hired after April 1, 2006 are required to pay 100% of the active/blended rate for their retirement coverage.

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Plan Description (continued)

Police officer members hired on or after October 1, 1991 but prior to October 1, 2006, may elect to participate in the City's retiree health insurance plan, and the City will pay for the coverage of the employee only. Police Officers hired after October 1, 2006 are required to pay 100% of the active/blended rate for their retirement coverage.

Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage.

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

Eligible retirees receive health care coverage through one of two medical plans, an EPO and a PPO plan. Effective July 1, 2010, general employees are required to contribute $100 per month for their health insurance coverage in addition to the amounts contributed for dependent, spousal or family coverage. Police officers hired after May 1, 2010 eligible for single coverage are required to contribute an additional $80 per month for their health insurance coverage for EPO and $100 for PPO. Effective October 1, 2014, the City is extending its health care coverage to all eligible retirees' domestic partners.

Life Insurance Benefits

A life insurance benefit is provided to police officers, firefighters, general and utility employees. Employees from the Charter Schools are excluded from this benefit. The life insurance benefit available to retirees is equal to 100% of final salary at retirement, up to a maximum of $100,000. The benefit amount is reduced by 50% at age 65. General and utility employees hired after February 1, 2010 and police officers hired after May 1, 2010 shall no longer be eligible to participate in the retiree life insurance program and their life insurance policy will terminate when they separate from the City.

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Plan Membership Information

The Plan's membership based on the October 1, 2013 actuarial valuation consisted of:

	OPEB
Retirees and beneficiaries currently receiving benefits	772
Active Plan Members:	
Fully Vested	256
Partially Vested	917
Total	1,945

Contributions and Reserves

Funding Policy

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

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

For the year ended September 30, 2014, the Plan members contributed $675,017 and the City contributed $9,352,000 which was 115% of ARC. The ARC as determined by the actuarial valuation was $8,103,000.

Reserves

The balance in the Plan's legally required reserves as at September 30, 2014 was $526,656.

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Annual OPEB Cost and Net OPEB Obligation/(Asset)

For the fiscal year ended September 30, 2014, the City's annual OPEB cost for the Plan was $8,103,000. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2014 were as follows:

Annual required contribution	$ 8,103,000
Interest on net OPEB obligation	(337)
Adjustment to annual required contribution	(154,456)
Annual OPEB cost	7,948,207
Contributions made	(9,352,000)
Change in net OPEB obligation/(asset)	(1,403,793)
Net OPEB obligation/(asset), beginning of year	(4,207)
Net OPEB obligation/(asset), end of year	$ (1,408,000)

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation/(Asset)
9/30/2014	$ 7,948,207	9,352,000	118%	$ (1,408,000)
9/30/2013	9,352,000	9,356,207	100%	(4,207)
9/30/2012	9,168,787	9,168,787	100%	-

Funded Status and Funding Progress

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2013	$ 43,560,000	$ 132,893,000	$ 89,333,000	32.8%	$ 67,720,879	131.9%
10/1/2012	34,271,044	132,118,483	97,847,439	25.9%	65,748,426	148.8%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

Funded Status and Funding Progress (continued)

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

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

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

Investments

Authorized investments are subject to limitations prescribed in the OPEB Investment Policy. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the OPEB Trust fund are currently invested in money markets, mutual funds, and various investment accounts. Fiduciary Trust International of the South acts as the custodian, and the investment portfolio is managed by an Investment Consultant. The Plan's net investment income for the year ended September 30, 2014 was $4,111,653. As of September 30, 2014, the Plan held no single investment that exceeded 5% of net position. Additional information can be found in Note 3. – Deposits and Investments.

NOTE 13. OTHER POST-EMPLOYEMENT BENEFIT PLANS (OPEB) (continued)

Methods and Assumptions

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

	Retiree Health and Life Insurance Program	
Valuation date	10/1/2013	
Actuarial cost method	Projected Unit Credit Method	
Amortization method	Level percent, open	
Remaining amortization period	30 years	
Asset valuation method	Fair Market value	
Actuarial assumptions:		
Inflation rate	3.0%	
Health CPI	3.0%	
Investment rate of return (1)	8.0%	
Projected salary increases	3.0%	
Healthcare cost trend rate*	9.0%	initial
	5.0%	ultimate
	8.0%	current
Post-retirement benefits increases	N/A	

* - The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 5% is reached.

(1) -Valuation results are developed assuming a discount rate of 8% determined based on the long-term yield on the investments used to finance the payment of benefits.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS

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

General Employees Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting – The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the plan actuarially sound.

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

Plans' Membership Information

At October 1, 2013, the date of the latest actuarial valuation, the Plans' membership consisted of:

	2013
Active members	39
Retired members and beneficiaries currently receiving benefits	357
Disabled members receiving benefits	3
Terminated and inactive vested members (including bargained employees whose benefit was frozen effective 7/1/2010)	309
Total	708

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

The General Employees Pension Trust Fund Board comprises of the City Commission. The General Employees Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Net Position – Fiduciary Fund and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year ended September 30, 2014.

General Employees Pension Trust Fund
Statement of Net Position
Fiduciary Fund
September 30, 2014

	2014
Assets	
Miscellaneous Receivables	$ 9,800,000
Investments	
Cash	10,495
Bond & Mortgage	21,387,070
Core Plus Bond	27,943,056
Diversified Real Asset	8,076,814
Equity Income	10,039,805
High Yield I	6,274,122
International Emerging Markets	3,860,335
Large Cap Growth I	19,322,485
Large Cap S&P 500 Index	9,072,638
Large Cap Value	9,927,165
Mid Cap Growth III	2,947,645
Mid Cap Value	3,041,808
Overseas	15,266,760
Real Estate US Property	8,218,609
Small Cap Growth I	2,747,167
Small Cap Value II	2,844,797
Total assets	160,780,771
Liabilities	-
Net Position	
Net position held in trust for pension benefits	$160,780,771

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

General Employees Pension Trust Fund
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2014

Additions:	**2014**
Contributions:	
Plan members	$ 237,040
Employer	16,474,902
Total contributions	16,711,942
Investment earnings:	
Investment income	12,918,959
Less investment expenses	45,401
Net investment income	12,873,558
Total additions	29,585,500
Deductions:	
Pension benefits	10,021,946
Administrative expenses	2,100
Total deductions	10,024,046
Change in net position	19,561,454
Net position, beginning	141,219,317
Net position, ending	$160,780,771

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Plan Description

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

General Employees Pension Ordinances

Ordinance Number	Dated	Ordinance Number	Dated
992	April 15, 1992	1515	May 18, 2005
1058	December 15, 1993	1520	August 3, 2005
1297	March 17, 1999	1555	August 16, 2006
1329	February 2, 2000	1614	September 3, 2008
1413	June 19, 2002	1668	August 4, 2010
1479	March 17, 2004	1806	January 7, 2015

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, were required to participate in the Plan as a condition of continued employment. However, effective July 1, 2010, bargaining unit members are no longer allowed to participate in the Plan, and any benefits accrued up to June 30, 2010, are frozen. Bargaining unit members will not accrue any additional benefits. Non-bargaining unit members are still allowed to participate in the Plan and active members are still accruing benefits. However, effective October 1, 2014, non-bargaining employees hired on or after October 1, 2014 will no longer be eligible to enter this plan. The City is also extending its benefits coverage to all eligible retirees' domestic partners effective October 1, 2014.

Service Retirement Benefits

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

A participant may retire early after completing 5 years of continuous service and attaining 50 years of age. Early retirement benefits are calculated in a manner similar to those for normal retirement, but at an actuarially reduced amount of 6 2/3% for each year that the early retirement date precedes normal retirement.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Disability Benefits

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

Non-service-related – 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-related - 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.

Cost of Living Adjustments

General employee members who retired on or after October 1, 2001 receive an annual 3.0% cost of living adjustment (COLA) to their retirement benefit. The COLA is applied to the benefit effective October 1 of each year. Effective February 1, 2010, the COLA for all participants entitled to receive a COLA is reduced from 3% to 2% per year. Effective July 1, 2010, there is no retiree annual pension COLA adjustment for bargaining unit employees who retire after July 1, 2010, unless such active individual has reached Normal Retirement Age as defined in the Plan.

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

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

Funding Policy

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

Effective February 1, 2010, non-bargaining unit participants are required to contribute 7.25% of regular wages down from 8.5%. Effective July 1, 2010, bargaining unit members are no longer required to contribute to the Plan since the Plan was closed, and the benefits were frozen. In fiscal year 2014, employee contributions for active members amounted to $237,040.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Funding Policy (continued)

The City's Annual Required Contribution (ARC) for fiscal year 2014 amounted to $3,829,070 or 121.0% of annual covered payroll for active members as compared to the ARC of $6,674,902 or 234.6% of covered payroll in fiscal year 2013. In fiscal year, the City contributed $16,474,902, which is $12,645,832 in excess of the ARC in order to reduce the unfunded liability.

The City's ARC for fiscal year 2014 is based on the actuarial report using the Entry Age Cost method.

On April 1, 2004 the City deposited $19,370,924 into the General Employees Pension Plan as a lump sum contribution. This was part of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, to pay for the enhanced benefit of a 2% cost of living adjustment as approved by the City Commission, and to maintain the City's Annual Required Contributions (ARC) at the "pre-cost of living" level for the existing Plan participants. See also Note 9. for additional information on the bond issue.

Investments

As of September 30, 2014, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and/or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. As of September 30, 2014, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment income for the year ended September 30, 2014 was $12,873,558, a decrease of $1,321,000 from last year's net investment income $14,194,558.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on the Plan's investment for the year ended September 30, 2014 was 14.04%.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	$ 3,829,070
Interest on net pension obligation	(881,382)
Adjustment to annual required contribution	1,960,275
Annual pension cost	4,907,963
Contributions made	(16,474,902)
Change in net pension obligation/(asset)	(11,566,939)
Net pension obligation/(asset), beginning of year	(11,372,738)
Net pension obligation/(asset), end of year	$ (22,939,677)

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2014	$ 4,907,963	$ 16,474,902	336%	$ (22,939,677)
9/30/2013	7,765,235	7,824,902	101%	(11,372,738)
9/30/2012	5,171,085	3,742,942	72%	(11,313,071)

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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2013, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2013	$ 133,289,519	$ 151,812,739	18,523,220	87.8%	$ 3,108,718	595.8%
10/1/2012	121,238,849	150,061,082	28,822,233	80.8%	3,122,626	923.0%
10/1/2011	118,449,736	147,287,087	28,837,351	80.4%	2,734,327	1054.6%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. In fiscal year 2014, the City used the entry age cost method to determine the annual required contribution (ARC), the funded status of the plan, and a schedule of funding progress is presented using the entry age actuarial cost method. The purpose of doing so is to provide information that serves as a surrogate for the funded status and funding progress of the plan.

Net Pension Liability of the City

The components of the net pension liability of the City as of September 30, 2014 were as follows:

	2014
Total pension liability	$157,929,073
Plan fiduciary net position	(160,780,771)
City net pension liability	$ (2,851,698)
Plan fiduciary net position as a percentage of total pension liability	101.81%
Net pension liability as a percentage of covered employee payroll	-91.73%

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Actuarial Assumptions

The total pension liability as of September 30, 2014 was determined using an actuarial valuation as of October 1, 2013, with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuation used the following actuarial assumptions:

Measurement date	10/1/2013
Actuarial cost method	Entry Age Cost
Long-term rate of return on assets	7.75% (all asset class - determine based on the overall actual historical rate of return of the plan)
Discount rate	7.55%
Long-term inflation rate	2.25%
Salary increase assumption	Table S5 from actuary's pension handbook + 2.50%
COLA increase assumption	0.00%
Retirement age assumption	Age 55 and 10 years of service
Plan changes	none
Mortality rate	During benefit payment period-IRS prescribed mortality-generational annuitant, male and female Before benefit payment period-IRS prescribed mortality-generational non-annuitant, male and female
Disability rate	1987 Commissioner's Group disability table, six month elimination period, male and female
Withdrawal rate	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75
Marital assumptions	75% married; male is 3 years older than the female
Future employee contributions	Assume employee contribution continue at 7.25%
Future employer contributions	Assume employer contributions are equal to: (1) employer contribution is to assumed to continue at 23.66% of payroll throughout the projection period and (2) expenses are assumed to start at $48,000 and grow with the inflation assumption throughout the projection period.
Amortization method	Level dollar, closed
Amortization period	Experience & assumptions-0.33 yrs; investment earnings-5 yrs

The following presents the net pension liability of the City using the discount rate of 7.55%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage point higher (8.55%) than the current rate:

	City Net Pension Liability		
	1% Decrease (6.55%)	Current Rate (7.55%)	1% Increase (8.55%)
September 30, 2014	$ 15,657,145	$ (2,851,698)	$ (18,276,983)

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers

Summary of Significant Accounting Policies

Basis of Accounting – The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Employer (City) contributions to the plan are recognized as revenues when due pursuant to the Actuarial Valuation. State contributions are recognized as revenues in the period which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date. The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* (GASB Statement No. 67). The adoption of GASB 67 required a restatement of prior years' liabilities. As of September 30, 2013, the total liabilities were restated to $915,411 from $92,057,067, and the net position was restated to $436,512,061 from $343,747,785.

Cash and Cash Equivalents – The plan considers all highly liquid investments with an original maturity of one year or less when purchased to be cash equivalents.

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

Plans' Membership Information

At October 1, 2013, the date of the latest actuarial valuation, the Plans' membership consisted of:

	2013
Retirees and beneficiaries currently receiving benefits including DROP and terminated employees entitled to benefits, but not yet receiving them	308
Current employees:	
Vested	188
Non-vested	170
Total	666

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

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

Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	1443	June 18, 2003
829	March 4, 1987	1480	March 17, 2004
967	September 19, 1991	1509	February 17, 2005
1014	November 4, 1992	1521	August 3, 2005
1067	February 16, 1994	1572	February 21, 2007
1091	September 8, 1994	1581	May 16, 2007
1131	September 6, 1995	1669	August 4, 2010
1198	December 18, 1996	1670	August 4, 2010
1249	January 7, 1998	1693	June 15, 2011
1318	November 17, 1999	1705	October 5, 2011
1321	December 15, 1999	1709	November 16, 2011
1325	January 19, 2000	1767	January 15, 2014
1353	September 20, 2000	1774	April 9, 2014
1360	December 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. The Plan's governing board is made up of a Board of Trustees consisting of nine members: (1) Three are police officers, elected by a majority of the police officers, (2) Three are firefighters, elected by a majority of the firefighters, and (3) Three are neither police officers nor firefighters, recommended by the City Manager and appointed by the City Commission. 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.

The City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines (CPFFPO) issues a separate financial statement report. A copy can be obtained by sending a written request to:

City Pension Fund for Firefighters and Police Officers
1951 NW 150th Avenue
Pembroke Pines, FL. 33028

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION 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 City is also extending its benefits coverage to all eligible retirees' domestic partners effective October 1, 2014.

Service Retirement Benefits

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

Police Officers

Police officers hired before May 1, 2010 shall receive a monthly pension upon normal retirement of 3% of the average monthly earnings for the highest two years of continuous service up to 20 years plus 4% of average monthly earnings times years of continuous service in excess of 20 years prior to May 1, 2010 plus 3.5% of the average monthly earnings times years of continuous service after April 30, 2010, provided the pension does not exceed 80% of the average monthly earnings for the highest two years of continuous service.

Police officers hired after April 30, 2010 shall receive a benefit amount equal to 3% per year of the average monthly earnings for the highest two years multiplied by the number of years of continuous service provided the pension does not exceed 80% of the average monthly earnings for the highest two years of continuous service.

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

Firefighters

Firefighter members hired on or before June 18, 2003 shall receive a monthly pension, payable for life, equal to 4% per year of continuous service accrued prior to May 1, 2010 plus 3.5% per year of continuous service after April 30, 2010 times of the average monthly earnings for the highest two years multiplied by the number of years of continuous service provided the pension does not exceed 80% of the average monthly earnings.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

Firefighter members hired after June 18, 2003 but before May 1, 2010 shall receive a benefit amount equal to 4% plus 3.5% per year of continuous service after April 30, 2010 times the average monthly earnings for the highest two years provided pension does not exceed 80% of the average monthly salary. To be eligible for this benefit, firefighter members must retire or enter the DROP no later than the date they accrue the same accrual percentage they would have reached under the terms of the Plan in effect prior to April 30, 2010.

Firefighters hired after April 30, 2010 shall receive a benefit amount equal to 3% of the average monthly earnings for the highest two years of continuous service multiplied by the number of years of continuous service provided that the pension does not exceed 80% of the average monthly earnings.

For firefighters hired after March 31, 2006, in no event shall the benefit exceed 98% of average monthly regular wages.

However, police officer and firefighter members as of 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 for the highest two years of continuous service.

For firefighter and police officer members who elect to retire under the Career Anniversary Pension retirement Incentive Option, earnings may include payment up to 1,000 hours of accrued unused leave.

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

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

Disability Benefits

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

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

Upon disability retirement, a member is entitled to a monthly pension benefit. For a service connected disability, the minimum pension payable is 66-2/3 of the average monthly salary of the member at the time of disability retirement or accrued benefit For a non-service connected disability, a member will receive a monthly pension benefit equal to the greater of 3% of the average monthly earnings on the date of disability or accrued benefits subject to a maximum of 50% of monthly earnings (but not greater than 35% of average monthly earnings).

The service-incurred and non-service-incurred disability benefits shall be reduced or offset by the regular monthly claims to which the disabled member is entitled under Worker's Compensation and under the provision of social security to the extent permitted by law. The claims received by the retirees are paid to the Plan to achieve this reduction.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

13th Check Benefits

Retired police officers and disabled police officers receiving pension or DROP benefits, prior to October 1, 2006, or their beneficiaries may be eligible to receive a supplemental pension distribution, the amount of which shall be determined September 30th each year. The amount of the distribution should be up to 2% of investment return in excess of 9% for police officers who retired after October 1, 2003 but before October 1, 2006, or their beneficiaries (8% for police officers who retired prior to October 1, 2003) based on the present value of future pension payments of current police officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount is allocated to eligible members based upon years of service with a prorated share during the first year of entitlement.

No supplemental benefits will be available for members who retire, enter the DROP or are disabled on or after October 1, 2006 or their beneficiaries. Police retirees who retired prior to April 1, 2006 were provided with a one-time irrevocable option to continue to receive the 13th check; or they may opt to receive instead a cost of living increase to their retirement benefit.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Deferred Retirement Option Plan (DROP)

During December 1996, the Plan adopted the Deferred Retirement Option Plan (the DROP) under Ordinance 1198. Eligible police officers and firefighter members may enter into the DROP.

Upon becoming eligible to participate in the DROP, a member may elect to enter that program for a maximum of 5 years. DROP payments contributed to a member's DROP account earn or lose interest at the same rate and frequency as in the Plan, less reasonable and necessary administrative expenses, unless fixed interest rate option below is selected.

On June 18, 2003 (for firefighters) and March 17, 2004 (for police officers) the City adopted Ordinances giving members the additional option of having their DROP account earn an annual fixed interest rate of 8% on future payments and on all or any portion of the member's DROP account balance. Annually, during the month of September only, members may change their rate of return election to be effective as of the following October 1". Members participating in the DROP on April 30, 2010, shall be eligible to elect between earning the same rate and frequency as the Plan or an annual fixed interest rate of 8%.

For members hired before May 1, 2010 entering the DROP after April 30, 2010, DROP interest credits will be based upon Plan gross return, subject to a minimum 5% to a maximum 8% per annum.

For members hired after April 30, 2010 entering the DROP, interest credits will be based upon Plan gross return.

Cost of Living Adjustment (COLA)

Effective April 1, 2005 and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP on or after June 18, 2003 will receive thereafter a 2% increase in their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in collective bargaining agreement to bargaining unit members, for the City's fiscal year commencing the preceding October 1, whichever is greater. Upon retirement, firefighter members who were hired on or after April 1, 2006 shall receive a fixed 3% increase to their monthly retirement benefit on April 1 of each year following retirement. Firefighters hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October lst each year following retirement. If benefit is received for less than one year, COLA is prorated for that first year.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA) (continued)

Effective October 1, 2009, and October 1 of each year thereafter, police retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled on or after October 1, 2003, will receive a 1.5% increase to their retirement benefit. If the benefit is received for less than one year, COLA is prorated for that first year.

Effective October 1, 2009, and October 1 of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2006, or their beneficiaries, will receive a 3.0% increase to their retirement benefit. Effective May 1, 2010, police officers who were hired prior to May 1, 2010 and retire or enter the DROP after April 30, 2010 and their beneficiaries, shall receive a 2% increase to their retirement benefit on October 1st each year following retirement. Police officers hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October 1sl each year following retirement.

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, excluding amounts from the State, was $23,585,326 or 72.1% of covered payroll.

Pursuant to Florida Statues, Chapters 175 and 185 contributions from the State of Florida Department of Insurance consist of excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State contribution is used to reduce the City's contributions when received.

The State contributions totaled $2,629,081 or 8.0% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings until completion of 26 2/3 year of continuous service. Member contributions for the fiscal year ended September 30, 2014 amounted to $2,983,464.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

On October 17, 2003 the City contributed $36,720,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2003A (Series 2003 Bonds). The Series 2003 Bonds were issued to finance the enhanced benefits for firefighter members of the Plan. Benefits included, but were not limited to, a minimum of 2% cost of living adjustment for firefighter members, and up to 1,000 hours of unused leave can be included as part of the earnings used to calculate pension benefits. See also Note 9. for additional information on the bond issue.

On April 1, 2004 the City contributed $26,200,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, to finance the enhanced benefits for police officer members of the Plan, as well as to maintain the City's contribution at the same percentage level of payroll prior to the enhanced benefits. These benefits were similar to the firefighter members, and included, but were not limited to, a 1.5% cost of living adjustment, and up to 1,000 hours of unused sick leave can be included as part of earnings used to calculate pension benefits. See also Note 9. for additional information on the bond issue.

All eligible employees, as a condition of membership, must agree in writing on becoming a member to make the contribution specified in the Plan. These contributions are in the form of payroll deductions until the member has completed twenty-six and two-thirds years of continuous service.

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

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Property and Equipment

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

Property and equipment consist of the following at September 30, 2014:

Description	Estimated Useful Life	FY2014
Land	-	$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
Total property and equipment		489,833
Accumulated depreciation		(108,589)
Property and equiment, net		$ 381,244

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2014, the depreciation expense amounted to $7,352.

Investments

Investments are reported at fair value as of September 30, 2014. The fair value of the quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

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

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

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

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

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

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

Types of Investments

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

Authorized investments	Target	Minimum	Maximum
Domestic equities	52.00%	42.00%	62.00%
Fixed income	30.00%	20.00%	50.00%
International equities	8.00%	0.00%	10.00%
Real estate	10.00%	0.00%	12.00%
Cash	0.00%	0.00%	10.00%

The Plan’s net investment income for the year ended September 30, 2014 was $44,126,987, as compared to last year’s net investment income of $53,755,415 as restated (See Note 3. Deposits and Investments for additional information).

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. The annual money-weighted rate of return on the Plan’s investment for the year ended September 30, 2014 was 10.20%.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Annual Pension Cost and Net Pension Obligation/(Assets)

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

Annual required contribution	$ 26,214,407
Interest on net pension obligation	(3,927,857)
Adjustment to annual required contribution	4,094,930
Annual pension cost	26,381,480
Contributions made (City and State)	(26,214,407)
Change in net pension obligation/(asset)	167,073
Net pension obligation/(asset), beginning of year	(49,098,210)
Net pension obligation/(asset), end of year	$ (48,931,137)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2014	$26,381,480	$ 26,214,407	99%	$ (48,931,137)
9/30/2013	25,176,384	25,213,704	100%	(49,098,210)
9/30/2012	23,438,326	23,882,116	102%	(49,060,890)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2013, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2013	$ 437,914,935	$ 635,655,065	197,740,130	68.9%	$ 27,588,952	716.7%
10/1/2012	398,262,629	598,195,016	199,932,387	66.6%	27,011,016	740.2%
10/1/2011	366,541,010	562,418,145	195,877,135	65.2%	26,857,833	729.3%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. The 10/1/2011 and 10/1/2012 actuarial value of assets and actuarial accrued liability was restated to include DROP account balances.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Net Pension Liability of the City

The components of the net pension liability of the City as of September 30, 2014 were as follows:

	2014
Total pension liability	$671,557,750
Plan fiduciary net position	(483,895,286)
City net pension liability	$187,662,464
Plan fiduciary net position as a percentage of total pension liability	72.06%
Net pension liability as a percentage of covered employee payroll	680.21%

Actuarial Assumptions

The total pension liability as of September 30, 2014 was determined using an actuarial valuation as of October 1, 2013, with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry Age Cost
Amortization method	Level percent, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	3.75% - 12.00%
Investment rate of return	8.00%
Retirement age	Experience-based rates specific to eligibility condition
Cost of living increases:	
Firefighters	0.0%, 1.5%, 2.0%, or 3.0%
Police	0.0%, 1.5%, 2.0%, 2.5%, or 3.0%

Future employee contributions are assumed to continue at 10.4%, and the City is expected to contribute amounts necessary on an actuarial basis to fund the Plan's expenses, normal cost, and to amortize the unfunded actuarial accrued liability.

Mortality rates are calculated with RP 2000 combined mortality table with blue collar adjustment, separate for male and female, with fully generational mortality improvements projected to each future payment date with Scale AA. Disabled mortality rates are calculated with the RP 2000 disabled mortality table, separate for male and female, with fully generational mortality improvements projected to each future payment date with Scale AA.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

A discount rate of 8.00% was used to measure the total pension liability. The discount rate was based on the expected rate of return on Plan investments of 8.00%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rates. Based on these assumptions, the Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City using the discount rate of 8.00%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	City Net Pension Liability		
	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
September 30, 2014	$268,322,933	$187,662,464	$122,235,990

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Florida Retirement System (FRS) - Charter School Employees

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

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

Plan Description

Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the highest five (5) fiscal years of earnings. The FRS provides vesting of benefits after six (6) years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State Statute establishes the benefit. Normal retirement requirements are vesting and age 62 with six years of service, or 30 years of creditable service regardless of age if the individual was employed by an FRS employer prior to July 1, 2011. If the member was employed on or after July 1, 2011, normal retirement is age 65 with eight years of vested service; or the age after 65 that the member becomes vested; or thirty-three years of service, regardless of age.

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

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2014, the contribution rate increased from 5.18% to 6.95% of covered payroll which amounted to $1,321,708. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. As of June 30, 2014, there were 484 members in this FRS plan, compared with 513 members the previous fiscal year.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Florida Retirement System (FRS) - Charter School Employees (continued)

Funding Policy (continued)

The contribution rate includes the post-employment health insurance supplement of 1.20% and the administrative/educational fee of 0.03%.

Since year 2012, the State mandated that employees contribute to the FRS Pension Plan. In fiscal year 2014, the contribution rate was 3%. This required employee contribution amounted to $554,651.

Fiscal Year	Annual Required Contributions	Total Employer Contributions	Percentage Contributed	Contribution Rates Regular Class
2014	$ 1,321,708	$ 1,321,708	100.0%	6.95%
2013	1,013,184	1,013,184	100.0%	5.18%
2012	930,174	930,174	100.0%	4.91%

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Defined Contribution Plans

Charter School and Early Development Center Employees

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

At September 30, 2014, there were ninety-five (95) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 6.95 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2013 fiscal year, the City contributed $192,079 to the Charter Schools' Plan, and the members contributed $15,923. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. In fiscal year 2006, the City increased its contribution to the defined contribution plan from 5.0% to 10.77% of the Charter Schools members' gross wages, in keeping with the contribution required by the FRS.

The City's Early Development Center employees remain in the original defined contribution plan with the City continuing to contribute 5.0% of covered payroll.

NOTE 15. PRIOR PERIOD ADJUSTMENT

In fiscal year 2014, the City made a prior period adjustment due to the adoption of GASB Statement No. 65, as described in "New Accounting Pronouncements" NOTE 1, which requires the restatement of the September 30, 2013, net position of Governmental Activities. The result is a decrease in Net Position at September 30, 2013 of $2,626,359. This change is in accordance with generally accepted accounting principles.

Net Position, September 30, 2013, as previously reported	$ 140,198,185
Reclassification of bond issue costs	(2,626,359)
Net Position, September 30, 2013, as restated	$ 137,571,826

NOTE 16. SUBSEQUENT EVENTS

On January 21, 2015, the City Commission approved the refunding of the City's General Obligation (GO) Bonds, Series 2005 (the 2005 GO Bonds), a portion of the General Obligation Bonds, Series 2007 (the 2007 GO Bonds); and the issuance of an additional $10 million GO Bonds, which will used towards the construction of the new Civic Hall/City Center project. The closing of this transaction is anticipated to be in June 2015.

Required Supplementary Information

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$64,272,634	$64,272,634	$65,102,162	$829,528
Permits, fees and licenses	36,087,512	36,107,512	37,746,222	1,638,710
Intergovernmental revenue	12,620,311	12,993,034	13,428,053	435,019
Charges for services	29,564,564	29,751,206	29,366,919	(384,287)
Fines and forfeitures	980,100	980,100	1,321,408	341,308
Miscellaneous revenues	12,637,536	13,431,415	12,342,182	(1,089,233)
Total revenues	156,162,657	157,535,901	159,306,946	1,771,045
Expenditures				
General government services				
Administrative services	4,606,873	6,611,206	6,571,858	39,348
City attorney	848,669	848,669	847,581	1,088
City clerk	1,481,126	1,419,736	1,372,643	47,093
City manager	559,764	607,668	607,668	-
Finance	2,965,106	3,718,446	3,705,445	13,001
Human resources	755,997	994,959	994,959	-
Mayor & commission	846,208	1,006,666	1,006,666	-
Non-departmental	1,142,303	2,501,182	2,501,182	-
Public services	7,384,707	7,973,845	7,973,809	36
Total general government services	20,590,753	25,682,377	25,581,810	100,567
Public safety				
Administrative services	1,231,070	1,590,992	1,553,290	37,702
Emergency & disaster relief services	581,010	-	-	-
Fire	45,719,114	44,518,595	44,480,568	38,027
Police	54,424,421	53,215,470	51,313,005	1,902,465
Total public safety	101,955,615	99,325,057	97,346,863	1,978,194

(continued)

See accompanying notes to the budgetary comparison schedule

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2014
(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Physical environment				
Public services	$10,256,831	$10,315,132	$10,284,640	$30,492
Total physical environment	10,256,831	10,315,132	10,284,640	30,492
Economic environment				
Community services	7,694,529	7,586,248	7,571,878	14,370
Total economic environment	7,694,529	7,586,248	7,571,878	14,370
Human services				
Community services	841,789	1,283,054	1,177,370	105,684
Education	4,931,637	4,567,224	4,534,698	32,526
Total human services	5,773,426	5,850,278	5,712,068	138,211
Culture/recreation				
Parks & recreation	8,563,079	9,183,556	9,137,706	45,850
Total culture/recreation	8,563,079	9,183,556	9,137,706	45,850
Total expenditures	154,834,233	157,942,648	155,634,966	2,307,682
Excess (deficiency) of revenues over expenditures	1,328,424	(406,747)	3,671,980	4,078,727
Other financing sources (uses)				
Transfers out	(1,328,424)	(1,607,407)	(1,596,004)	11,403
Total other financing sources (uses)	(1,328,424)	(1,607,407)	(1,596,004)	11,403
Net change in fund balances	-	(2,014,154)	2,075,977	4,090,131
Fund balances, beginning	52,554,622	52,554,622	52,554,622	-
Fund balances, ending	$52,554,622	$50,540,468	$54,630,599	$4,090,131

See accompanying notes to the budgetary comparison schedule

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2014

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.

2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.

3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.

4. The adopted budget may be amended as follows:
   a. The City Manager and Finance Director approve line item adjustments within a department or a division.
   b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
   c. The City Commission may approve supplemental appropriations of revenues and expenditures during the year. Such changes are reflected in an amended budget ordinance, which is adopted within sixty days of the end of that fiscal year.

5. The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The General Fund net upward adjustment to expenditure appropriations amounted to $3.1 million for the fiscal year ended September 30, 2014. The main components were:
   a. $1.3 million increase attributable to the carryover of items from prior fiscal year;
   b. $1.1 million increase for the Information Technology Modernization Project;
   c. $0.4 million increase to reflect a reduction in anticipated budget savings; and
   d. $0.2 million increase to reflect the Department of Children and Families (DCF) Transitional Housing award for the fiscal year ended June 30, 2015;

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a $1.4 million upward net revenue adjustment attributable mainly to:

a. $0.4 million – increase in contributions to recognize Affordable Housing Trust Fund money;
b. $0.4 million – increase to reflect Department of Children and Families (DCF) Transitional Housing project of which $0.2 million pertains to unspent funds from the fiscal year ended June 30, 2014 and $0.2 million awarded for the fiscal year ended June 30, 2015;
c. $0.1 million – increase to reflect the Maximizing Out of School Time (MOST) 2014 Grant; and
d. $0.1 million – increase pertaining to lease of Station 101 to Broward County for its Regional Communication Center.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

All General Fund budgetary expenditure categories were below appropriations for the fiscal year ended September 30, 2014.

NOTE 3. BUDGETARY COMPARISON TO ACTUAL

Budgetary comparison to actual can be found under General Fund Budgetary Highlights in the Management's Discussion and Analysis.

City of Pembroke Pines, Florida

Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2014

Fiscal Year	(A) Annual Required Contributions	Employer Contributions	State Contributions	Total Employer Contributions	(B) Percentage Contributed
General Employees Pension Plan					
2014	$ 3,829,070	$ 16,474,902	$ -	$ 16,474,902	430%
2013	6,674,902	7,824,902	-	7,824,902	117%
2012	3,742,492	3,742,492	-	3,742,492	100%
2011	3,317,993	3,317,988	-	3,317,988	100%
2010	3,502,940	3,502,940	-	3,502,940	100%
2009	7,736,872	7,736,872	-	7,736,872	100%
2008	6,830,795	6,830,795	-	6,830,795	100%
2007	7,418,930	7,418,930	-	7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
City Pension Fund for Firefighters and Police Officers					
2014	$ 26,214,407	$ 23,585,326	$ 2,629,081	$ 26,214,407	100%
2013	25,213,704	22,754,765	2,458,939	25,213,704	100%
2012	23,882,116	21,540,037	2,342,079	23,882,116	100%
2011	23,289,867	21,020,757	2,269,110	23,289,867	100%
2010	24,538,413	22,200,904	2,337,509	24,538,413	100%
2009	21,935,003	19,505,427	2,429,576	21,935,003	100%
2008	17,795,174	15,214,031	2,581,143	17,795,174	100%
2007	14,254,450	11,812,342	2,442,108	14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
Other Post-Employment Benefits (OPEB)					
2014	$ 8,103,000	$ 9,352,000	$ -	$ 9,352,000	115%
2013	9,352,000	9,356,207	-	9,356,207	100%
2012	9,125,000	9,168,787	-	9,168,787	100%
2011	8,614,000	11,003,647	-	11,003,647	128%
2010	8,649,000	13,834,000	-	13,834,000	160%
2009	12,087,000	9,636,677	-	9,636,677	80%
2008	11,396,000	6,636,677	-	6,636,677	58%

(A) Actuarially determined contribution requirements.
(B) Total actual contributions as a percentage of annual required contributions.

City of Pembroke Pines, Florida

Required Supplementary Information
Schedule of Funding Progress
September 30, 2014

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees Pension Plan						
10/1/2013	$ 133,289,519	$ 151,812,739	$ 18,523,220	87.8%	$ 3,108,718	595.8%
10/1/2012	121,238,849	150,061,082	28,822,233	80.8%	3,122,626	923.0%
10/1/2011	118,449,736	147,287,087	28,837,351	80.4%	2,734,327	1054.6%
10/1/2010	127,665,129	142,282,483	14,617,354	89.7%	3,537,545	413.2%
10/1/2009	129,455,600	137,608,183	8,152,583	94.1%	4,088,776	199.4%
10/1/2008	131,976,740	164,002,104	32,025,364	80.5%	22,493,706	142.4%
10/1/2007	123,702,275	139,548,384	15,846,109	88.6%	21,988,709	72.1%
10/1/2006	107,426,569	123,224,221	15,797,652	87.2%	21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
City Pension Fund for Firefighters and Police Officers (1)						
10/1/2013	$ 437,914,935	$ 635,655,065	$ 197,740,130	68.9%	$ 27,588,952	716.7%
10/1/2012	398,262,629	598,195,016	199,932,387	66.6%	27,011,016	740.2%
10/1/2011	366,541,010	562,418,145	195,877,135	65.2%	26,857,833	729.3%
10/1/2010	343,549,647	529,979,045	186,429,398	64.8%	27,129,273	687.2%
10/1/2009	314,323,402	486,728,333	172,404,931	64.6%	27,528,175	626.3%
10/1/2008	290,025,451	455,986,052	165,960,601	63.6%	26,616,124	623.5%
10/1/2007	266,086,485	407,096,774	141,010,289	65.4%	26,610,708	529.9%
10/1/2006	234,813,827	332,628,046	97,814,219	70.6%	26,040,640	375.6%
10/1/2005	210,958,282	288,219,172	77,260,890	73.2%	24,294,435	318.0%
10/1/2004	188,374,577	254,414,202	66,039,625	74.0%	23,530,488	280.7%
Other Post-Employment Benefits (OPEB)						
10/1/2013	$ 43,560,000	$ 132,893,000	$ 89,333,000	32.8%	$ 67,720,879	131.9%
10/1/2012	34,271,044	132,118,483	97,847,439	25.9%	65,748,426	148.8%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	72,957,410	144.8%
10/1/2008	2,688,520	131,728,115	129,039,595	2.0%	79,224,533	162.9%
10/1/2007	-	126,392,000	126,392,000	0.0%	76,059,157	166.2%

Note

(1) Actuarial Value of Assets and Actuarial Accrued Liability revised to include Deferred Retirement Option Plan (DROP) balances.

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2014

		2014
Total pension liability:		
Service Cost	$	210,178
Interest		11,426,651
Benefit payments		(10,021,946)
Differences in experience		1,190,892
Changes in assumptions		3,309,464
Net change in total pension liability		6,115,239
Total pension liability/(asset) - beginning		151,813,834
Total pension liability/(asset) - ending	$	157,929,073
Plan fiduciary net position:		
Contributions - employer	$	16,474,902
Contributions - member		237,040
Net investment income		12,873,558
Benefit payments		(10,021,946)
Administrative expense		(2,100)
Net change in plan fiduciary net position		19,561,454
Plan fiduciary net position - beginning		141,219,317
Plan fiduciary net position - ending	$	160,780,771
Net pension liability/(asset) - ending	**$**	**(2,851,698)**
Plan fiduciary net position as a percentage of the total pension liability/(asset)		101.81%
Covered-employee payroll **(1)**	$	3,163,848
Net pension liability/(asset) as a percentage of covered-employee payroll		-90.13%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
(1) includes all active members with no adjustments

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees Pension Plan
Schedule of Employer Contributions
For the Year Ended September 30, 2014

	2014
Actuarially determined contribution	$ 3,829,070
Contributions in relation to the actuarially determined contribution	16,474,902
Contribution Deficiency/(Excess)	$ (12,645,832)
Covered-employee payroll	$ 3,163,848
Contributions as a percentage of covered-employee payroll	520.72%

Notes to Schedule

Measurement date	10/1/2013
Actuarial cost method	Entry Age Cost
Long-term rate of return on assets	7.75% (all asset class - determine based on the overall actual historical rate of return of the plan)
Discount rate	7.55%
Long-term inflation rate	2.25%
Salary increase assumption	Table S5 from actuary's pension handbook + 2.50%
COLA increase assumption	0.00%
Retirement age assumption	Age 55 and 10 years of service
Plan changes	none
Mortality rate	During benefit payment period-IRS prescribed mortality-generational annuitant, male and female Before benefit payment period-IRS prescribed mortality-generational non-annuitant, male and female
Disability rate	1987 Commissioner's Group disability table, six month elimination period, male and female
Withdrawal rate	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75
Marital assumptions	75% married; male is 3 years older than the female
Future employee contributions	Assume employee contribution continue at 7.25%
Future employer contributions	Assume employer contributions are equal to: (1) employer contribution is to assumed to continue at 23.66% of payroll throughout the projection period and (2) expenses are assumed to start at $48,000 and grow with the inflation assumption throughout the projection period.
Amortization method	Level dollar, closed
Amortization period	Experience & assumptions-0.33 yrs; investment earnings-5 yrs

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2014

		2014
Total pension liability:		
Service Cost	$	10,631,405
Interest		50,687,264
Changes of benefit terms:		
Difference between expected and actual experience		(679,355)
Benefit payments, including refunds of member contributions		(25,391,326)
Net change in total pension liability		35,247,988
Total pension liability/(asset) - beginning		636,309,762
Total pension liability/(asset) - ending	$	671,557,750
Plan fiduciary net position:		
Contributions - employer	$	23,585,326
Contributions - state		2,629,081
Contributions - member		2,994,992
Net investment income		44,126,987
Benefit payments, including refunds of member contributions		(25,391,326)
Administrative expense		(606,484)
Other		44,649
Net change in plan fiduciary net position		47,383,225
Plan fiduciary net position - beginning		436,512,061
Plan fiduciary net position - ending	$	483,895,286
Net pension liability/(asset)	**$**	**187,662,464**
Plan fiduciary net position as a percentage of the total pension liability/(asset)		72.06%
Covered-employee payroll	$	27,588,952
Net pension liability/(asset) as a percentage of covered-employee payroll		680.21%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Employer Contributions
For the Year Ended September 30, 2014

		2014
Actuarially determined contribution	$	26,214,407
Contributions in relation to the actuarially determined contribution		26,214,407
Contribution Deficiency/(Excess)	$	-
Covered-employee payroll	$	27,588,952
Contributions as a percentage of covered-employee payroll		95.02%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Cost
Amortization method	Level percent, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	3.75% - 12.00%
Investment rate of return	8.00%
Retirement age	Experience-based rates specific to eligibility condition
Cost of living increases:	
Firefighters	0.0%, 1.5%, 2.0%, or 3.0%
Police	0.0%, 1.5%, 2.0%, 2.5%, or 3.0%
Future employee contributions	Assume employee contribution continue at 10.4%
Future employer contributions	The City is expected to contribute amounts necessary on an actuarial basis to fund the Plan's
Plan fiduciary net position as a percentage of	expenses, normal cost, and to amortize the unfunded actuarial accrued liability
Mortality	Healthy members:
Covered-employee payroll	RP 2000 combined mortality table with blue collar adjustment, separate for male and female, with fully generational mortality improvements projected to each future payment date with Scale AA
	Disabled members:
	RP 2000 disabled mortality table, separate for male and female, with fully generational mortality improvements projected to each future payment date with Scale AA

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

	First 5 Years	5+ years	First 5 Years	5+ years
	2.70%	3.13%	5.25%	5.24%
25	2.70%	2.28%	5.25%	3.44%
30	2.70%	1.65%	5.25%	2.38%
35	2.70%	0.97%	5.25%	1.44%
40	2.70%	0.55%	5.25%	1.01%
45	2.70%	0.25%	5.25%	0.55%
50	2.70%	0.04%	5.25%	0.31%
55	2.70%	0.02%	5.25%	0.18%
60	2.70%	0.01%	5.25%	0.05%
62 & over	0.00%	0.00%	0.00%	0.00%

Disability rates	The 1985 Disability Study - Class 2, with separate rate for males and females. 80% of disabilities are assumed to be service incurred - 20% non-service incurred.
Marital assumptions	50% of deaths are assumed to be service incurred - 50% non-service incurred.
	There are no children eligible for benefits.
	95% of participants are married.
	Spouses are assumed to be the same age as members.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Annual Money Weighted Rate of Return
For the Year Ended September 30, 2014

General Employees Pension Plan:

Fiscal year ending:	Annual Money Weighted Rate of Return
2014	14.04%

City Pension Fund for Firefighters and Police Officers:

Fiscal year ending:	Annual Money Weighted Rate of Return
2014	10.20%

Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

- Byrne Grant
  - Equipment

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

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

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

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

City of Pembroke Pines, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds							
			Police	State	Schools Chartered by *			
	Road and	Law Enforcement	Community Service	Housing Initiative	Broward County School Board			Florida State University
Assets	Bridge	Grant	Grant	Program	Elementary	Middle	High	Elementary
Pooled cash and cash equivalents	$ 2,373,731	$ -	$ -	$ 364,096	$ 1,394,629	$ 99,088	$ 1,055,090	$ 163,115
Investments:								
Marketable securities	3,199,621	-	-	-	-	-	-	-
Receivables:								
Franchise fees and taxes	444,333	-	-	-	-	-	-	-
Other	-	-	-	-	139,981	95,243	125,180	49,299
Inventory	-	-	-	-	-	-	-	-
Due from other governments	-	124,682	-	-	91,759	68,471	185,713	307,668
Prepaid costs	-	-	-	-	-	-	-	-
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	-
Total assets	$ 6,017,685	$ 124,682	$ -	$ 364,096	$ 1,626,369	$ 262,802	$ 1,365,983	$ 520,082
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 156,305	$ -	$ -	$ -	$ 5,988	$ 4,600	$ 12,328	$ 2,599
Retainage payable	14,733	-	-	-	-	-	-	-
Due to other funds	-	124,682	-	-	-	-	-	-
Deposits	-	-	-	-	141,407	99,420	349,261	40,101
Unearned revenue	-	-	-	364,096	9,274	6,375	3,478	5,270
Total liabilities	171,038	124,682	-	364,096	156,669	110,395	365,067	47,970
Fund balances:								
Nonspendable								
Inventory and prepaid costs	-	-	-	-	-	-	-	-
Wetland Mitigation Trust	-	-	-	-	-	-	-	-
Restricted by								
Road and sidewalks	5,846,647	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-
Assigned for rent payments	-	-	-	-	1,469,700	152,407	1,000,916	472,112
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	5,846,647	-	-	-	1,469,700	152,407	1,000,916	472,112
Total liabilities and fund balances	$ 6,017,685	$ 124,682	$ -	$ 364,096	$ 1,626,369	$ 262,802	$ 1,365,983	$ 520,082

* As of June 30, 2014

(continued)

City of Pembroke Pines, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014
(continued)

	Special Revenue Funds							Permanent Fund	
Assets	**Housing and Urban Development Grant**	**Community Bus Program**	**Older Americans Act**	**Treasury Confiscated**	**Justice Confiscated**	**$2 Police Education**	**FDLE Confiscated**	**Wetland Mitigation Trust Fund**	**Total Nonmajor Governmental Funds**
Pooled cash and cash equivalents	$ -	$ -	$ -	$ 317,806	$ 632,068	$ 318,736	$ 528,918	$ -	$ 7,247,277
Investments:									
Marketable securities	-	-	-	-	-	-	-	-	3,199,621
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	444,333
Other	-	-	-	-	-	-	13,806	-	423,509
Inventory	-	-	23,234	-	-	-	-	-	23,234
Due from other governments	1,359,516	-	121,693	-	-	-	235	-	2,259,737
Prepaid costs	36,300	-	-	-	-	-	-	-	36,300
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	529,570	529,570
Total assets	$ 1,395,816	$ -	$ 144,927	$ 317,806	$ 632,068	$ 318,736	$ 542,959	$ 529,570	$ 14,163,581
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 181,820
Retainage payable	-	-	-	-	-	-	-	-	14,733
Due to other funds	1,039,397	-	118,021	-	-	-	-	3,297	1,285,397
Deposits	-	-	-	-	-	-	76,216	-	706,405
Unearned revenue	356,419	-	3,672	-	-	-	-	-	748,584
Total liabilities	1,395,816	-	121,693	-	-	-	76,216	3,297	2,936,939
Fund balances:									
Nonspendable									
Inventory and prepaid costs	36,300	-	23,234	-	-	-	-	-	59,534
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted by									
Road and sidewalks	-	-	-	-	-	-	-	-	5,846,647
Law enforcement	-	-	-	317,806	632,068	318,736	466,743	-	1,735,353
Wetland Mitigation	-	-	-	-	-	-	-	80,158	80,158
Assigned for rent payments	-	-	-	-	-	-	-	-	3,095,135
Unassigned	(36,300)	-	-	-	-	-	-	-	(36,300)
Total fund balances	-	-	23,234	317,806	632,068	318,736	466,743	526,273	11,226,642
Total liabilities and fund balances	$ 1,395,816	$ -	$ 144,927	$ 317,806	$ 632,068	$ 318,736	$ 542,959	$ 529,570	$ 14,163,581

City of Pembroke Pines, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014

	Special Revenue Funds							
					Schools Chartered by: *			
					Broward County School Board			Florida State University
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Elementary	Middle	High	Elementary
Revenues:								
Taxes	$ 2,682,012	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	1,254,233	-	-	-	-	-	-	-
Intergovernmental	1,230,132	385,572	34,886	281,667	13,990,457	8,665,750	11,897,769	5,421,306
Charges for services	16,667	-	-	-	861,246	144,419	76,372	434,938
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	31,290	-	33	-	17,294	3,695	14,940	2,240
Contributions	-	-	-	-	410,722	274,214	370,593	150,091
Rental revenue	-	-	-	-	146,217	149,717	1,507,331	43,982
Other	171,079	-	-	-	384,934	379,497	508,008	149,666
Total revenues	5,385,413	385,572	34,919	281,667	15,810,870	9,617,292	14,375,013	6,202,223
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	385,572	34,919	-	-	-	-	-
Transportation	3,491,393	-	-	-	-	-	-	-
Economic environment	-	-	-	281,667	-	-	-	-
Human services	-	-	-	-	15,624,922	10,909,325	14,512,673	6,199,951
Total expenditures	3,491,393	385,572	34,919	281,667	15,624,922	10,909,325	14,512,673	6,199,951
Excess (deficiency) of revenues over expenditures	1,894,020	-	-	-	185,948	(1,292,033)	(137,660)	2,272
Other financing sources (uses):								
Transfers in	-	-	-	-	-	1,395,914	-	-
Transfers out	(420,695)	-	-	-	(575,000)	-	-	-
Total other financing sources (uses)	(420,695)	-	-	-	(575,000)	1,395,914	-	-
Net change in fund balances	1,473,325	-	-	-	(389,052)	103,881	(137,660)	2,272
Fund balances, beginning	4,373,322	-	-	-	1,858,752	48,526	1,138,576	469,840
Fund balances, ending	$ 5,846,647	$ -	$ -	$ -	$ 1,469,700	$ 152,407	$ 1,000,916	$ 472,112

* As of June 30, 2014

(continued)

City of Pembroke Pines, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							Permanent Fund	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	Total Nonmajor Governmental Funds
Revenues:									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,682,012
Permits, fees and licenses	-	-	-	-	-	-	-	-	1,254,233
Intergovernmental	2,848,013	499,989	821,525	-	-	-	-	-	46,077,066
Charges for services	-	-	-	-	-	-	-	-	1,533,642
Fines and forfeitures	-	-	-	7,549	59,871	37,076	96,953	-	201,449
Investment income	-	-	-	1,854	3,207	1,697	3,292	855	80,397
Contributions	-	-	25,170	-	-	-	-	-	1,230,790
Rental revenue	-	-	-	-	-	-	-	-	1,847,247
Other	-	-	-	-	-	-	-	-	1,593,184
Total revenues	2,848,013	499,989	846,695	9,403	63,078	38,773	100,245	855	56,500,020
Expenditures:									
General government	-	-	-	-	-	-	-	16,410	16,410
Public safety	-	-	-	34,676	825	25,090	242,103	-	723,185
Transportation	106,474	954,333	-	-	-	-	-	-	4,552,200
Economic environment	2,741,539	-	-	-	-	-	-	-	3,023,206
Human services	-	-	1,272,162	-	-	-	-	-	48,519,033
Total expenditures	2,848,013	954,333	1,272,162	34,676	825	25,090	242,103	16,410	56,834,034
Excess (deficiency) of revenues over expenditures	-	(454,344)	(425,467)	(25,273)	62,253	13,683	(141,858)	(15,555)	(334,014)
Other financing sources (uses):									
Transfers in	-	454,344	425,467	-	-	-	-	-	2,275,725
Transfers out	-	-	-	-	-	-	-	-	(995,695)
Total other financing sources (uses)	-	454,344	425,467	-	-	-	-	-	1,280,030
Net change in fund balances	-	-	-	(25,273)	62,253	13,683	(141,858)	(15,555)	946,016
Fund balances, beginning	-	-	23,234	343,079	569,815	305,053	608,601	541,828	10,280,626
Fund balances, ending	$ -	$ -	$ 23,234	$ 317,806	$ 632,068	$ 318,736	$ 466,743	$ 526,273	$ 11,226,642

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

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**

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

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Property taxes	$ 5,425,287	$ 5,425,287	$ 5,470,524	$ 45,237
Utility taxes	1,645,299	1,645,299	1,641,489	(3,810)
Communication services tax	6,469,959	6,247,991	6,299,299	51,308
Permits, fees and licenses	818,003	818,003	818,587	584
Investment income	96,758	96,758	78,214	(18,544)
Rental revenue	12,319,042	12,469,042	12,359,687	(109,355)
Total revenues	26,774,348	26,702,380	26,667,800	(34,580)
Expenditures				
Debt service:				
Principal	10,155,168	10,305,168	10,305,165	3
Interest	16,512,843	16,290,875	16,231,252	59,623
Other debt service costs	17,600	1,650,820	1,622,757	28,063
Total expenditures	26,685,611	28,246,863	28,159,174	87,689
Deficiency of revenues over expenditures	88,737	(1,544,483)	(1,491,374)	53,109
Other financing sources:				
Transfers in	118,068	317,566	317,564	(2)
Bonds issued	-	108,896,529	108,896,529	-
Payment to refunded bond escrow agent	-	(109,277,444)	(109,277,444)	-
Total other financing sources	118,068	(63,349)	(63,351)	(2)
Net change in fund balances	206,805	(1,607,832)	(1,554,725)	53,107
Fund balances, beginning	14,788,698	14,788,698	14,788,698	-
Fund balances, ending	$ 14,995,503	$ 13,180,866	$ 13,233,973	$ 53,107

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, 2014

	Special Revenue Funds							
	Road and Bridge Fund				Law Enforcement Grant			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ 2,641,000	$ 2,641,000	$ 2,682,012	$ 41,012	$ -	$ -	$ -	$ -
Permits, fees and licenses	1,257,000	1,257,000	1,254,233	(2,767)	-	-	-	-
Intergovernmental	1,141,700	1,141,700	1,230,132	88,432	17,918	386,110	385,572	(538)
Charges for services	200,000	16,667	16,667	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	65,000	65,000	31,290	(33,710)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	50,500	50,500	171,079	120,579	-	-	-	-
Total revenues	5,355,200	5,171,867	5,385,413	213,546	17,918	386,110	385,572	(538)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	17,918	386,110	385,572	538
Transportation	4,784,212	4,407,848	3,491,393	916,455	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	4,784,212	4,407,848	3,491,393	916,455	17,918	386,110	385,572	538
Excess (deficiency) of revenues over expenditures	570,988	764,019	1,894,020	1,130,001	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(285,494)	(420,695)	(420,695)	-	-	-	-	-
Total other financing sources (uses)	(285,494)	(420,695)	(420,695)	-	-	-	-	-
Net change in fund balances	285,494	343,324	1,473,325	1,130,001	-	-	-	-
Fund balances, beginning	4,373,322	4,373,322	4,373,322	-	-	-	-	-
Fund balances, ending	$ 4,658,816	$ 4,716,646	$ 5,846,647	$ 1,130,001	$ -	$ -	$ -	$ -

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	Police Community Service Grant				State Housing Initiative Program			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	35,296	34,886	(410)	-	1,255,454	281,667	(973,787)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	33	33	-	4,000	4,000	-	(4,000)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	-	35,329	34,919	(410)	4,000	1,259,454	281,667	(977,787)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	35,329	34,919	410	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	1,255,454	281,667	973,787
Human services	-	-	-	-	-	-	-	-
Total expenditures	-	35,329	34,919	410	-	1,255,454	281,667	973,787
Excess (deficiency) of revenues over expenditures	-	-	-	-	4,000	4,000	-	(4,000)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	4,000	4,000	-	(4,000)
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -	$ 4,000	$ 4,000	$ -	$ (4,000)

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	Elementary Schools Chartered by Broward County School Board*				Middle Schools Chartered by Broward County School Board*			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	13,833,390	14,391,660	13,990,457	(401,203)	8,598,119	8,957,520	8,665,750	(291,770)
Charges for services	912,021	912,021	861,246	(50,775)	183,068	183,068	144,419	(38,649)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	15,015	15,015	17,294	2,279	6,240	6,240	3,695	(2,545)
Contributions	278,975	293,805	410,722	116,917	189,120	189,120	274,214	85,094
Rental revenue	152,010	152,010	146,217	(5,793)	138,883	138,883	149,717	10,834
Other	372,264	372,264	384,934	12,670	381,991	381,991	379,497	(2,494)
Total revenues	15,563,675	16,136,775	15,810,870	(325,905)	9,497,421	9,856,822	9,617,292	(239,530)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	16,519,157	15,731,991	15,624,922	107,069	11,356,133	11,196,111	10,909,325	286,786
Total expenditures	16,519,157	15,731,991	15,624,922	107,069	11,356,133	11,196,111	10,909,325	286,786
Excess (deficiency) of revenues over expenditures	(955,482)	404,784	185,948	(218,836)	(1,858,712)	(1,339,289)	(1,292,033)	47,256
Other financing sources (uses):								
Transfers in	-	-	-	-	781,847	781,847	1,395,914	614,067
Transfers out	-	(575,000)	(575,000)	-	-	-	-	-
Total other financing sources (uses)	-	(575,000)	(575,000)	-	781,847	781,847	1,395,914	614,067
Net change in fund balances	(955,482)	(170,216)	(389,052)	(218,836)	(1,076,865)	(557,442)	103,881	661,323
Fund balances, beginning	1,858,752	1,858,752	1,858,752	-	48,526	48,526	48,526	-
Fund balances, ending	$ 903,270	$ 1,688,536	$ 1,469,700	$ (218,836)	$ (1,028,339)	$ (508,916)	$ 152,407	$ 661,323

* As of June 30, 2014

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	High School Chartered by Broward County School Board*				Elementary School Chartered by Florida State University*			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	12,172,887	12,657,296	11,897,769	(759,527)	5,461,140	5,658,710	5,421,306	(237,404)
Charges for services	239,301	239,301	76,372	(162,929)	466,349	466,349	434,938	(31,411)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	9,160	9,160	14,940	5,780	5,840	5,840	2,240	(3,600)
Contributions	248,152	252,152	370,593	118,441	98,253	98,969	150,091	51,122
Rental revenue	1,472,694	1,472,694	1,507,331	34,637	32,519	32,519	43,982	11,463
Other	555,169	555,169	508,008	(47,161)	144,182	144,182	149,666	5,484
Total revenues	14,697,363	15,185,772	14,375,013	(810,759)	6,208,283	6,406,569	6,202,223	(204,346)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	15,037,766	14,832,503	14,512,673	319,830	6,506,353	6,414,974	6,199,951	215,023
Total expenditures	15,037,766	14,832,503	14,512,673	319,830	6,506,353	6,414,974	6,199,951	215,023
Excess (deficiency) of revenues over expenditures	(340,403)	353,269	(137,660)	(490,929)	(298,070)	(8,405)	2,272	10,677
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(340,403)	353,269	(137,660)	(490,929)	(298,070)	(8,405)	2,272	10,677
Fund balances, beginning	1,138,576	1,138,576	1,138,576	-	469,840	469,840	469,840	-
Fund balances, ending	$ 798,173	$ 1,491,845	$ 1,000,916	$ (490,929)	$ 171,770	$ 461,435	$ 472,112	$ 10,677

* As of June 30, 2014

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	Housing and Urban Development Grant				Community Bus Program			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	954,131	4,034,993	2,848,013	(1,186,980)	458,026	755,986	499,989	(255,997)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	954,131	4,034,993	2,848,013	(1,186,980)	458,026	755,986	499,989	(255,997)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	106,474	106,474	106,474	-	743,520	1,060,245	954,333	105,912
Economic environment	847,657	3,928,519	2,741,539	1,186,980	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	954,131	4,034,993	2,848,013	1,186,980	743,520	1,060,245	954,333	105,912
Excess (deficiency) of revenues over expenditures	-	-	-	-	(285,494)	(304,259)	(454,344)	(150,085)
Other financing sources (uses):								
Transfers in	-	-	-	-	285,494	465,745	454,344	(11,401)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	285,494	465,745	454,344	(11,401)
Net change in fund balances	-	-	-	-	-	161,486	-	(161,486)
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -	$ -	$ 161,486	$ -	$ (161,486)

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	Older Americans Act				Treasury Confiscated			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	841,069	844,109	821,525	(22,584)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	7,549	7,549	-
Investment income	-	-	-	-	4,000	4,000	1,854	(2,146)
Contributions	96,220	96,222	25,170	(71,052)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	937,289	940,331	846,695	(93,636)	4,000	11,549	9,403	(2,146)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	21,753	319,485	34,676	284,809
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	1,365,798	1,365,798	1,272,162	93,636	-	-	-	-
Total expenditures	1,365,798	1,365,798	1,272,162	93,636	21,753	319,485	34,676	284,809
Excess (deficiency) of revenues over expenditures	(428,509)	(425,467)	(425,467)	-	(17,753)	(307,936)	(25,273)	282,663
Other financing sources (uses):								
Transfers in	428,509	425,467	425,467	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	428,509	425,467	425,467	-	-	-	-	-
Net change in fund balances	-	-	-	-	(17,753)	(307,936)	(25,273)	282,663
Fund balances, beginning	23,234	23,234	23,234	-	343,079	343,079	343,079	-
Fund balances, ending	$ 23,234	$ 23,234	$ 23,234	$ -	$ 325,326	$ 35,143	$ 317,806	$ 282,663

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds							
	Justice Confiscated				$2 Police Education			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	59,871	59,871	-	44,953	44,953	37,076	(7,877)
Investment income	5,000	5,000	3,207	(1,793)	3,000	3,000	1,697	(1,303)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	5,000	64,871	63,078	(1,793)	47,953	47,953	38,773	(9,180)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	165,815	541,108	825	540,283	44,953	268,706	25,090	243,616
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	165,815	541,108	825	540,283	44,953	268,706	25,090	243,616
Excess (deficiency) of revenues over expenditures	(160,815)	(476,237)	62,253	538,490	3,000	(220,753)	13,683	234,436
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(160,815)	(476,237)	62,253	538,490	3,000	(220,753)	13,683	234,436
Fund balances, beginning	569,815	569,815	569,815	-	305,053	305,053	305,053	-
Fund balances, ending	$ 409,000	$ 93,578	$ 632,068	$ 538,490	$ 308,053	$ 84,300	$ 318,736	$ 234,436

(continued)

City of Pembroke Pines, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2014
(continued)

	Special Revenue Funds				Permanent Fund			
	FDLE Confiscated				Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	96,133	96,953	820	-	-	-	-
Investment income	11,000	11,000	3,292	(7,708)	1,700	1,700	855	(845)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	11,000	107,133	100,245	(6,888)	1,700	1,700	855	(845)
Expenditures:								
General government	-	-	-	-	16,500	16,500	16,410	90
Public safety	28,544	506,946	242,103	264,843	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	28,544	506,946	242,103	264,843	16,500	16,500	16,410	90
Excess (deficiency) of revenues over expenditures	(17,544)	(399,813)	(141,858)	257,955	(14,800)	(14,800)	(15,555)	(755)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(17,544)	(399,813)	(141,858)	257,955	(14,800)	(14,800)	(15,555)	(755)
Fund balances, beginning	608,601	608,601	608,601	-	541,828	541,828	541,828	-
Fund balances, ending	$ 591,057	$ 208,788	$ 466,743	$ 257,955	$ 527,028	$ 527,028	$ 526,273	$ (755)

FIDUCIARY FUND TYPES

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

- AGENCY FUNDS

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

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

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

City of Pembroke Pines, Florida
Combining Statement of Net Position
Fiduciary Funds
September 30, 2014

	General Employees Pension	Firefighters and Police Officers Pension	Other Post-Employment Benefits	Totals
Assets				
Cash and short-term investments	$ -	$ 14,388,631	$ 1,259,261	$ 15,647,892
Receivables				
Accrued interest and dividends	-	950,273	-	950,273
Other	9,800,000	4,484,158	-	14,284,158
Total receivables	9,800,000	5,434,431	-	15,234,431
Prepaid expenses				
Prepaid DROP benefits	-	1,955,917	-	1,955,917
Investments, at fair value				
U.S. Government securities	-	14,732,361	-	14,732,361
Corporate bonds	-	85,262,938	-	85,262,938
Common stocks	-	238,899,663	-	238,899,663
Foreign bonds	-	7,143,091	-	7,143,091
Domestic equity fund	-	34,582,356	-	34,582,356
International equity fund	-	35,496,611	-	35,496,611
Real estate fund	-	46,069,479	-	46,069,479
Mutual funds	150,980,771	-	51,670,234	202,651,005
Total investments	150,980,771	462,186,499	51,670,234	664,837,504
Capital Assets:				
Property and equipment, net	-	381,244	-	381,244
Total capital assets	-	381,244	-	381,244
Total assets	160,780,771	484,346,722	52,929,495	698,056,988
Liabilities				
Reserve for health insurance claims	-	-	526,656	526,656
Accounts payable	-	451,436	143,425	594,861
Total liabilities	-	451,436	670,081	1,121,517
Net Position				
Net position restricted for benefits	$ 160,780,771	$ 483,895,286	$ 52,259,414	$ 696,935,471

City of Pembroke Pines, Florida
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2014

	General Employees Pension	Firefighters and Police Officers Pension	Other Post-Employment Benefits	Totals
Additions				
Contributions:				
Plan members	$ 237,040	$ 2,983,464	$ 675,017	$ 3,895,521
Employee buybacks	-	11,528	-	11,528
Employer	16,474,902	23,585,326	9,352,000	49,412,228
State	-	2,629,081	-	2,629,081
Total contributions	16,711,942	29,209,399	10,027,017	55,948,358
Investment income	12,918,959	46,596,721	4,292,026	63,807,706
Less investment expenses	45,401	2,469,734	180,373	2,695,508
Net investment income	12,873,558	44,126,987	4,111,653	61,112,198
Other addtions:				
Specific stop loss and medical claims recovery	-	-	203,412	203,412
Other income	-	44,649	-	44,649
Total other additions	-	44,649	203,412	248,061
Total additions	29,585,500	73,381,035	14,342,082	117,308,617
Deductions				
Benefit payments and insurance premiums	10,021,946	25,357,071	5,406,325	40,785,342
Refunds of contributions	-	34,255	-	34,255
Administrative expenses	2,100	606,484	236,632	845,216
Total deductions	10,024,046	25,997,810	5,642,957	41,664,813
Change in net position	19,561,454	47,383,225	8,699,125	75,643,804
Net position, beginning as previously reported	141,219,317	343,747,785	43,560,289	528,527,391
Prior period adjustment	-	92,764,276	-	92,764,276
Net position, beginning as restated	141,219,317	436,512,061	43,560,289	621,291,667
Net position, ending	$ 160,780,771	$ 483,895,286	$ 52,259,414	$ 696,935,471

AGENCY FUNDS

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

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

City of Pembroke Pines, Florida

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2014

	Balance September 30, 2013	Additions	Deductions	Balance September 30, 2014
General Agency Fund				
Assets:				
Pooled cash and cash equivalents	$ 3,576,197	$ 87,402,030	$ 87,310,821	$ 3,667,406
Total assets	$ 3,576,197	$ 87,402,030	$ 87,310,821	$ 3,667,406
Liabilities:				
Accrued liabilities	$ 3,576,197	$ 84,196,128	$ 84,104,919	$ 3,667,406
Due to other funds	-	3,321,921	3,321,921	-
Total liabilities	$ 3,576,197	$ 87,518,049	$ 87,426,840	$ 3,667,406
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	$ 3,813	$ 20,305,461	$ 20,301,682	$ 7,592
Accounts receivable	1,980,423	18,688,559	18,706,488	1,962,494
Total assets	$ 1,984,236	$ 38,994,020	$ 39,008,170	$ 1,970,086
Liabilities:				
Accounts payable	$ 1,984,236	$ 19,423,033	$ 19,437,183	$ 1,970,086
Total liabilities	$ 1,984,236	$ 19,423,033	$ 19,437,183	$ 1,970,086
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	$ 3,580,010	$ 107,707,491	$ 107,612,503	$ 3,674,998
Accounts receivable	1,980,423	18,688,559	18,706,488	1,962,494
Total assets	$ 5,560,433	$ 126,396,050	$ 126,318,991	$ 5,637,492
Liabilities:				
Accounts payable	$ 1,984,236	$ 19,423,033	$ 19,437,183	$ 1,970,086
Accrued liabilities	3,576,197	84,196,128	84,104,919	3,667,406
Due to other funds	-	3,321,921	3,321,921	-
Total liabilities	$ 5,560,433	$ 106,941,082	$ 106,864,023	$ 5,637,492

III. STATISTICAL SECTION

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

City of Pembroke Pines, Florida

Net Position by Component (1)
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2005	2006	2007	2008	2009	2010	2011 (2)	2012	2013 (3)	2014
Governmental activities										
Invested in capital assets, net of related debt	$ 108,374,146	$ 95,504,416	$ 100,395,349	$ 103,142,455	$ 102,055,175	$ 98,775,229	$ 96,015,470	$ 96,374,595	$ 95,158,519	$ 96,036,092
Restricted	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625	27,778,800	27,477,286	25,037,929	20,865,437	23,199,554
Unrestricted	1,504,644	3,898,185	(11,556,042)	(15,795,579)	(16,635,595)	(5,662,804)	(2,761,804)	17,439,237	21,547,870	35,059,606
Total governmental activities net position	$ 128,698,738	$ 116,410,958	$ 114,629,145	$ 115,377,109	$ 114,054,205	$ 120,891,225	$ 120,730,952	$ 138,851,761	$ 137,571,826	$ 154,295,252
Business-type activities										
Invested in capital assets, net of related debt	$ 148,774,481	$ 143,262,982	$ 143,935,636	$ 153,389,446	$ 152,797,781	$ 149,327,456	$ 142,748,564	$ 147,671,862	$ 147,106,303	$ 143,816,502
Restricted	-	-	-	-	-	-	2,252,459	702,175	717,102	1,263,613
Unrestricted	83,683,180	83,495,955	76,910,616	65,919,119	63,917,539	65,709,435	72,665,822	70,129,711	75,074,326	85,725,566
Total business-type activities net position	$ 232,457,661	$ 226,758,937	$ 220,846,252	$ 219,308,565	$ 216,715,320	$ 215,036,891	$ 217,666,845	$ 218,503,748	$ 222,897,731	$ 230,805,681
Primary government										
Invested in capital assets, net of related debt	$ 257,148,627	$ 238,767,398	$ 244,330,985	$ 256,531,901	$ 254,852,956	$ 248,102,685	$ 238,764,034	$ 244,046,457	$ 242,264,822	$ 239,852,594
Restricted	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625	27,778,800	29,729,745	25,740,104	21,582,539	24,463,167
Unrestricted	85,187,824	87,394,140	65,354,574	50,123,540	47,281,944	60,046,631	69,904,018	87,568,948	96,622,196	120,785,172
Total primary government net position	$ 361,156,399	$ 343,169,895	$ 335,475,397	$ 334,685,674	$ 330,769,525	$ 335,928,116	$ 338,397,797	$ 357,355,509	$ 360,469,557	$ 385,100,933

(1) Statement of Net Assets renamed to Statement of Net Position in FY 2012 per GASB Statement No. 63.
(2) FY 2011 restricted and unrestricted net assets of the business-type activities restated for comparative purposes.
(3) FY 2013 restricted net assets of the governmental activities restated for comparative purposes.

City of Pembroke Pines, Florida

Changes in Net Position (1)
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	**FY 2005**	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Governmental activities:										
General government **(4)**	$ 21,438,009	$ 23,008,076	$ 23,303,062	$ 23,235,940	$ 20,915,269	$ 19,647,193	$ 17,927,195	$ 18,177,121	$ 20,448,927	$ 21,442,092
Public safety **(2) (4)**	75,037,886	115,482,598	88,982,854	102,967,033	102,368,029	93,568,314	94,585,886	91,073,377	99,209,184	93,399,960
Physical environment	3,612,466	3,997,835	4,123,318	3,654,027	3,108,385	2,684,192	2,583,101	2,462,622	8,532,071	8,398,804
Transportation	12,013,824	8,243,716	12,845,956	11,950,528	16,653,981	9,989,922	9,509,801	8,780,538	7,636,242	7,592,371
Economic environment	3,064,478	4,715,450	7,559,297	10,717,579	10,984,230	13,329,473	11,846,539	11,402,548	10,216,405	11,647,174
Human services	49,160,396	50,152,084	54,110,736	53,871,577	56,340,121	54,656,396	57,265,615	52,041,469	55,589,548	57,230,972
Culture/Recreation	18,447,037	19,673,548	20,948,154	21,576,740	20,744,104	18,316,771	17,921,567	17,002,608	12,112,573	10,357,409
Interest on long-term debt	13,765,458	15,728,258	16,823,152	17,996,176	18,753,360	19,166,448	18,391,348	17,816,972	17,683,512	16,518,111
Total governmental activities expenses	196,539,554	241,001,565	228,696,529	245,969,600	249,867,479	231,358,709	230,031,052	218,757,255	231,428,462	226,586,893
Business-type activities:										
Public safety	48,130	273,616	4,100	-	-	-	-	-	-	-
Water utility services	4,421,132	5,088,235	5,318,837	5,318,791	4,933,388	4,318,216	4,596,991	4,675,493	5,120,127	5,235,305
Sewer/wastewater services	9,600,254	9,970,132	12,271,389	13,080,744	10,742,197	10,946,520	11,947,362	12,568,023	12,703,656	11,541,769
Water-sewer combined services	22,917,382	25,887,741	26,104,176	24,812,790	25,614,616	24,764,738	24,365,791	23,676,096	24,156,348	24,700,745
Total business-type activities expenses	36,986,898	41,219,724	43,698,502	43,212,325	41,290,201	40,029,474	40,910,144	40,919,612	41,980,131	41,477,819
Total primary government expenses	$ 233,526,452	$ 282,221,289	$ 272,395,031	$ 289,181,925	$ 291,157,680	$ 271,388,183	$ 270,941,196	$ 259,676,867	$ 273,408,593	$ 268,064,712
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 16,210,579	$ 15,318,437	$ 15,166,539	$ 14,295,201	$ 16,026,118	$ 16,049,045	$ 17,819,949	$ 16,759,799	$ 16,632,425	$ 18,125,053
Public safety	16,612,089	19,436,165	19,897,138	28,386,165	28,257,835	28,399,794	28,600,551	32,454,166	29,134,920	29,418,815
Physical environment	560	120	600	1,075	-	158	-	-	-	-
Transportation	235,650	285,684	315,033	355,227	358,348	174,676	200,000	200,000	200,000	16,667
Economic environment	1,996,031	4,316,254	4,642,437	4,974,853	6,211,809	6,782,391	6,753,571	6,515,246	6,802,732	7,146,956
Human services	38,929,127	40,293,116	47,785,824	51,655,776	49,472,143	49,638,630	52,159,157	47,415,737	48,945,110	50,101,744
Culture/Recreation	4,112,009	3,962,945	3,702,140	4,759,467	4,797,806	4,129,033	4,214,764	3,711,491	4,020,147	4,044,472
Interest on long-term debt	8,217,168	8,996,692	10,070,967	9,602,414	10,906,060	12,014,252	12,359,630	10,940,507	12,492,011	12,359,687
Operating grants and contributions **(3)**	6,803,875	34,437,431	7,557,767	10,489,392	14,653,685	9,984,812	8,702,595	6,669,239	5,333,371	7,245,855
Capital grants and contributions	1,109,677	304,636	6,671,291	11,914,221	5,483,163	2,294,865	748,394	1,598,078	610,544	718,466
Total governmental activities program revenues	94,226,765	127,351,480	115,809,736	136,433,791	136,166,967	129,467,656	131,558,611	126,264,263	124,171,260	129,177,715
Business-type activities:										
Charges for services:										
Water utility services	14,188,320	14,775,105	15,372,828	16,310,543	18,042,310	18,015,418	20,160,031	20,648,379	21,214,069	21,619,222
Sewer/wastewater services	14,633,008	15,277,785	15,338,034	15,422,017	19,150,659	18,689,072	20,872,045	21,143,920	21,863,304	22,211,823
Water-sewer combined services	141,794	147,947	346,881	136,225	109,946	98,253	128,124	131,311	125,892	113,001
Operating grants and contributions	42,113	151,310	10,066	-	-	192,400	-	-	-	-
Capital grants and contributions	712,820	1,577,331	2,471,676	7,307,004	717,144	680,553	1,494,661	1,022,609	2,106,126	2,064,436
Total business-type activities program revenues	29,718,055	31,929,478	33,539,485	39,175,789	38,020,059	37,675,696	42,654,861	42,946,219	45,309,391	46,008,482
Total primary government program revenues	$ 123,944,820	$ 159,280,958	$ 149,349,221	$ 175,609,580	$ 174,187,026	$ 167,143,352	$ 174,213,472	$ 169,210,482	$ 169,480,651	$ 175,186,197

(1) Changes in Net Assets renamed to Changes in Net Position in FY 2012 per GASB Statement No. 63.
(2) The increase in FY 06 was due to expenses related to Hurricane Wilma.
(3) The FY 06 increase from the prior period was due to Federal and State revenues from FEMA for Hurricane Wilma.
(4) FY 2008 includes a $3.8 million reclass of OPEB expense from General government to Public safety.

(continued)

City of Pembroke Pines, Florida

Changes in Net Position (1)
Last Ten Fiscal Years
(accrual basis of accounting)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Net (expense)/revenue:										
Governmental activities	$ (102,312,789)	$ (113,650,085)	$ (112,886,793)	$ (109,535,809)	$ (113,700,512)	$ (101,891,053)	$ (98,472,441)	$ (92,492,992)	$ (107,257,202)	$ (97,409,178)
Business-type activities	(7,268,843)	(9,290,246)	(10,159,017)	(4,036,536)	(3,270,142)	(2,353,778)	1,744,717	2,026,607	3,329,260	4,530,663
Total primary government net expense	$ (109,581,632)	$ (122,940,331)	$ (123,045,810)	$ (113,572,345)	$ (116,970,654)	$ (104,244,831)	$ (96,727,724)	$ (90,466,385)	$ (103,927,942)	$ (92,878,515)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for debt service	$ -	$ 2,825,984	$ 2,665,536	$ 5,264,984	$ 5,520,777	$ 5,482,360	$ 5,459,564	$ 5,441,632	$ 5,514,105	$ 5,470,524
Property taxes, levied for general purposes	35,586,353	39,709,378	47,104,494	47,077,737	46,044,021	47,224,460	45,839,333	45,704,600	46,282,854	48,136,008
Utility taxes	9,461,819	9,673,442	9,722,816	9,939,667	10,012,094	10,710,284	10,832,358	11,159,960	11,717,590	12,655,027
Communication service tax	6,729,782	7,062,674	7,060,041	7,359,061	8,524,622	7,748,084	7,359,807	7,549,655	7,598,497	6,350,145
Insurance premium taxes **(5)**	1,861,332	2,028,350	2,442,108	2,581,143	2,429,576	2,337,509	2,269,110	2,342,079	2,458,939	2,629,081
Local option gas taxes **(5)**	2,858,951	2,835,233	2,739,055	2,785,670	2,696,917	2,633,187	2,644,449	2,664,803	2,669,684	2,682,012
Local business tax **(6)**	2,583,227	2,792,926	3,075,143	3,316,948	3,307,733	3,191,395	3,045,727	3,166,530	3,232,834	3,272,689
Franchise fees	12,946,625	14,712,631	15,105,140	15,294,804	16,378,799	14,712,823	14,959,851	14,594,290	14,930,045	17,121,734
Intergovernmental revenue - unrestricted	13,439,226	14,081,754	13,503,386	12,563,396	11,229,891	11,171,464	11,808,190	12,530,757	13,371,163	14,273,538
Miscellaneous revenues	282,531	341,544	766,762	595,174	1,320,308	218,254	420,658	579,220	634,605	697,727
Investment earnings not restricted	2,407,813	5,298,389	6,910,527	3,505,189	4,912,870	3,298,253	1,418,618	2,117,118	(309,711)	844,119
Gain on sale of capital assets	-	-	9,972	-	-	-	29,621	98,179	503,021	-
Transfers in (out) **(7)**	-	-	-	-	-	-	(7,775,118)	2,664,978	-	-
Total governmental activities	88,157,659	101,362,305	111,104,980	110,283,773	112,377,608	108,728,073	98,312,168	110,613,801	108,603,626	114,132,604
Business-type activities:										
Investment earnings (losses) not restricted **(7)**	1,856,224	3,482,457	4,222,049	2,488,373	665,173	665,360	(6,891,075)	1,471,592	1,032,773	3,098,559
Miscellaneous revenues	142	99,618	23,947	10,476	11,723	9,989	1,194	813	3,669	2,038
Gain on sale of capital assets	469	9,447	336	-	-	-	-	2,869	28,281	276,690
Transfers in (out) **(7)**	-	-	-	-	-	-	7,775,118	(2,664,978)	-	-
Total business-type activities	1,856,835	3,591,522	4,246,332	2,498,849	676,896	675,349	885,237	(1,189,704)	1,064,723	3,377,287
Total primary government	$ 90,014,494	$ 104,953,827	$ 115,351,312	$ 112,782,622	$ 113,054,504	$ 109,403,422	$ 99,197,405	$ 109,424,097	$ 109,668,349	$ 117,509,891
Change in Net Position										
Governmental activities	$ (14,155,130)	$ (12,287,780)	$ (1,781,813)	$ 747,964	$ (1,322,904)	$ 6,837,020	$ (160,273)	$ 18,120,809	$ 1,346,424	$ 16,723,426
Business-type activities	(5,412,008)	(5,698,724)	(5,912,685)	(1,537,687)	(2,593,246)	(1,678,429)	2,629,954	836,903	4,393,983	7,907,950
Total primary government	$ (19,567,138)	$ (17,986,504)	$ (7,694,498)	$ (789,723)	$ (3,916,150)	$ 5,158,591	$ 2,469,681	$ 18,957,712	$ 5,740,407	$ 24,631,376

(5) Insurance premium taxes and local option gas taxes were shown in one line item labeled "Other taxes" in prior years.
(6) Occupational licenses reclassed from General government Program revenues to Local business tax in FY 2005 - FY 2006 for purposes of comparability.
(7) In FY 2011, the General Fund transferred $7.8 million to offset the effect of interest written off, related to the Investment in City Center.

City of Pembroke Pines, Florida

General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Utility Taxes	Communications Services Tax (1)	Insurance Premium Taxes	Local Option Gas Taxes	Local Business Tax (2)	Total
2005	$ 35,586,353	$ 9,461,819	$ 6,729,782	$ 1,861,332	$ 2,858,951	$ 2,583,227	$ 59,081,464
2006	42,535,362	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	49,770,030	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	52,342,721	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210
2009	51,564,798	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740
2010	52,706,820	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	51,298,897	10,832,357	7,359,807	2,269,110	2,644,449	3,045,727	77,450,347
2012	51,146,232	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259
2013	51,796,959	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	53,606,532	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,486

(1) In FY2012, The Communications Services Tax replaced the Utility Services Tax on telecommunications services and the franchise fees on cable and telecommunication service providers.

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

City of Pembroke Pines, Florida

Fund Balances of Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	$ 180,185	$ 233,842	$ 359,358	$ 452,203	$ 412,405	$ 306,832	$ 397,064	$ 357,174	$ 1,619,035	$ 25,064,410
Assigned	6,200,843	3,507,638	2,551,332	2,179,327	2,127,635	2,125,767	2,419,331	12,990,861	8,788,284	9,063,100
Unassigned	26,137,809	28,611,752	30,828,040	31,325,893	34,142,847	36,155,207	36,090,554	38,330,423	42,147,303	20,503,089
Total general fund	$ 32,518,837	$ 32,353,232	$ 33,738,730	$ 33,957,423	$ 36,682,887	$ 38,587,806	$ 38,906,949	$ 51,678,458	$ 52,554,622	$ 54,630,599
All other governmental funds										
Nonspendable	$ 534,841	$ 558,410	$ 552,616	$ 580,746	$ 548,675	$ 522,613	$ 568,224	$ 564,699	$ 527,074	$ 505,649
Restricted	52,159,551	38,070,444	72,041,927	54,257,562	48,659,777	50,012,752	48,481,747	49,491,775	47,757,198	42,435,671
Assigned	2,332,232	1,108,380	1,208,597	5,338,482	5,039,130	5,116,328	5,459,283	4,559,679	3,515,694	3,095,135
Unassigned	(54,125)	(73,501)	(74,455)	(79,850)	(30,250)	(53,275)	(98,875)	(95,350)	(57,725)	(36,300)
Total all other governmental funds	$ 54,972,499	$ 39,663,733	$ 73,728,685	$ 60,096,940	$ 54,217,332	$ 55,598,418	$ 54,410,379	$ 54,520,803	$ 51,742,241	$ 46,000,155

(1) Fund balances for fiscal years 2005 - 2010 restated to conform with GASB Statement 54 - *Fund Balance Reporting and Governmental Fund*

City of Pembroke Pines, Florida

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	$ 59,081,464	$ 66,927,985	$ 74,809,193	$ 78,325,210	$ 78,535,740	$ 79,327,279	$ 77,450,347	$ 78,029,259	$ 79,474,503	$ 81,195,486
Special assessments	8,194,372	8,299,540	8,468,562	17,602,253	19,734,363	21,015,296	20,633,100	20,758,230	20,758,650	22,212,257
Permits, fees and licenses	17,592,755	21,021,458	22,185,099	20,801,798	18,508,763	15,009,358	15,390,067	15,003,943	15,328,261	17,606,785
Intergovernmental	50,899,822	81,112,119	59,130,835	64,894,563	65,065,938	61,513,829	61,421,335	54,985,417	55,760,952	59,602,343
Charges for services	24,989,138	24,836,751	26,284,799	27,467,164	29,477,979	29,126,538	31,359,527	32,932,098	30,300,642	30,900,561
Fines and forfeitures	958,626	1,364,608	1,426,849	1,475,291	1,594,585	1,879,569	2,117,330	2,829,174	2,267,483	1,522,857
Investment income	2,223,782	4,764,002	6,840,257	3,015,860	4,035,447	2,780,298	1,233,115	1,859,339	(388,702)	717,564
Contributions	1,773,367	487,008	6,696,257	11,366,688	5,660,901	986,077	691,235	2,070,193	1,073,813	2,277,717
Rental revenue	15,345,787	18,498,842	19,888,637	19,799,580	23,125,797	24,895,496	25,629,636	23,892,020	25,593,043	25,537,050
Other	1,338,585	1,426,743	1,734,635	1,920,227	2,360,034	1,675,016	1,720,201	1,872,355	2,217,860	1,793,160
Total revenues	182,397,698	228,739,056	227,465,123	246,668,634	248,099,547	238,208,756	237,645,893	234,232,028	232,386,505	243,365,780
Expenditures										
General government	26,862,617	23,624,343	22,515,991	21,511,476	19,597,106	20,337,005	18,187,343	17,767,976	19,848,137	25,685,959
Public safety	69,464,940	110,276,174	86,971,602	94,765,020	98,221,869	97,825,714	94,158,393	94,003,192	101,304,879	98,070,048
Physical environment	3,531,434	3,917,975	4,025,954	3,584,401	2,955,500	2,731,465	2,463,390	2,424,402	8,140,631	10,284,640
Transportation	10,365,168	8,689,081	26,343,989	29,135,640	15,465,192	7,524,769	6,569,318	6,597,524	6,912,419	8,127,464
Economic environment	18,235,896	6,406,373	26,728,564	10,869,712	9,027,377	12,107,775	10,659,737	10,164,667	9,280,264	10,595,084
Human services	45,094,806	46,032,389	50,611,995	60,872,921	55,052,389	51,917,155	53,925,104	50,169,454	52,525,696	54,231,101
Culture and recreation	18,611,509	18,454,015	39,322,524	24,075,681	25,565,490	16,349,527	17,944,585	13,498,021	13,388,170	11,497,504
Debt service:										
Principal	3,855,000	5,035,000	5,255,000	5,830,000	7,140,000	7,950,000	8,872,500	9,457,600	9,661,916	10,305,165
Interest	13,581,146	15,770,383	16,021,994	18,754,792	17,812,377	17,408,607	17,179,540	17,265,348	16,911,616	16,231,252
Other debt service costs	897,238	22,694	2,422,368	1,853,595	416,391	563,783	779,763	1,911	5,500	1,622,757
Total expenditures	210,499,754	238,228,427	280,219,981	271,253,238	251,253,691	234,715,800	230,739,673	221,350,095	237,979,228	246,650,974
Excess (deficiency) of revenues over (under) expenditures	(28,102,056)	(9,489,371)	(52,754,858)	(24,584,604)	(3,154,144)	3,492,956	6,906,220	12,881,933	(5,592,723)	(3,285,194)
Other financing sources (uses)										
Transfers in	1,536,782	1,413,924	1,695,484	3,148,839	2,153,600	909,154	2,111,535	2,869,330	2,457,133	2,593,289
Transfers out	(1,536,782)	(1,413,924)	(1,695,484)	(3,148,839)	(2,153,600)	(909,154)	(9,886,652)	(2,869,330)	(2,457,133)	(2,593,289)
Bonds issued	54,910,000	-	144,574,999	72,135,000	-	8,545,700	-	-	-	-
Premium (discount) on bonds	(358,853)	-	3,067,996	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	(7,910,000)	-	-	-	-	-	108,896,529
Payment to refunded bond escrow agent	-	(5,985,000)	(59,437,687)	(53,053,448)	-	(8,752,651)	-	-	-	(109,277,444)
Installment purchase	-	-	-	-	-	-	-	-	590,327	-
Sales of Capital Assets	-	-	-	-	-	-	-	-	3,100,000	-
Total other financing sources (uses)	54,551,147	(5,985,000)	88,205,308	11,171,552	-	(206,951)	(7,775,117)	-	3,690,327	(380,915)
Net change in fund balances	$ 26,449,091	$ (15,474,371)	$ 35,450,450	$ (13,413,052)	$ (3,154,144)	$ 3,286,005	$ (868,897)	$ 12,881,933	$ (1,902,396)	$ (3,666,109)
Capital outlay	28,616,016	13,799,125	64,558,803	40,429,598	16,472,730	5,341,778	8,435,598	3,763,360	10,972,218	10,495,383
Debt service as a percentage of noncapital expenditures	9.6%	9.3%	9.9%	10.7%	10.6%	11.1%	11.7%	12.3%	11.7%	11.2%

City of Pembroke Pines, Florida

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Taxes levied for: Debt Service	General Purposes	Utility Taxes	Communications Services Tax	Insurance Premium Taxes (1)	Local Option Gas Taxes (1)	Local Business Tax (3)	Total
2005	$ -	$35,586,353	$9,461,819	$ 6,729,782	$ 1,861,332	$ 2,858,951	$ 2,583,227	$ 59,081,464
2006	2,825,984 **(2)**	39,709,378	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	2,665,536	47,104,494	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	5,264,984	47,077,737	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210
2009	5,520,777	46,044,021	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740
2010	5,482,360	47,224,460	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	5,459,564	45,839,333	10,832,358	7,359,807	2,269,110	2,644,449	3,045,727	77,450,348
2012	5,441,632	45,704,600	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259
2013	5,514,105	46,282,854	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	5,470,524	48,136,008	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,487

(1) Insurance premium taxes and local option gas taxes were shown in one line item labeled "Other taxes" in prior years FY2005.
(2) First year of taxes, based on the voter approved General Obligation Bonds, Series 2005 issued on September 30, 2005.
(3) Prior to FY 2007 Local business tax was reported as Licenses & Fees. Prior years have been restated.

City of Pembroke Pines, Florida

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Assessment Value: Real Property	Assessment Value: Personal Property	Less: Tax-Exempt Properties(1)	Less: Personal Exemptions(2)	Less: Capped Differential(3)	Less: V.A.B. Adjustments (4)	Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
2005	$ 11,264,982,620	$ 341,697,566	$ 556,966,799	$ 1,152,257,400	$ 1,831,872,990	$ 53,852,583	$ 8,011,730,414	4.5990	$ 11,606,680,186	100.00%
2006	13,270,318,770	335,740,322	632,642,006	1,170,867,380	2,773,394,220	52,508,365	8,976,647,121	4.9265	13,606,059,092	100.00%
2007	16,778,736,280	366,721,537	781,881,297	1,170,127,780	4,554,450,930	46,195,039	10,592,802,771	4.8596	17,145,457,817	100.00%
2008	18,897,931,150	354,767,117	1,088,601,100	1,251,591,080	5,197,289,590	(41,518,535)	11,756,735,032	4.6397	19,252,698,267	100.00%
2009	17,477,224,530	371,437,004	1,185,181,305	2,211,645,023	3,664,549,250	51,004,352	10,736,281,604	4.9630	17,848,661,534	100.00%
2010	14,350,984,240	376,229,179	1,301,379,660	2,165,825,895	1,665,617,130	41,890,096	9,552,500,638	5.7200	14,727,213,419	100.00%
2011	12,227,149,400	370,605,893	1,369,374,188	2,067,960,606	739,111,603	26,651,836	8,394,657,060	6.3660	12,597,755,293	100.00%
2012	12,282,068,370	390,101,814	1,411,247,232	2,006,049,281	800,373,704	41,956,052	8,412,543,915	6.3081	12,672,170,184	100.00%
2013	12,168,981,170	390,454,887	1,416,710,838	1,971,419,226	652,531,463	4,987,130	8,513,787,400	6.3084	12,559,436,057	100.00%
2014	12,713,588,220	432,087,651	1,412,737,736	1,947,248,688	882,480,633	21,959,798	8,881,249,016	6.2776	13,145,675,871	100.00%

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

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

(1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).

(2) Widows/widowers, disability/blind, $25,000 homestead, additional $25,000 homestead, additional $25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents, disabled veterans' homestead discount and deployed service member's homestead exemption.

(3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index. Per Florida Statutes 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year. Per Florida Statute 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year. Per Florida Statute 193.621, the reassessed value may not be greater than its market value as salvage.

(4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA.

(5) Total direct tax rate includes debt service millage as follows: 0.3275-FY2006, 0.2606-FY2007, 0.4672-FY2008, 0.5318-FY2009, 0.5951-FY2010, 0.6780-FY2011, 0.6713-FY2012, 0.6716 -FY2013 and 0.6408 -FY2014.

(6) Includes tax-exempt property.

City of Pembroke Pines, Florida

Property Tax Rates
Direct and Overlapping (1) Governments
Last Ten Fiscal Years

	City of Pembroke Pines			Broward County				School Board					Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Capital Projects Millage	Debt Service Millage	Total County Millage	General Fund Millage	Capital Outlay Millage	Debt Service Millage	Total School Millage	Special Districts	Direct & Overlapping Rates
2005	4.5990	-	4.5990	6.1905	0.2926	0.5399	7.0230	6.0140	2.0000	0.2555	8.2695	2.7347	22.6262
2006	4.5990	0.3275	4.9265	5.9838	0.3104	0.4888	6.7830	5.8410	2.0000	0.2213	8.0623	2.6086	22.3804
2007	4.5990	0.2606	4.8596	5.4054	0.2379	0.4228	6.0661	5.6790	2.0000	0.1897	7.8687	2.4728	21.2672
2008	4.1725	0.4672	4.6397	4.7471	0.1418	0.3979	5.2868	5.4770	2.0000	0.1714	7.6484	2.1800	19.7549
2009	4.4312	0.5318	4.9630	4.7471	0.1418	0.4256	5.3145	5.6670	1.7500	-	7.4170	2.2252	19.9197
2010	5.1249	0.5951	5.7200	4.7612	0.1277	0.5000	5.3889	5.9310	1.5000	-	7.4310	2.3560	20.8959
2011	5.6880	0.6780	6.3660	5.0399	0.0622	0.4509	5.5530	6.1310	1.5000	-	7.6310	2.4013	21.9513
2012	5.6368	0.6713	6.3081	5.1220	0.0640	0.3670	5.5530	5.9180	1.5000	-	7.4180	1.6997	20.9788
2013	5.6368	0.6716	6.3084	5.1939	0.0637	0.2954	5.5530	5.9560	1.5000	-	7.4560	1.5536	20.8710
2014	5.6368	0.6408	6.2776	5.3639	0.0761	0.2830	5.7230	5.9800	1.5000	-	7.4800	1.3337	20.8143

Source: Broward County Property Appraiser.

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

City of Pembroke Pines, Florida

Principal Property Taxpayers
Current Year and Nine Years Ago

	2014 Collection Year			2005 Collection Year		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arium Resort LLC	$ 205,011,680	1	2.23%	$ -	-	- %
Pembroke Lakes Mall LTD	132,750,020	2	1.44%	109,790,130	2	1.37%
JRA HHF Venture LLC	122,931,250	3	1.34%	-		-
Pines City Center Res I LLC	67,520,000	4	0.73%	-		-
EQR-SWN Line Financing Limited	56,042,380	5	0.61%	-		-
Taplin Falls Ltd.	48,009,600	6	0.52%	39,053,790	4	0.49%
WRI JT Pembroke Commons LP	44,307,920	7	0.48%	34,318,870	8	0.43%
Stockbridge Lap LLC	42,258,200	8	0.46%	-		-
PR Pembroke Crossing LLC	41,603,300	9	0.45%	-		-
MIG/Pines Development LTD	39,863,100	10	0.43%	-		-
Pasadena Place Associates	-	-	-	118,252,210	1	1.48%
Prudential Insurance Co. of America	-	-	-	51,508,150	3	0.64%
CCMSC 2000-1 Broward Plaza LLC	-	-	-	38,102,550	5	0.48%
Marquesa Apartment Corporation	-	-	-	37,800,020	6	0.47%
Jefferson Pembroke LP	-	-	-	37,680,720	7	0.47%
Cole Boulevard Square Holdings	-	-	-	32,755,230	9	0.41%
KLS Flamingo Land Trust	-	-	-	32,145,750	10	0.40%
Total	$ 800,297,450		8.69%	$ 531,407,420		6.64%

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2005	$36,845,948	$35,493,585	96.3%	$ 31,292	$ 35,524,877	96.4%
2006	41,283,600	39,684,572	96.1%	107,415	39,791,987	96.4%
2007	48,716,300	46,954,319	96.4%	106,222	47,060,541	96.6%
2008	49,054,977	47,021,192	95.9%	205,953	47,227,145	96.3%
2009	47,574,611	45,833,741	96.3%	78,590	45,912,331	96.5%
2010	48,955,611	47,093,237	96.2%	78,294	47,171,531	96.4%
2011	47,748,809	45,707,333	95.7%	81,171	45,788,504	95.9%
2012	47,419,828	45,698,158	96.4%	(108,436)	45,589,722	96.1%
2013	47,990,517	46,244,787	96.4%	(164,285)	46,080,502	96.0%
2014	50,061,824	48,229,073	96.3%	-	48,229,073	96.3%

Source: Broward County Property Appraiser

(1) For operating purposes only - excludes taxes levied for voted debt service.
(2) Includes refunds due to reassessments and overpayments.

City of Pembroke Pines, Florida

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (2)

	Governmental Activities			Business-Type Activities			
Fiscal Year	**General Obligation Bonds**	**Revenue Bonds**	**Installment Purchase**	**Utility Bonds**	**Total Primary Government**	**Percentage of Personal Income (1)**	**Per Capita (1)**
2005	$ 46,641,200	$ 270,527,999	$ -	$ -	$ 317,169,199	7.45%	$ 2,100
2006	45,625,776	260,693,946	-	-	306,319,722	7.11%	2,018
2007	87,417,966	300,894,270	-	-	388,312,236	9.41%	2,540
2008	85,968,632	306,910,737	-	-	392,879,369	10.06%	2,613
2009	84,278,691	301,719,994	-	-	385,998,685	9.91%	2,553
2010	82,528,051	296,203,708	-	-	378,731,759	8.60%	2,447
2011	80,716,685	289,413,450	-	12,300,000	382,430,135	9.36%	2,469
2012	78,839,570	282,111,497	-	11,695,147	372,646,214	8.67%	2,412
2013	76,891,680	274,713,500	560,810	11,033,544	363,199,534	9.06%	2,335
2014	74,867,986	267,564,057	442,745	10,348,785	353,223,573	*	2,237

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

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.
(2) Debt from FY 2005 onward is net of premiums, discounts, and deferred gains and losses on refundings.
***** Information not available.

City of Pembroke Pines, Florida

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Amounts Available in Debt Service Fund for Payment of Principal	Amounts Available in Debt Service Fund for Payment of Interest	Total	Percentage of Estimated Actual Taxable Value(1) of Property	Per Capita(2)
2005	$ 46,641,200	$ -	$ -	$ 46,641,200	0.40%	$ 309
2006	45,625,776	-	112,347	45,625,776	0.34%	301
2007	87,417,966	-	68,568	87,417,966	0.51%	572
2008	85,968,632	-	569	85,968,632	0.45%	572
2009	84,278,691	-	12,171	84,278,691	0.47%	557
2010	82,528,051	-	50,204	82,528,051	0.56%	533
2011	80,716,685	-	65,201	80,716,685	0.64%	521
2012	78,839,570	-	66,125	78,839,570	0.62%	510
2013	76,891,680	-	103,481	76,891,680	0.61%	494
2014	74,867,986	-	113,002	74,867,986	0.57%	474

Notes:

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

(1) Property value data can be found in the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

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

City of Pembroke Pines, Florida

Direct and Overlapping Governmental Activities Debt
As of September 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Broward County	$ 279,630	6.31%	$ 17,645
School Board of Broward County	-	6.31%	-
South Florida Water Management District	491,656,223	6.31%	31,023,508
South Broward Hospital District	-	6.31%	-
Other debt			
Broward County	356,650	6.31%	22,505
School Board of Broward County	1,858,929	6.31%	117,298
South Florida Water Management District	13,107,025	6.31%	827,053
South Broward Hospital District	540,300,000	6.31%	34,092,930
Subtotal, overlapping debt			66,100,939
City of Pembroke Pines, direct debt (2)			342,874,788
Total direct and overlapping debt			$ 408,975,727

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

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

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

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

Fiscal Year	Net Available Revenues (1)	Debt Service		Coverage
		Principal	Interest	
Revenue Bonds Secured by **Electric Franchise Fees (2)**				
2005	$ 7,448,243	$ 1,235,000	$ 2,497,603	2.00
2006	8,958,121	1,280,000	2,428,471	2.42
2007	9,184,098	1,125,000	2,969,187	2.24
2008	9,176,429	1,635,000	4,014,338	1.62
2009	9,208,118	1,695,000	3,768,469	1.69
2010	8,401,468	2,295,000	3,588,054	1.43
2011	8,339,055	2,167,500	3,412,868	1.49
2012	8,059,519	2,502,600	3,373,748	1.37
2013	7,852,195	2,607,400	3,340,924	1.32
2014	8,529,691	2,872,100	3,233,729	1.40
Revenue Bonds Secured by **Electric Public Service Tax (3)**				
2005	$ 7,931,137	$ 1,475,000	$ 3,336,527	1.65
2006	8,084,904	1,530,000	3,586,996	1.58
2007	8,093,581	1,590,000	3,236,221	1.68
2008	8,220,016	1,665,000	3,337,808	1.64
2009	8,124,202	1,730,000	3,269,248	1.63
2010	8,840,661	1,805,000	3,197,138	1.77
2011	8,788,593	2,715,000	3,110,026	1.51
2012	9,076,627	2,815,000	3,004,799	1.56
2013	9,587,367	2,925,000	2,892,821	1.65
2014	10,461,326	3,040,000	2,773,749	1.80
Revenue Bonds Secured by **Charter School total revenues and Early Development Center lease payments (4)**				
2005	$ 36,922,829	$ 1,115,000	$ 2,467,971	10.31
2006	38,008,056	1,145,000	2,433,869	10.62
2007	43,925,966	1,190,000	2,394,806	12.25
2008	48,332,426	1,225,000	2,781,566	12.06
2009	46,318,931	-	2,641,369	17.54
2010	45,749,766	300,000	2,708,780	15.21
2011	48,459,697	300,000	2,834,899	15.46
2012	43,576,127	300,000	2,836,491	13.89
2013	45,485,610	100,000	3,018,375	14.59
2014	47,785,475	100,000	2,783,712	16.57

City of Pembroke Pines, Florida

Pledged-Revenue Coverage

Last Ten Fiscal Years

(continued)

Fiscal Year	Net Available Revenues (1)	Debt Service		Coverage
		Principal	Interest	
Revenue Bonds Secured by **Communications Services Tax and Water Public Service Tax (5)**				
2005	$ 8,040,474	$ -	$4,832,776	1.66
2006	8,431,668	-	4,832,776	1.74
2007	8,469,829	405,000	4,828,220	1.62
2008	8,854,262	1,045,000	4,799,152	1.52
2009	10,200,595	1,690,000	4,738,133	1.59
2010	9,388,292	1,765,000	4,662,033	1.46
2011	9,189,255	1,845,000	4,579,520	1.43
2012	9,413,185	1,930,000	4,490,170	1.47
2013	9,517,421	2,020,000	4,393,590	1.48
2014	8,311,246	2,120,000	4,067,232	1.34
Revenue Bonds Secured by **Net Revenues of the Consolidated Utility System (6)**				
2011	$ 7,458,921	$ -	$ 391,080	19.07
2012	8,412,559	604,853	418,802	8.22
2013	9,879,616	661,603	395,684	9.34
2014	13,755,051	684,759	406,082	12.61

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

(1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable.

(2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities.

(3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.

(4) **Charter School total revenues and Early Development Center lease payments** are total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds.

(5) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.
Water Public Service Taxes are taxes levied within the corporate limits of the City on the purchase of water service.

(6) **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance.
Gross Revenues are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details.)
Cost of Operations and Maintenance are current expenses for the operation, maintenance and repair of the System, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.
Renewal, Replacement and Improvement Fund is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

City of Pembroke Pines, Florida

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income(2)	Median Age(3)	Percent with a bachelor's degree or higher(3)	School Enrollment(4)	Unemployment Rate(5)
2005	151,045	$ 4,259,016	$ 28,197	37.8	32.3%	24,759	3.3%
2006	151,786	4,307,231	28,377	37.5	30.4%	23,497	2.9%
2007	152,888	4,125,224	26,982	39.3	29.8%	23,239	3.0%
2008	150,380	3,904,466	25,964	40.8	28.9%	24,907	5.2%
2009	151,193	3,895,639	25,766	39.4	31.2%	25,678	7.4%
2010	154,019	4,404,943	28,600	39.1	32.9%	25,826	9.5%
2011	154,158	4,087,962	26,518	38.9	31.4%	26,478	9.1%
2012	154,508	4,297,176	27,812	40.4	34.0%	26,331	7.4%
2013	155,565	4,008,288	25,766	40.4	34.0%	25,834	5.8%
2014	157,905	*	*	*	*	25,362	4.9%

Data sources:

(1) Years 2005 - 2006 are estimates from the University of Florida's Statistical Abstract. Years 2007 & 2008 are estimates from the City's Planning Department. Years 2009, 2011 - 2014 are estimates from the University of Florida. Year 2010 is the 2010 US Census. Years 2010-2013 were adjusted based on retroactive 2010 US Census.

(2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis. Years 2008 and on are from US Census Bureau, American Community Survey Profile

(3) US Census Bureau, American Community Survey Profile - Pembroke Pines.

(4) Grades 1 -12, Broward County School Board, First Day Enrollment Count report.

(5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY 2005-2010 represent the average for 12 months ending September 30th. Unemployment rate for from FY2011 and on are obtained from US Census Bureau.

* Information not available.

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

	2014			2005		
Employer	**(1) Employees**	**Rank**	**Percentage of Total City Employment (2)**	**(1) Employees**	**Rank**	**Percentage of Total City Employment (2)**
Memorial Healthcare System	3,600	1	4.30%	2,954	1	2.92%
Pembroke Lakes Mall **(3)**	2,180	2	2.61%	2,250	2	2.22%
City of Pembroke Pines	1,059	3	1.27%	1,974	3	1.95%
Publix	810	4	0.97%	N/A	4	N/A
Linder Industrial Machinery	475	5	0.57%	N/A	5	N/A
Claire's Corporation	300	6	0.36%	150	10	0.15%
Target	249	7	0.30%	201	8	N/A
Miami Herald	200	8	0.24%	N/A	6	N/A
Bergeron Land Development	135	9	0.16%	N/A	7	N/A
Power 1 Financial	118	10	0.14%	N/A	9	N/A

(1) Source - City of Pembroke Pines Human Resources Department (includes full-time and part-time). Greater Fort Lauderdale Alliance - Broward County

(2) Source - Greater Fort Lauderdale Alliance, percent in labor force (population 16 years and over).

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

N/A - information not available

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function										
General government services	141.50	141.00	140.00	114.50	98.00	80.00	78.50	77.00	75.00	74.50
Public safety										
Police										
Sworn	236.00	242.00	250.00	247.00	241.00	231.00	231.00	231.00	230.50	238.50
Non-sworn and grant positions	93.00	91.00	84.50	77.00	65.50	63.50	56.50	56.50	57.50	70.50
Fire and rescue	250.00	259.00	259.00	266.50	270.50	266.50	270.50	270.50	262.50	219.50
Building	65.50	59.50	57.50	52.50	11.50	*	*	*	*	*
Code enforcement	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Physical environment **(1)**	28.00	27.00	27.00	13.00	12.00	8.50	8.00	8.00	6.50	63.00
Transportation	32.50	32.11	31.30	26.90	8.00	6.00	6.00	5.00	3.00	3.00
Economic environment	4.00	2.00	4.00	4.00	3.50	2.50	2.50	2.50	2.50	2.50
Human services										
Early development centers	117.50	117.50	118.50	115.50	110.50	116.00	113.50	113.00	105.50	97.50
Community services	30.75	29.25	31.25	26.75	4.50	2.50	2.50	2.50	2.50	2.50
SW multipurpose center	21.75	22.64	23.45	26.35	*	*	*	*	*	*
Charter schools	446.99	461.50	473.00	477.00	499.00	489.50	491.50	493.50	491.50	492.50
Culture and recreation **(1)**	231.50	236.50	239.50	195.00	164.50	135.00	138.00	131.00	131.50	66.50
Water-sewer combined service	125.00	125.00	125.00	85.50	65.00	40.00	40.00	38.50	31.50	32.00
Total	1,835.99	1,858.00	1,875.00	1,738.50	1,564.50	1,452.00	1,449.50	1,440.00	1,411.00	1,373.50

* the City utilized contracted employees.
(1) Parks employees were reclassed from Culture and Recreation to Physical Environment as a result from restructuring in FY2014.
Source: City of Pembroke Pines, Florida Annual Budget.

City of Pembroke Pines, Florida

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Public safety										
Police										
Number of calls answered	78,376	97,790	100,480	100,040	119,574	96,831	90,643	105,000	90,726	93,516
Felony arrests	1,564	1,068	n/a	1,295	1,354	1,164	1,074	1,041	1,188	1,362
Traffic accidents	5,192	5,125	5,152	5,058	5,038	5,002	4,878	5,000	5,154	5,170
Traffic/parking/red light citations	38,268	42,575	46,797	51,847	55,896	45,883	60,018	60,293	48,103	35,215
False alarm citations	n/a	n/a	n/a	n/a	n/a	262	1,937	4,585	1,048	1,682
Fire/ambulance rescue										
Number of EMS calls answered	18,204	18,638	18,726	18,146	18,448	18,193	18,470	19,615	19,258	19,679
Number of fire calls answered	288	274	224	230	201	205	214	171	145	141
Building permits issued	10,991	16,996	10,837	7,110	4,835	5,267	5,611	6,200	7,357	6,702
Physical environment										
Maintained rights of ways (miles)	575	575	576	466	466	466	466	475	475	475
Landscaping and irrigation (miles)	155	165	165	157	160	160	160	160	160	163
Transportation										
Traffic guardrails installed (linear feet)	-	500	-	-	-	-	-	-	-	-
Sidewalks replaced (linear feet)	2,000	11,700	2,200	17,758	10,501	15,962	13,785	19,878	19,000	10,000
Curbing installed (linear feet)	500	600	143	-	1,000	-	-	400	-	-
Number of trips - Community Bus program	182,518	195,610	201,292	197,223	180,000	205,947	206,425	217,161	218,497	218,497
Human services										
Charter schools										
Average student class size	25	25	25	25	25	23	24	24	24	25
Number of students enrolled	5,194	5,289	5,295	5,426	5,499	5,537	5,628	5,610	5,624	5,925
Culture/recreation										
Number of sports leagues	42	51	55	39	41	41	41	44	41	41
Number of tennis memberships	233	217	137	169	174	174	167	193	155	166
Water-sewer combined service										
Number of water accounts	44,161	44,644	44,997	45,586	42,819	42,526	46,401	42,792	42,935	43,513
Sewer mains rehabilitated (linear feet)	9,802	2,200	12,000	4,600	5,250	5,000	4,500	9,853	-	-
Average daily consumption (millions of gallons)	12.39	12.54	12.61	11.66	11.50	12.50	11.30	11.21	11.30	11.26

Source: Various City Departments

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

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

Function	Fiscal Year 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	365	365	365	365	310	308	281	311	314	320
Fire/ambulance rescue:										
Stations	6	6	6	6	6	6	6	6	6	6
Fire trucks / engines	13	13	13	9	9	9	10	9	9	9
Other trucks	0	1	1	1	1	1	2	1	3	3
Fire ladders	4	4	4	4	4	4	4	4	3	3
Fire rescue ambulances	11	11	11	12	12	12	12	12	12	12
Physical environment										
Water:										
Water mains (miles)	489	489	489	489	489	489	489	489	489	525
Fire hydrants	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,641
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18.1
Sewer:										
Sanitary sewers (miles)	399	400	401.9	402	402	403	403	412	412	448
Storm sewers (miles)	226	226	226	226	226	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	462	460	460	479	465	465	465	465	465	465
Economic environment										
Senior housing units	584	584	584	804	804	804	804	804	804	804
Transitional living units	0	0	24	19	21	21	21	21	21	21
Human services										
City operated charter schools										
Elementary School	5	4	4	4	4	4	4	4	4	4
Middle School	3	2	2	2	2	2	2	2	2	2
High School	2	1	1	1	1	1	1	1	1	1
Culture/recreation										
Parks acreage	302	302	357	418	421	421	421	421	421	421
Parks	29	29	29	30	30	31	31	31	31	31
Swimming pools	8	8	8	7	7	6	6	6	6	6
Tennis courts	50	50	50	50	50	50	50	50	50	50
Recreation centers	5	6	6	6	6	4	4	4	4	4
Football/Soccer fields	12.5	15	15	19	19	19	19	19	18	18
Basketball courts	17	20.5	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
Playgrounds	20	21	19	20	20	20	20	21	22	22

City of Pembroke Pines, Florida

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

September 30, 2014

Property Assessed Value:

Just Value	$ 13,145,675,871
Less: Property and Personal Exemptions	(3,359,986,424)
Homestead Assessment Differential [1]	(784,242,130)
Nonhomestead Residential Property Differential [2]	(40,162,790)
Certain Residential and Nonresidential Real Property Differential [2]	(29,487,300)
Agricultural Differential [3]	(28,491,750)
Pollution Control Devices Differential [4]	(96,663)
Value Adjustment Board & Broward County Property Appraiser	(21,959,798)
Final Taxable Value	$ 8,881,249,016

Outstanding Debt:

City's debt management policy regarding direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)		**$ 133,218,735**
Revenue Bonds:		
Taxable Communications Services Tax Revenue Bonds, Series 2004	$ 1,290,000	
Public Improvement Revenue Bonds, Series 2004A	540,000	
Public Improvement Revenue Bonds, Series 2004B	420,000	
Public Improvement Revenue Refunding Bonds, Series 2006	24,255,000	
Capital Improvement Revenue Refunding Bonds, Series 2006	36,145,000	
Capital Improvement Revenue Bonds, Series 2007	24,015,000	
Charter School Revenue Bonds, Series 2008	62,695,000	
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	7,890,000	
Capital Improvement Revenue Refunding Bonds, Series 2010	7,316,100	
Consolidated Utility system Revenue Bonds, Series 2010	10,348,785	
Taxable Communications Services Tax Revenue Bonds, Series 2013	35,300,000	
Taxable Communications Services Tax Revenue Bonds, Series 2014	41,540,000	
Public Improvement Revenue Bonds, Series 2014	29,040,000	
Total outstanding revenue bonds	$ 280,794,885	
Installment Purchase	$ 442,745	
General Obligation Bonds:		
General Obligation Bonds, Series 2005	$ 37,860,000	
General Obligation Bonds, Series 2007	37,410,000	
Total General Obligation Bonds subject to debt limitation		**$ 75,270,000**
Total outstanding debt	356,507,630	
Less: Reserve for debt service	(29,899,504)	
Net total outstanding debt	$ 326,608,126	
Legal debt margin		**$ 57,948,735**

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

(2) Per F.S. 193.1554 & 193.1555, the reassessed value may not exceed 10%of the assessed value of the property for the prior year.

(3) Per F.S. 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year.

(4) Per F.S. 193.621, the reassessed value may not be greater than its market value as salvage.

City of Pembroke Pines, Florida

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

September 30, 2014
(continued)

Legal Debt Limit:

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

Debt Management Policies:

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

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

A. Target Limitations on Unlimited Tax General Obligation Indebtedness. The City shall, as a matter of policy, conduct its finances so that the amount of direct unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 1.5% of the City's total taxable assessed valuation.

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

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

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

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

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

1. Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.

2. Use of General Fund support as a transition to a fully stand alone credit structure, whereby interim use of General Fund credit support reduces borrowing costs and provides a credit history.

3. General Fund support is determined by the City Commission to be in the City's overall best interest.

4. General Fund support is justified to achieve a specific public benefit for the residents of the City as recommended by the City Manager and approved by the City Commission.

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

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

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

Covenants:

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

Public Improvement Revenue Bonds, Series 2001

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

Taxable Communications Services Tax Revenue Bonds, Series 2003A, Taxable Communications Services Tax Revenue Bonds, Series 2004,
Taxable Communications Services Tax Revenue Bonds, Series 2013, and
Taxable Communications Services Tax Revenue Bonds, Series 2014

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

Public Improvement Revenue Bonds, Series 2004A,
Public Improvement Revenue Bonds, Series 2004B, and
Public Improvement Revenue Bonds, Series 2014

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

Public Improvement Revenue Refunding Bonds, Series 2006

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

Capital Improvement Revenue Refunding Bonds, Series 2006

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

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

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

Charter School Revenue Bonds, Series 2008

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

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008

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

Capital Improvement Revenue Refunding Bonds, Series 2010

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

Consolidated Utility System Revenue Bonds, Series 2010

Additional Parity Obligations shall be issued after the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period") adjusted as provided in Resolution No. 3287, is equal to and not less than one hundred twenty percent (120%) of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on all existing and proposed Additional Parity Obligations.

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Public Service Tax

Public Improvement Revenue Bonds, Series 1998; Public Improvement Revenue Bonds, Series 2001;
Public Improvement Revenue Bonds, Series 2004A; Public Improvement Revenue Bonds, Series 2004B;
Public Improvement Revenue Refunding Bonds, Series 2006; and Public Improvement Revenue Refunding Bonds, Series 2014

			Debt Service Requirements (1)							
Fiscal Year	Pledged Revenues	% Change	1998 Public Improvement Revenue Bonds	2001 Public Improvement Revenue Bonds	2004A Public Improvement Revenue Bonds	2004B Public Improvement Revenue Bonds	2006 Public Improvement Revenue Refunding Bonds	2014 Public Improvement Revenue Refunding Bonds	Total	Coverage
	(2)				(5)	(5)	(3) (4)	(3) (7)		
2005	$ 7,931,137	4.2%	$ 1,893,045	$1,538,850	$ 838,565	$ 541,067	$ -	$ -	$ 4,811,527	1.65
2006	8,084,904	1.9%	1,890,245	1,539,963	928,873	757,915	-	-	5,116,996	1.58
2007	8,093,581	0.1%	1,428,608	1,254,775	928,873	757,915	456,050	-	4,826,221	1.68
2008	8,220,016	1.6%	959,545	973,625	928,873	757,915	1,382,850	-	5,002,808	1.64
2009	8,124,202	-1.2%	960,210	970,000	928,873	757,915	1,382,250	-	4,999,248	1.63
2010	8,840,661	8.8%	-	963,500	928,873	757,915	2,351,850	-	5,002,138	1.77
2011	8,788,593	-0.6%	-	965,800	1,396,748	1,116,528	2,345,950	-	5,825,026	1.51
2012	9,076,626	3.3%	-	966,265	1,391,741	1,113,343	2,348,450	-	5,819,799	1.56
2013	9,587,367	5.6%	-	964,425	1,390,110	1,114,136	2,349,150	-	5,817,821	1.65
2014	10,461,326	9.1%	-	960,210	1,391,610	1,113,879	2,348,050	-	5,813,749	1.80

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	$ 10,461,326
Combined Maximum Annual Debt Service (6)	5,486,431
Coverage	1.91

(1) Exclude paying agent fees.
(2) Pledged revenues consist of the Electric Public Service Tax on an even parity for all issues.
(3) No statistics are available prior to the year of bond issuance.
(4) This bond issue advance refunded a portion of the Public Improvement Revenue Bonds, Series 1998 and 2001.
(5) Refunded by the Public Improvement Revenue Refunding Bonds, Series 2014.
(6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
(7) The first debt service payment is in FY2015.

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Franchise Fees

Capital Improvement Revenue Bonds, Series 1993; Capital Improvement Revenue Bonds, Series 1999;
Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center);
Capital Improvement Revenue Refunding Bonds, Series 2006;
Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007;
Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008
and Capital Improvement Revenue Refunding Bonds, Series 2010;

			Debt Service Requirements (1)								
Fiscal Year	Pledged Revenues	% Change	1993 Capital Improvement Revenue Bonds	1999 Capital Improvement Revenue Bonds	2005 Variable Rate Capital Imp. Revenue Bonds	2006 Capital Improvement Revenue Refunding Bonds	2007 Capital Improvement Revenue Bonds	2008 Variable Rate Capital Imp. Revenue Refunding Bonds	2010 Capital Improvement Revenue Refunding Bonds	Total	Coverage
	(2)			(7)	(4)	(3) (5)	(3)	(3)	(3)		
2005	$ 7,448,243	6.4%	$ 521,683	$ 3,098,253	$ 112,667	$ -	$ -	$ -	$ -	$ 3,732,603	2.00
2006	8,958,121	20.3%	363,585	3,093,400	251,486	-	-	-	-	3,708,471	2.42
2007	9,184,098	2.5%	-	2,394,515	287,439	984,856	427,377	-	-	4,094,187	2.24
2008	9,176,429	-0.1%	-	1,692,750	303,076	2,425,412	1,211,462	16,638	-	5,649,338	1.62
2009	9,208,118	0.3%	-	1,694,340	-	2,416,613	1,211,463	141,053	-	5,463,469	1.69
2010	8,401,468	-8.8%	-	752,820	-	3,372,712	1,716,163	41,359	-	5,883,054	1.43
2011	8,339,055	-0.7%	-	-	-	3,372,713	1,715,163	57,560	434,932	5,580,368	1.49
2012	8,059,519	-3.4%	-	-	-	3,370,313	1,713,363	91,480	701,212	5,876,367	1.37
2013	7,852,195	-2.6%	-	-	-	3,365,513	1,715,663	161,435	705,714	5,948,324	1.32
2014	8,529,691	8.6%	-	-	-	3,373,013	1,716,963	311,435	704,418	6,105,829	1.40

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	$ 8,529,691
Combined Maximum Annual Debt Service (6)	5,948,324
Maximum Debt Service Coverage	1.43

(1) Exclude paying agent fees and variable rate bond fees.
(2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
(3) No statistics are available prior to the year of bond issuance.
(4) Refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008.
(5) A portion of this bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Series 1999.
(6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
The 2008 Variable Rate Capital Improvement Revenue Refunding Bonds' maximum annual debt service is based on the five year term (from September 7, 2011) Direct Purchase fixed rate in effect which is 2.0079%.
(7) A portion was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2006, and the outstanding balance was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2010.

City of Pembroke Pines, Florida

Debt Service Coverage - Charter School Revenues (1)

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

			Debt Service Requirements **(2)**				
Fiscal Year	Pledged Revenues (3)	% Change	2001A Charter School Revenue Bonds (5)	2001B Charter School Revenue Bonds (5)	2008 Charter School Revenue Bonds (4)	Total	Coverage
2005	$ 36,922,829	8.5%	$ 2,126,479	$ 1,456,492	$ -	$ 3,582,971	10.31
2006	38,008,056	2.9%	2,123,846	1,455,023	-	3,578,869	10.62
2007	43,925,966	15.6%	2,123,519	1,461,287	-	3,584,806	12.25
2008	48,332,426	10.0%	2,120,934	1,455,183	430,449	4,006,566	12.06
2009	46,318,931	-4.2%	-	-	2,641,369	2,641,369	17.54
2010	45,749,766	-1.2%	-	-	3,008,780	3,008,780	15.21
2011	48,459,697	5.9%	-	-	3,134,899	3,134,899	15.46
2012	43,576,127	-10.1%	-	-	3,120,152	3,120,152	13.97
2013	45,485,610	4.4%	-	-	3,118,375	3,118,375	14.59
2014	47,785,475	5.1%	-	-	2,883,712	2,883,712	16.57

Coverage of Estimated Combined Maximum Annual Debt Service:

Total pledged revenues for the most recent fiscal year.	$ 47,785,475
Combined Maximum Annual Debt Service (6)	5,785,214
Maximum Debt Service Coverage	8.26

(1) This schedule is based on the Charter Schools' fiscal year which is July 1 through June 30.
(2) Excludes paying agent fees; includes variable rate bond fees and SWAP settlements.
(3) Pledged revenues consist of total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds.
(4) No statistics are available prior to the year of bond issuance.
(5) Refunded by the Charter School Revenue Bonds, Series 2008.
(6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year. The 2008 Charter School Revenue Bonds' maximum annual debt service was based on 0.64% which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2014) per GASB Statement No. 38, paragraph 10, which was 0.05% plus the 0.59% Direct Purchase spread to the bondholder for a four year term from May 29, 2014.

City of Pembroke Pines, Florida

Debt Service Coverage - Communications Services Tax and Water Public Service Tax

Taxable Communications Services Tax Revenue Bonds, Series 2003A; Taxable Communications Services Tax Revenue Bonds, Series 2004;
Taxable Communications Services Tax Revenue Bonds, Series 2013; and Taxable Communications Service Tax Revenue Bonds, Series 2014.

					Debt Service Requirements (1)					
Fiscal Year	Communication Services Tax	Public Service Tax Water	Total Pledged Revenues	% Change	2003A Taxable Communications Services Tax Revenue Bonds	2004 Taxable Communications Services Tax Revenue Bonds	2013 Taxable Communications Services Tax Revenue Bonds	2014 Taxable Communications Services Tax Revenue Bonds	Total	Coverage
			(2)		(3)	(5)	(4)	(4) (7)		
2005	$ 6,729,782	$ 1,310,692	$ 8,040,474	3.2%	$ 2,384,120	$ 2,448,656	$ -	$ -	$ 4,832,776	1.66
2006	7,062,674	1,368,994	8,431,668	4.9%	2,384,120	2,448,656	-	-	4,832,776	1.74
2007	7,060,041	1,409,788	8,469,829	0.5%	2,384,120	2,849,100	-	-	5,233,220	1.62
2008	7,359,060	1,495,201	8,854,262	4.5%	2,995,314	2,848,838	-	-	5,844,152	1.52
2009	8,524,622	1,675,973	10,200,595	15.2%	2,991,658	3,436,475	-	-	6,428,133	1.59
2010	7,748,084	1,640,208	9,388,292	-8.0%	2,990,764	3,436,269	-	-	6,427,033	1.46
2011	7,359,807	1,829,448	9,189,255	-2.1%	2,992,332	3,432,188	-	-	6,424,520	1.43
2012	7,549,654	1,863,530	9,413,185	2.4%	2,991,214	3,428,956	-	-	6,420,170	1.47
2013	7,598,497	1,918,924	9,517,421	1.1%	2,987,409	3,426,181	-	-	6,413,590	1.48
2014	6,350,145	1,961,101	8,311,246	-12.7%	1,951,168	3,423,431	812,633	-	6,187,232	1.34

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	$ 8,311,246
Combined Maximum Annual Debt Service (6)	6,012,886
Maximum Debt Service Coverage	1.38

(1) Exclude paying agent fees.
(2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues is greater than or equal to 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2013, Communications Services Tax revenues was 1.18 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and was less than the 1.30 required coverage ratio.
(3) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2013.
(4) No statistics are available prior to the year of bond issuance.
(5) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2014.
(6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
(7) The first debt service payment is in FY2015.

City of Pembroke Pines, Florida

Debt Service Coverage - Net Revenues of the Consolidated Utility System

Consolidated Utility System Revenue Bonds, Series 2010

			Debt Service Requirement and Reserve for Renewal, Replacement, and Improvement (RR&I) Requirement				
Fiscal Year	Pledged Revenues	% Change	Debt Service Requirement	Reserve for Renewal, Replacement, and Improvement (RR&I) Requirement	Total Requirement	Debt Service Coverage	Debt Service and RR&I Coverage
(2)	(1)		(3)				
2011	$ 7,458,921	N/A	$ 391,080	$ 1,593,554	$ 1,984,634	19.07	3.76
2012	8,412,559	12.8%	1,023,655	2,147,993	3,171,648	8.22	2.65
2013	9,879,616	17.4%	1,057,287	2,217,158	3,274,445	9.34	3.02
2014	13,755,051	39.2%	1,090,841	2,318,491	3,409,332	12.61	4.03

Coverage of Estimated Combined Maximum Annual Debt Service:

Net Revenues of the Consolidated Utility System - Most Recent Fiscal Year	$13,755,051
Maximum Annual Debt Service (3)	1,059,355
Maximum Debt Service Coverage	12.98

(1) Pledged revenues consist of net revenues of the Consolidated Utility System.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details)
(2) No statistics are available prior to the year of bond issuance.
(3) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

City of Pembroke Pines, Florida

Schedule of Debt Service on Outstanding Bonds as of September 30, 2014

															Business-type Activities	Combined Activities
	Police Officers & General Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Various Capital Projects & **Refunding** Cap Imprv Series 1993	**Advance Refunding** Public Imprv Series 1998 & Series 2001	Various Capital Projects & **Advance Refunding** Cap Imprv, Series 1999	Senior Housing Project Tower 3	Various Capital Projects	**Refunding** Charter Sch Bonds & New Charter School Projects	**Refunding** Susan B. Anthony Center 2005 Bonds	**Refunding** Capital Improv Series 1999	**Refunding** Firefighters Pension Series 2003A	**Refunding** Police Officers & General Employees Pension Series 2004	**Refunding** Senior Housing Tower I & II 2004A & 2004B	Consolidated Utility System Project	
Type of Bonds	$49,910,000	$20,140,000	$15,975,000	$47,000,000	$29,720,000	$45,050,000	$26,805,000	$43,000,000	$64,095,000	$8,040,000	$8,545,700	$35,300,000	$41,540,000	$29,040,000	$12,300,000	
Revenue	Taxable Comm. Services Tax	Public Improvement	Public Improvement		Public Improv. Refunding	Capital Improv. Refunding	Capital Improv.		Charter School	Variable Rate Cap Improv. Refunding	Capital Improv. Refunding	Taxable Comm. Services Tax Refunding	Taxable Comm. Services Tax Refunding	Public Improvement	Consolidated Utility System	
General Obligation				General Obligation				General Obligation	*	**						
Fiscal Y/E Sep 30	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2006	Series 2006	Series 2007	Series 2007	Series 2008	Series 2008	Series 2010	Series 2013	Series 2014	Series 2014	Series 2010	Debt Service/ Principal
2015	$ 1,319,025	$ 550,463	$ 428,610	$ 2,797,828	$ 3,294,550	$ 3,370,675	$ 1,717,263	$ 2,678,075	$ 493,776	$ 313,423	$ 702,021	$ 2,858,155	$ 821,676	$ 692,867	$ 1,058,530	$ 23,096,938
2016	-	-	-	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	494,244	325,311	703,538	2,857,591	3,087,204	2,122,056	1,058,096	24,497,747
2017	-	-	-	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	493,617	331,898	703,784	2,851,210	3,174,313	2,193,381	1,057,647	24,659,882
2018	-	-	-	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	496,256	338,283	707,676	2,845,404	3,167,482	2,178,356	1,057,182	24,639,934
2019	-	-	-	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	491,260	344,468	705,234	2,841,173	3,160,801	2,176,606	1,056,701	24,622,108
2020	-	-	-	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	489,547	345,453	706,283	2,840,187	3,160,213	2,182,106	1,056,203	24,622,085
2021	-	-	-	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	491,094	361,336	706,141	2,837,531	3,156,675	2,180,706	1,055,687	24,631,141
2022	-	-	-	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	490,464	371,819	708,345	2,832,555	3,150,650	2,171,931	1,055,153	24,625,448
2023	-	-	-	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	1,623,685	377,000	708,938	2,830,701	3,148,094	2,182,431	1,054,601	25,766,133
2024	-	-	-	2,796,707	-	3,366,363	1,713,100	2,678,875	1,902,632	386,980	707,946	2,823,222	3,149,365	2,175,306	1,054,029	22,754,524
2025	-	-	-	2,795,945	-	3,250,153	1,716,300	2,680,650	1,780,042	396,659	827,893	2,824,932	3,139,715	2,172,681	1,053,438	22,638,408
2026	-	-	-	2,797,208	-	3,249,963	1,717,287	2,679,500	1,821,156	401,037	827,123	2,820,253	3,139,235	2,171,681	1,052,826	22,677,269
2027	-	-	-	2,795,282	-	3,245,028	1,716,038	2,680,425	3,341,362	420,214	829,084	2,818,689	3,132,980	2,172,056	-	23,151,158
2028	-	-	-	2,795,170	-	1,148,687	1,713,375	2,683,200	4,471,462	433,889	-	2,815,086	3,131,112	2,184,731	-	21,376,712
2029	-	-	-	2,796,745	-	1,142,569	1,713,750	2,683,400	4,617,486	442,163	-	2,809,437	3,128,153	2,174,953	-	21,508,656
2030	-	-	-	2,799,270	-	1,144,750	1,716,250	2,679,800	4,751,789	460,135	-	2,802,421	3,128,602	2,176,625	-	21,659,642
2031	-	-	-	2,797,520	-	1,140,125	1,715,750	2,682,400	4,883,582	472,605	-	2,799,073	3,117,365	2,165,000	-	21,773,420
2032	-	-	-	2,796,495	-	1,138,694	1,717,125	2,680,725	4,729,675	484,674	-	2,793,378	3,119,832	2,159,875	-	21,620,473
2033	-	-	-	2,795,825	-	-	1,715,250	2,679,775	4,871,709	501,341	-	2,789,904	3,116,182	2,155,375	-	20,625,361
2034	-	-	-	2,795,575	-	-	1,715,000	2,684,313	5,032,196	517,507	-	2,788,075	3,106,414	2,165,850	-	20,804,929
2035	-	-	-	2,795,375	-	-	1,716,125	2,683,863	5,217,078	538,170	-	-	-	2,154,850	-	15,105,461
2036	-	-	-	-	-	-	1,713,500	5,478,425	5,398,185	558,231	-	-	-	-	-	13,148,340
2037	-	-	-	-	-	-	1,716,875	-	5,585,039	572,689	-	-	-	-	-	7,874,603
2038	-	-	-	-	-	-	-	-	5,785,216	591,646	-	-	-	-	-	6,376,862
Total debt service	**$ 1,319,025**	**$ 550,463**	**$ 428,610**	**$ 58,724,880**	**$ 29,593,175**	**$ 49,129,720**	**$ 39,449,032**	**$ 61,784,288**	**$ 69,752,549**	**$ 10,286,930**	**$ 9,544,006**	**$ 56,478,977**	**$ 60,436,061**	**$ 44,109,427**	**$ 12,670,093**	**$ 504,257,237**
Principal outstanding FY 2014	$ 1,290,000	$ 540,000	$ 420,000	$ 37,860,000	$ 24,255,000	$ 36,145,000	$ 24,015,000	$ 37,410,000	$ 62,695,000	$ 7,890,000	$ 7,316,100	$ 35,300,000	$ 41,540,000	$ 29,040,000	$ 10,348,785	$ 356,064,885

* Based on the **0.64%** interest rate which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate as of August 13, 2014 per GASB Statement No. 38, paragraph 10, which was **0.05%** + the 0.59% Direct Purchase spread to the bondholder for a four year term from May 29, 2014.

** Based on the 2.0079% five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10.

City of Pembroke Pines, Florida
School Enrollment

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
College/University: (1)										
Broward College										
Pines Center -Academic Village	1,701	2,610	2,591	1,451	2,369	2,028	2,120	2,454	2,740	2,530
South Campus / Pembroke Pines	9,068	9,938	9,489	12,259	14,267	13,895	13,768	15,605	13,390	14,482
Florida International University - Pines Center **(4)**	-	-	-	-	1,827	1,602	1,482	1,294	1,400	-
Total College/University Enrollment	10,769	12,548	12,080	13,710	18,463	17,525	17,370	19,353	17,530	17,012
High Schools: (2)										
Pembroke Pines Charter High School	1,591	1,691	1,703	1,716	1,695	1,721	1,738	1,724	1,730	1,692
Flanagan	3,146	3,063	3,172	3,100	3,212	3,241	3,164	3,106	2,860	2,844
Somerset Academy Charter High School	477	542	593	552	602	708	751	845	1,051	1,101
West Broward High School	-	-	-	1,926	2,561	2,695	2,777	2,712	2,772	2,702
Somerset Conservatory	-	-	-	-	-	-	91	162	113	120
Total High School Enrollment	5,214	5,296	5,468	7,294	8,070	8,365	8,521	8,549	8,526	8,459
Middle Schools: (2)										
Pines Middle School	1,463	1,343	1,461	1,542	1,655	1,754	1,519	1,493	1,375	1,293
Silver Trail Middle	1,695	1,785	1,745	1,756	1,695	1,666	1,474	1,508	1,481	1,426
Walter C. Young	1,899	1,874	1,945	1,853	1,707	1,488	1,405	1,268	1,201	1,090
Somerset Academy Charter Middle School	661	654	604	608	693	798	835	868	870	834
Pembroke Pines Charter Middle School (West/Central)+HS	1,204	1,198	1,199	1,203	1,218	1,239	1,287	1,284	1,301	1,582
Franklin Academy A&B	-	-	-	-	-	-	419	465	428	376
Broward Charter School of Science & Technology	-	-	-	-	-	-	-	-	25	39
Total Middle School Enrollment	6,922	6,854	6,954	6,962	6,968	6,945	6,939	6,886	6,681	6,640
Elementary Schools: (2)										
Pembroke Pines	803	664	690	653	617	613	594	586	594	560
Pembroke Lakes	854	772	730	720	737	690	622	565	534	568
Pines Lakes	965	837	853	823	820	795	733	656	609	582
Pasadena Lakes	837	818	725	722	725	763	719	614	573	566
Palm Cove	1,154	1,031	961	908	926	926	857	800	819	779
Chapel Trail	1,231	1,153	1,043	1,026	948	927	810	760	751	743
Silver Palms	1,067	1,014	912	915	874	816	669	729	662	612
Panther Run	940	791	780	726	724	686	620	599	550	550
Lakeside	1,024	958	885	875	858	858	835	760	707	676
Somerset Academy Charter Elementary	932	899	825	801	831	861	886	887	932	919
Pembroke Pines Charter Elem (East/West/Central)	1,799	1,800	1,793	1,872	1,930	1,926	1,924	1,923	1,910	1,908
Pembroke Pines/FSU Charter Elementary	615	610	620	610	650	655	678	679	679	679
Dolphin Bay Elementary **(3)**	402	-	-	-	-	-	-	-	-	-
Franklin Academy A	-	-	-	-	-	-	792	845	842	892
Kidz Choice Charter	-	-	-	-	-	-	124	103	100	101
Charter School of Excellence @ Davie 2	-	-	-	-	-	-	155	154	106	26
Atlantic Montessori Charter School	-	-	-	-	-	-	-	73	130	132
Broward Charter School of Science & Technology	-	-	-	-	-	-	-	163	129	69
Renaissance Charter School at Pines	-	-	-	-	-	-	-	-	-	-
Total Elementary School Enrollment	12,623	11,347	10,817	10,651	10,640	10,516	11,018	10,896	10,627	10,362
Total All Schools	35,528	36,045	35,319	38,617	44,141	43,351	43,848	45,684	43,364	42,473

Source: (1) Broward College - Registrar's Office and FIU Dean of Partnership Center.
(2) Broward County School Board, Years 2005 - 2012 Twentieth Day Enrollment Report; 2013 - 2014 First Day Enrollment Count
(3) For one year Dolphin Bay Elementary School was temporarily located in the City, it has subsequently moved to the City of Miramar.
(4) Effective August 2014, FIU has relocated to Miramar.

City of Pembroke Pines, Florida

Property Value and Construction (1)
Last Ten Fiscal Years

Year	Total Permits Issued	Miscellaneous Permits Issued (2)	Miscellaneous Valuation	Residential Number of Units	Residential Valuation	Commercial Number of Units	Commercial Valuation	Total Value of Construction	Gross Assessed Value (3)
2005	10,991	10,761	$ 73,078,888	214	$ 17,326,438	16	$ 26,553,469	$ 116,958,795	$ 11,606,680,186
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817
2008	7,411	7,365	95,057,849	27	1,939,720	19	42,172,649	139,170,218	19,252,698,267
2009	6,318	6,289	62,524,850	24	2,106,616	5	4,331,001	68,962,467	17,848,661,534
2010	5,274	5,205	64,069,445	66	6,585,866	3	2,409,185	73,064,496	14,727,213,419
2011	6,939	6,662	37,295,528	202	18,600,807	75	265,336,362	321,232,697	12,597,755,293
2012	6,200	5,434	77,506,551	655	226,091,294	111	226,188,208	529,786,054	12,672,170,184
2013	7,357	6,732	273,469,366	579	298,916,697	46	71,849,779	644,235,843	12,559,436,057
2014	10,536	10,123	291,394,500	288	16,034,771	125	12,769,448	320,198,718	13,145,675,871

(1) Source: City of Pembroke Pines Building Department.
(2) Miscellaneous permits include remodeling, partitioning, and interior completions.
(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value ("just value") as required by State Statute.

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines (City) is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 8th largest in the country with an estimated population of 5.7 million. The population of the City is currently estimated at 157,905 which is the second largest city in Broward County (County) and the eleventh largest city in Florida (State). During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25-square mile residential city is similar to that of other southwestern County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of the City, provide numerous cultural advantages of a larger metropolitan area as well as a major cruise ship port. South of the City is the City of Miramar with its notable Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of five senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The Opa-locka Airport, a full Fixed-Base Operator (FBO) service executive airport located in North Miami-Dade County is about a 30-minute drive south of the City. Other full service FBOs include the Boca Raton Airport which is about a one hour drive northeast of the City, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in the City by the U. S. Navy in 1943 as a World War II training field, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

Road and highway facilities are excellent in the City. Pines Boulevard is the main east-west corridor that connects into the Atlantic Ocean beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of approximately 460 miles of paved and signalized roadways, in addition to bike paths and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa via the Alligator Alley which crosses the Florida peninsula connecting the Atlantic Ocean east coast with the Gulf of Mexico west coast. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

City of Pembroke Pines, Florida

General Information

Parks & Recreation

The City operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the five recreation centers. Programs include such diverse activities as art, music, baseball, softball, football, volleyball, basketball, swimming, tennis, soccer, roller-hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing.

Located throughout the City are 31 fully developed recreation facilities covering more than 975 acres. In addition, three public golf courses are located within the City besides the City-owned and renovated 18-hole Pembroke Lakes Golf and Racquet Club. The other three are the Hollybrook Golf and Tennis Club, the Flamingo Lakes Country Club located in Century Village at Pembroke Pines, and the Grand Palms Golf and Country Club Resort. In August 2002, the City purchased 57 acres in western portion of the City which has been developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. Cultural arts programs are available at the City's River of Grass Arts Park and the Fletcher Art and Cultural Center. A number of the residential developments in the community are also served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. The park hosts 20,000 visitors every year who attend the annual KISS Country 99.9 FM's Chili Cook-off and Concert. Of special interest to the public is the City-owned Chapel Trail Nature Preserve consisting of 459 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

Medical Facilities

Healthcare services for the City residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street), the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road), and Memorial Hospital Miramar (located on 172nd Avenue in adjacent Miramar) which serves the western portion of the City. These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics.

Fifteen minutes north of the City off Interstate 75 is an upscale facility of the world-famous Cleveland Clinic Hospital.

Memorial Manor is the County's first public, skilled nursing facility. The 120-bed nursing home, located adjacent to the Memorial Urgent Care Center on Douglas Road, provides long-term nursing home care and short-term rehabilitative care.

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University (FSU), three charter middle schools and one charter high school that serve approximately 5,925 students. Of this total, the FSU charter school students include 679 in elementary school; the other three elementary schools have 1,928 students; the two middle schools 1,603 students; and the high school campus which was extended to include a middle school has 1,715 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the City's charter schools, within the City are fifteen elementary schools, six middle schools and four other high schools. This also includes Somerset Academy, a charter school system

operated by Academica Corp. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

In addition, within the City are post-secondary as well as post-graduate institutions. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus located on Sheridan Street west of Interstate 75. The campus of the Venezuelan-administered Jose Maria Vargas University is a 24,530 square foot facility providing educational programs at the certificate, undergraduate, and graduate levels. Keiser College also operates its Pembroke Pines branch campus with a 30,000-square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City. Two schools in the adjacent City of Miramar are DeVry University which offers a variety of Certificate Programs, Associate, Bachelor and Master's Degrees; and a branch of the Puerto Rican Ana G. Mendez University, a private school that serves bilingual students in a 30,000-square foot building at the Miramar Park of Commerce just south of the City.

The City is served by three County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Arts and Culture

The City promotes arts and cultural activities for its citizens. The City maintains a Glass Gallery in the City Hall lobby programming public art exhibitions of local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board and often include special opening exhibit programs accompanied by music and dance performances. An Artists' Colony complex has been developed through the renovation of an existing structure located in the Senator Howard C. Forman Human Services Campus. The facility named *Studio 18 in the Pines* contains rental studios and gallery space consisting of 18 inside studios, 5 outside studios, a jewelry studio and a ceramics studio. The City also provides space for theatrical performances at the *Susan B. Katz Memorial Auditorium*, a 450-seat auditorium located in the Academic Village for the *Pembroke Pines Theatre of the Performing Arts* - a local theatrical group that stages numerous outstanding performances, including Broadway musicals. Special events are provided to the City's residents through the Parks & Recreation Department and include annual events such as *Kids Konnection;* the *Art Festival in the Pines* which is conducted in the River of Grass Arts Park; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year. The Pembroke Pines Historical Museum is located in the Village Community Center on the City's east side, and has opened a new and expanding World War II exhibit. Artifacts are displayed from donations by the City's Second World War veterans, and from two archeology digs on the City's North Perry Airport which served as an outlying field of the Miami Naval Air Station from 1943 until 1945. Each year, the city underwrites nine free outdoor jazz performances that feature local jazz musicians. It also hosts an annual, two-day, outdoor arts celebration that features the work of nearly 100 artists and attracts more than 15,000 visitors each year.

Communications

All principal television networks are received within the City with broadcast stations in Boynton Beach, Fort Lauderdale, Hollywood, Miami, Miramar, Palm Beach Gardens, and West Palm Beach. Cable television is provided to the entire City by Comcast and BellSouth Entertainment, Inc. The City has its own informational cable channel that televises all City Commission (Commission) meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, www.ppines.com. On the web site,

information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual and monthly financial statements are available.

Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores, including Dillard's, JCPenney, Macy's and Sears plus approximately 135 more stores and restaurants. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex contains approximately 70 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities. The City is the executive office headquarters for Claire's Stores, Inc., an international retail chain which owns, franchises or joint ventures approximately 3,369 stores selling costume jewelry and fashion accessories.

The dynamics of the growth of commercial and residential activities in the City and its surrounding area has resulted in at least seven hotels offering a variety of hospitality suites. Within the City is the Grand Palms Golf and Country Club Resort at Pines Boulevard just west of Interstate I-75 offering upscale lodgings, as well as the Hampton Inn Hotel just east of Interstate I-75 and Sheridan and the adjacent newly-built all-suite Holiday Inn Express Hotel & Suites. Just to the south, east of Interstate I-75 at Miramar Parkway in adjacent Miramar, are the Courtyard by Marriott, the Residence Inn by Marriott, the Hilton Garden Inn and the Wingate by Wyndham.

Awards and Acknowledgments

Throughout the years, the City of Pembroke Pines has received numerous awards, and accolades. Below is a list and brief description of some of these noteworthy achievements in the last 10 years:

- ◊ **2005 - US Conference of Mayors' Outstanding Achievement Award** – Pembroke Pines Charter School System.
- ◊ **2005 - Excellence Award** for Category II cities (150,000-199,000) from the Florida Recreation & Parks Association.
- ◊ **2005 - America's Promise, the Alliance for Youth 100 Best Communities Award** for Young People.
- ◊ **2006 - Named to *Money*/CNN listing of "Best Places to Live" in America** (one of only four Florida communities).
- ◊ **2006 - City of Excellence Award, Mayor of the Year, City Spirit Award (Senior Affordable Housing & Services), City Finance Official of the Year** by the Florida League of Cities.
- ◊ **2007 - Charter School of the Year** by the Center for Education Reform.
- ◊ **2007 - City Employee of the Year** by the Florida League of Cities.
- ◊ **2007 - Municipal Excellence Silver Award** - Senior Solutions: Comprehensive Services & Affordable Housing for Seniors by the National League of Cities.
- ◊ **2007 – Nature Scape Emerald Special Achievement Award** from the Broward County Environmental Protection and Growth Management Department.
- ◊ **2009 – *BusinessWeek*'s Best Places in the United States to Raise Your Kids – Ranked #1 in Florida**, based on school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.
- ◊ **2009 - Gold Seal of Excellence -** Pembroke Pines Charter Elementary School West Campus by the Florida Consortium of Public Charter Schools– for student academic achievement

and meeting rigorous and comprehensive operations criteria, including Parent involvement, staff retention, compliance, financial management and governing board performance.

- ◊ **2009 - Broward County Disability Awareness Award** – Miraclele League Baseball Field & Program. Children and young adults with disabilities play baseball, regardless of their abilities, at the Price Park Miracle League Field. The synthetic turf field accommodates wheelchairs and other assistive devices and Price Park has adapted restrooms and fencing.
- ◊ **2009 - Blue Ribbon School designation,** awarded to Pembroke Pines Charter Middle School by the U.S Department of Education. For 27 years, Blue Ribbon Schools' have been recognized for their stellar test scores and large strides in the classroom.
- ◊ **2010 - Florida Communities for a Lifetime -** a statewide initiative that assists Florida cities, towns and counties in planning and implementing improvements that benefit their residents, youthful or elder. The Communities for a Lifetime Bureau is comprised of the following focus areas: Housing, Transportation, Employment, Health and Wellness, Volunteerism, and Intergenerational Programs.
- ◊ **2010 - Finalist for the 2010 Awards for Municipal Excellence** by the National League of Cities (NLC). The NLC selects 40 city programs from across the country as finalists. The City was selected for its revitalization efforts at the Senator Howard C. Forman Human Services Campus. The various projects are a result of innovative public-private partnerships involving the City, the State, for-profit and non-profit agencies.
- ◊ **2010 - *BusinessWeek*'s Best Places in the United States to Raise Your Kids – Ranked #1 in Florida**, based on school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.
- ◊ **2012 - On January 19, 2012, the City of Pembroke Pines received three awards** from the Aging & Disability Resource Center of Broward County (ADRC). Jay Shechter, Director of Community Services and Housing was awarded the Project Personality of the Year, the City of Pembroke Pines, received the 30-year Full Fair Share Contribution award, and City Attorney Samuel S. Goren Esq., was named the volunteer of the year.
- ◊ **2012 - Mayor Frank Ortis received the Public Leadership in the Arts Award** from the U.S. Conference of Mayors and Americans for the Arts, America's leading nonprofit organization for advancing the arts and arts education.
- ◊ **2012 - Mayor Frank Ortis received the President's Call to Service Award** from the President's Council on Service and Civic Participation.
- ◊ **2012 - Mayor Frank Ortis received the President's Volunteer Service Award** from the President's Council on Service and Civic Participation.
- ◊ **2013 - Devarn Flowers, Principal of the City of Pembroke Pines Charter School West Campus was named Principal of the Year** by the Florida Consortium of Public Charter Schools.
- ◊ **2013 - Mayor Frank Ortis received the Coceano Community Leadership Award** from the Miramar/Pembroke Pines Regional Chamber of Commerce for his leadership contributions to the overall good of the community.
- ◊ **2013 - Mayor Frank Ortis received the "Small Business Advocate Award"** from the Partner America/U.S. Conference of Mayors for efforts and support of small business in the City.
- ◊ **2013 - Mayor Frank Ortis won the E. Drew Harris Award** from the Florida League of Cities.
- ◊ **2014 - Florida Municipal Achievement Award** for the "**Environmental Stewardship**" category – the cities "Re-Engage, Recycle and Reinvigorate Our Environment."
- ◊ **2014 – Mayor Frank Ortis received the "HOME Rule HERO" Award** from the Florida League of Cities (FLOC).

City of Pembroke Pines, Florida

General Information

- ◊ **2014 – *Money Magazine's* Best Places to Live in America – Ranked # 32 out of the top 50** – only City in Florida to make the list.
- ◊ **2014 – Charter Middle School West Campus received "Florida Standards School of Excellence Award"** by Public Consulting Group and the Florida Department of Education Office of School Choice.
- ◊ **2014 – Jill Slaughter, Curator of Special Project, was named the "Best Curator in Broward/Palm Beach"** by New Times.
- ◊ **2014 – *Wallet Hub's* ranking as #1 -Best City for Hispanic Entrepreneurship; #13 Best Place to Retire; and #44 Best Places for families.** The largest 150 cities were ranked.

IV. COMPLIANCE SECTION

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Financial Assistance Projects and Local Awards
Fiscal Year Ended September 30, 2014

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Identifying Number	Total Award	Expenditures
U.S. Department of Housing and Urban Development				
Community Development Block Grant 2007	14.218	B07MC120040	$ 920,848	$ 18,907
Community Development Block Grant 2008	14.218	B08MC120040	883,925	94,074
Community Development Block Grant 2009	14.218	B09MC120040	884,500	160,530
Community Development Block Grant 2010	14.218	B10MC120040	951,210	70,555
Community Development Block Grant 2011	14.218	B11MC120040	792,851	109,659
Community Development Block Grant 2012	14.218	B12MC120040	661,849	124,611
Community Development Block Grant 2013	14.218	B13MC120040	709,831	409,508
Neighborhood Stabilization Program (NSP2008)	14.218	B-08-MN-12-0022	4,398,575	271,554
Neighborhood Stabilization Program (NSP2010)	14.218	B-11-MN-12-0022	2,330,542	1,040,881
Sub-total	14.218			2,300,279
Pass-Through Broward County				
HOME Investment Partnerships Program 2010	14.239	11-HFCD-004-HOME	241,659	203,783
HOME Investment Partnerships Program 2011	14.239	11-HFCD-061-HOME	217,155	140,546
HOME Investment Partnerships Program 2012	14.239	12-HFCD-097-HOME	150,696	110,241
HOME Investment Partnerships Program 2013	14.239	13-HFCD-127-HOME	149,499	93,165
Sub-total	14.239			547,735
Total U.S. Department of Housing and Urban Development				**2,848,014**
U.S. Department of Justice				
Law Enforcement Agency Equitable Sharing Fund from Justice	16.922	None		825
Pass-Through the Office of the Attorney General				
Victim of Crime Act Grant (VOCA) 2012	16.575	V13036	17,918	17,730
Byrne Justice Assistance Grant 2011	16.738	2011-DJ-BX-2512	27,038	2,200
Byrne Justice Assistance Grant 2012	16.738	2012-DJ-BX-0035	18,619	14,069
Byrne Justice Assistance Grant 2013	16.738	2012-DJ-BX-0369	20,417	18,652
Sub-total	16.738			34,921
Total U.S. Department of Justice				**53,476**
U.S. Department of Treasury				
Law Enforcement Agency Equitable Sharing Fund from Treasury	21.000	None		34,676
Total U.S. Department of Treasury				**34,676**
U.S. Department of Agriculture				
Pass-Through Florida Department of Education				
School Breakfast Program	10.553	01-0363	94,766	94,766
National School Lunch Program	10.555	01-0363	627,792	627,792
Pass-Through Florida Department of Agriculture & Consumer Services				
NSLP Non-Cash Assistance (Commodities)	10.555	2040	122,939	122,939
Sub-total	10.555			750,731
Total U.S. Department of Agriculture				**845,497**

(continued)

See note to the schedule of expenditures of federal awards, state financial assistance projects and local awards

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Financial Assistance Projects and Local Awards
Fiscal Year Ended September 30, 2014
(continued)

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Identifying Number	Total Award	Expenditures
U.S. Department of Education				
Pass Through the Florida State University				
Individuals with Disabilities Education Act (IDEA)	84.027A	686-2634A-4CB01	$ 68,280	$ 68,280
Pass Through the School Board of Broward County				
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2635A-5CB01	15,201	15,201
Sub-total	84.027A			83,481
Pass Through the Florida State University				
Individuals with Disabilities Education Act (IDEA)	84.173A	686-2674A-4CP01	774	774
Total U.S. Department of Education				**84,255**
U.S. Department of Homeland Security				
Pass-Through Florida Division of Emergency Management				
Urban Area Strategic Initiative (UASI 2011)	97.067	12-DS-22-11-23-02-236	220,901	125,609
Urban Area Strategic Initiative (UASI 2012)	97.067	14-DS-C5-11-23-02-212	121,141	121,099
Urban Area Strategic Initiative (UASI 2013)	97.067	14-DS-LS-11-23-02-413	121,141	121,133
Sub-total	97.067			367,841
U.S. Department of Homeland Security				**367,841**
U.S. Department of Health and Human Services				
Pass-Through Areawide Council on Aging of Broward County, Inc.				
Older Americans Act- IIIB - 2013	93.044	JA-113-10-2013	351,315	84,908
Older Americans Act- IIIB - 2014	93.044	JA-114-10-2014	351,315	235,136
Sub-total	93.044			320,044
Older Americans Act- IIIE - 2013	93.052	JA-113-10-2013	93,215	27,978
Older Americans Act- IIIE - 2014	93.052	JA-114-10-2014	93,215	81,914
Sub-total	93.052			109,892
Energy Assistance -2014	93.568	JP113-10-2014	19,404	11,027
Energy Assistance -2015	93.568	JP114-10-2015	18,877	10,294
Sub-total	93.568			21,321
Pass-Through Florida Department of Children and Families				
Chafee Foster Care Independence Program-Transitional Housing-2013-2014	93.674	JJ214	69,205	69,205
Chafee Foster Care Independence Program-Transitional Housing-2014-2015	93.674	JJ214	69,205	23,069
Sub-total	93.674			92,274
Pass-Through Nova Southeastern University				
Geriatric Education Centers	93.969	5UB4HP19211-03-00	3,040	3,040
Total U.S. Department of Health and Human Services				**546,571**
Department of Transportation				
Pass-Through Florida Department of Transportation DBA: S FL Regional Transportation				
Federal Transit_Capital Investment Grant	20.500	FL-04-0130-00	427,500	126,277
Pass-Through Florida Department of Transportation				
Capital Assistance Program	20.513	FL-16-X007-00	72,000	66,277
Total U.S. Department of Transportation				**192,554**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 4,972,884**

N/A - not available or not applicable.

See note to the schedule of expenditures of federal awards, state financial assistance projects and local awards

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Financial Assistance Projects and Local Awards

Fiscal Year Ended September 30, 2014

(continued)

State Agency/Pass-Through Grantor/Program Title	State CSFA Number	Grant or Identifying Number	Total Award	Expenditures
Florida Department of Elder Affairs				
Pass-Through Areawide Council on Aging of Broward County, Inc.				
Local Services Program -2014	65.009	JL113-10-2014	$254,388	$176,745
Local Services Program -2015	65.009	JL114-10-2015	254,388	68,622
Sub-total	65.009			245,367
Total Florida Department of Elder Affairs				**245,367**
Florida Department of Education				
Pass Through the School Board of Broward County				
District Bandwidth Support	None	060-90030-4S001	55,661	55,661
Total Florida Department of Education				**55,661**
Florida Housing Finance Agency				
State Housing Initiatives Partnership (S.H.I.P.) - F/Y11-12	52.901	N/A	117,004	96,668
State Housing Initiatives Partnership (S.H.I.P.) - F/Y12-13	52.901	N/A	60,494	15,424
State Housing Initiatives Partnership (S.H.I.P.) - F/Y13-14	52.901	N/A	217,664	146,835
State Housing Initiatives Partnership (S.H.I.P.) - F/Y14-15	52.901	N/A	710,459	22,740
***Total Florida Housing Finance Agency*/Sub-total**				**281,667**
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS				**$582,695**
Local Awards/Program Title				
Broward County Local Awards				
Broward County Transit Grant	N/A	N/A	307,435	$307,435
OAA Older American Act-Broward Cash Match - 2014	N/A	JA-114-10-2014	43,868	42,158
Total Broward County Local Awards				**349,593**
Children's Services Council of Broward County				
CSC Maximizing out-of-School Time (MOST SN)	N/A	12_4321	104,850	**79,255**
Total Children's Services Council of Broward County				**79,255**
TOTAL EXPENDITURES OF LOCAL AWARDS				**$ 428,848**

N/A - not available or not applicable.

See note to the schedule of expenditures of federal awards, state financial assistance projects and local awards

CITY OF PEMBROKE PINES, FLORIDA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE PROJECTS AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE A – BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards includes the federal, state and local grant activity of the City of Pembroke Pines, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations,* and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glsccpa.com

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

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pembroke Pines, Florida as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise City of Pembroke Pines, Florida's basic financial statements, and have issued our report thereon dated March 26, 2015. Our report includes a reference to other auditors who audited the financial statements of the City's Firefighters and Police Pension Trust Funds, as described in our report of the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Pembroke Pines, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Pembroke Pines, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Pembroke Pines, Florida's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
March 26, 2015

GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glsccpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE FLORIDA AUDITOR GENERAL

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

Report on Compliance for Each Major Federal Program

We have audited City of Pembroke Pines, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.650, Rules of the Florida Auditor General that could a have direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2014. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Florida Auditor General.* Those standards, OMB Circular A-133, and Chapter 10.650, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, City of Pembroke Pines, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014.

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Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
March 26, 2015

CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE PROJECTS, AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the City of Pembroke Pines, Florida.

2. There were no significant deficiencies relating to the audit of the basic financial statements reported in the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The audit did not disclose noncompliance that is material to the financial statements.

3. There were no significant deficiencies relating to the audit of the major federal programs and state financial assistance projects reported in the independent auditors' report on compliance for each major program and on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650.

4. The auditors' report on compliance for the major federal programs and state financial assistance projects for the City of Pembroke Pines, Florida expresses an unmodified opinion.

5. Audit findings relative to the major federal programs and state financial assistance projects for the City of Pembroke Pines, Florida are reported in Parts C and D. of this Schedule.

7. The programs and projects tested as major programs and projects include:

Federal Programs	CFDA No.	Amount
Child Nutrition Cluster:		
National School Lunch Program	10.555	$ 750,731
School Breakfast Program	10.553	94,766
Special Programs for the Aging – Title III, Part B	93.044	320,044
National Family Caregiver Support - Title III, Part E	93.052	109,892
		$ 1,275,433

Dollar threshold to distinguish Type A and Type B Programs $300,000

State Projects	CSFA No.	Amount
Local Services Program	65.009	$ 245,367
District Bandwidth Support	N/A	55,561
		$ 301,028

Dollar threshold to distinguish Type A and Type B Programs $100,000

8. The City of Pembroke Pines, Florida, was determined to be a low-risk audit pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS AUDIT

NONE

D. OTHER ISSUES

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state financial assistance projects.

2. No corrective action plan is required because there were no findings required to be reported under the federal or state Single Audit Act.

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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pembroke Pines, Florida (the "City"), as of and for the year ended September 30, 2014, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2015. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 69% of the total net position, 63%of the total additions, and 62% of deductions of the fiduciary fund totals. 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 amount included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the reports of the other auditors.

AUDITORS' RESPONSIBILITY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Chapter 10.550, Rules of the Auditor General.

OTHER REPORTS AND SCHEDULES

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control over compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 26, 2015, should be considered in conjunction with this management letter.

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PURPOSE OF THIS LETTER

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

I. Current year findings and recommendations.
II. Status of prior year findings and recommendations.
III. Compliance with the Provisions of the Auditor General of the State of Florida.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Pembroke Pines, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

Miami, Florida
March 26, 2015

LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

NONE

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

NONE

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. Unless otherwise required to be reported in the auditors' report on internal control over financial reporting and on compliance and other matters or schedule of finding and questioned costs, the management letter shall include, but not be limited to, a statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report pursuant to Rule 10.557(3)(b) or (c). There were no recommendations made in the preceding annual financial audit.

2. There were no significant findings and recommendations to improve the City's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2014.

3. There were no findings of noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

4. The City of Pembroke Pines, Florida was incorporated in accordance with House Bill No. 1413 on June 20, 1960. There are no component units related to the City.

5. The City of Pembroke Pines did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

6. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2014 financial audit report.

7. We applied financial condition assessment procedures pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General and no deteriorating financial conditions were noted. It is management's responsibility to monitor the City of Pembroke Pines, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

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INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined City of Pembroke Pines, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

Miami, Florida
March 26, 2015

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